

*Appropriation Bill, 2014*

*Thursday, September 18, 2014*

**HOUSE OF REPRESENTATIVES**

*Thursday, September 18, 2014*

The House met at 1.30 p.m.

**PRAYERS**

[MR. SPEAKER *in the Chair*]

**APPROPRIATION (FINANCIAL YEAR 2015)**

**BILL, 2014**

[Sixth Day]

*Order read for resuming adjourned debate on question* [September 08, 2014]:

That the Bill be now read a second time.

*Question again proposed.*

**The Minister of Planning and Sustainable Development (Sen. The Hon. Dr. Bhoendradatt Tewarie):** Thank you very much, Mr. Speaker. I thank you and all hon. Members for the opportunity to say a few words on the Appropriation (Financial Year 2015) Bill, 2014 and the budget for 2015 and, more specifically, to respond to some of the issues that have been raised in this honourable House.

I want to deal specifically with four issues: one is the issue of statistics and the CSO; the second is the allegation that constituencies in which Opposition Members are present are not properly served. I want to deal a little bit with the issue of children and, therefore, put into context the grant that we have given to support newborn babies; and, finally, I want to deal with the issue of the charges that the People's Partnership Government has no plan.

Therefore, I begin, Mr. Speaker, with the reality that was, you might say, taken to excess in this budget debate in this honourable House, and that is the reality of misinformation, of untruths, of manipulation of the facts and genuinely calculated attempts to deceive the population by presenting misinformation to the population.

The objective, very clearly, of the Opposition spokesmen, was to damage the credibility of the Government in spite of the purposefulness of this Government's stewardship; to discredit the genuine achievements of the Government and to give

a false and sometimes alarmist picture of what is happening in Trinidad and Tobago.

The first issue is the issue of the Central Statistical Office, the CSO, and the production of statistical information; the numbers in the *Review of the Economy*, which one Member was so bold to say were in fact fudged; and the validity of statistical data coming out of the CSO and manifesting itself in the *Review of the Economy* for budget making, decision making and policymaking.

The first issue is: are there problems in the CSO and the answer to that is yes. And I have on several occasions admitted that and publicly expressed my position on where the CSO is and what we were doing to deal with these problems.

One of the major problems is the problem of accommodation, of workspace and of employees working at home and employees sometimes working on shift with each other by arrangement, in order to get the job done. I do want to take the opportunity, since I am speaking about statistics and the CSO, to thank the Acting Director, Mr. Sterling Chadee of the CSO, a top-class statistician, his deputy and the senior officers of the CSO for their leadership, commitment, poise and diligence in the face of very, very stressful situations; for managing a difficult situation and doing what had to be done from time to time; motivating employees, ensuring a rhythm of performance and, ultimately, getting the job done and on time as well.

I can say for a fact that the CSO had the GDP figures prepared and thoroughly checked and rechecked well in advance of the deadline set. This was a promise that they made and I commend them for their commitment and I thank them for their sense of responsibility. [*Desk thumping*] I also take the opportunity to thank all those employees at the CSO who are contributing to success and achievement every day in spite of trying circumstances. Trinidad and Tobago owes the CSO and its employees a genuine debt of gratitude. [*Desk thumping*]

But the Leader of the Opposition, in this honourable House, raised the question of accommodation and I simply want to clarify what the situation is there. The state-owned building, located on Independence Square, Port of Spain, and occupied by Central Statistical Office for many years, was closed in May 2013 due to occupational safety and health concerns. This has resulted in the urgent need to accommodate approximately 350 staff members. As an immediate response, some critical posts are temporarily being accommodated at its other office space located at Park Street, Port of Spain. So, many of my senior officers are in fact in Park Street now.

What we sought to do was to seek alternative accommodation in Port of Spain. We were able to come to some arrangement with a location known as Capital Plaza, which is on 11—13 Frederick Street and, through Property Management, we were able to agree on the terms. We received all the reports, et cetera, and then it turned out that there was a problem with the building which took months to solve and, without having those problems resolved, without having the fire officers sign off on it, we could not, in fact, take the building.

There was a building for which everything had been passed for the Ministry of Communications and that was a building at the corner of Wrightson Road and Independence Square, Port of Spain, owned by Furness Trinidad Limited. Again, all the arrangements were made; we did all the negotiations; when it was time to move in, it turned out that there were problems with that building in terms of quality of air, in terms of OSHA requirements and in terms of fire. So we could not, in good conscience, move the employees into those buildings.

So here we are with these two buildings, arrangements have been made, and we are still not able to move into them. But what we have been able to do in the meantime is to come to a decision. The Permanent Secretary and senior members of the CSO, including myself, went to visit the building; it is not yet completed; it is on 47 Frederick Street, and that building has the space to accommodate all members of the CSO, and it is being prepared for that purpose now. [*Interruption*]

On Frederick Street in Port of Spain, it is a multistorey building. I think it is five or six storeys. It is a new building. It is being prepared now fit to purpose because it has not yet been completed. The CSO is working with them and the Property Management is working with the Valuation Division to try to bring this building to the point where, hopefully, it can be occupied, if not in December as we hope, in January.

So, by January of next year, we will have the CSO all together in a single space and we will be able then to do what we have not been able to do because of their dislocation in so many different parts of the country, including in their own homes. Once we have them in a single space, we will be able to address the problem or the challenge of transformation of the CSO into a modern organization.

Now the other issues that were raised were issues having to do with statistics coming out of the CSO. I just want to read the figures that predate the coming into office of the People's Partnership Government.

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When you look at the *Review of the Economy*, you see that, in 2009, you have -4.4 per cent growth. You have -0.1 per cent growth in 2010. You see 0 per cent growth in 2011. You see 1.4 in 2012. You see, 2013, 1.7; and you see provisionally, for 2014, 1.9.

You look at the jobs numbers coming out of the CSO: 2008, 4.6; 2009, 5.3; 2010, 5.9; 2011, 5.0; 2012, 4.9; and now, at the end of the fourth quarter of 2013, 3.8. [*Desk thumping*]

When you look at the figures for economic growth, they seem reasonable when you move them from 2009 all the way to 2014. Again, there is no reason for alarm about the figures having to do with unemployment because you look at from 2008 to the present time and you see that there is a difference about 1 per cent or 2 with a downward trend in unemployment in the country. And anybody would be happy for that, but I guess that would not please the Opposition.

When you look at the inflation numbers, you see 2008, 12 per cent; 2009, 7 per cent; 2010, 10.6; 2011, 5.1; 2012, 9.2; 2013, 5.1 and 2014, up to June, 2.8 per cent.

**1.45 p.m.**

And, again, you see inflation figures that are systematically coming down. There is no need to question the jumps that are taking place, because they are not huge jumps. Again, they are couple percentage points, but what you do see is a downward trend in the movement of the inflation rate. You have all the other numbers that have to do with the financial documents that were provided by the hon. Minister of Finance and the Economy, and those would have given you the budgetary figures for the various years from 2007 to 2008, including projections, actuals, et cetera.

And, again, there is no reason to question any of this, because this is very systematic. It is the normal business of the public service and the various institutions that support governmental activity in the country to prepare these things on a professional basis from year to year, yet these Members of the Opposition are questioning the figures, and really trying to cause consternation and doubt in the mind of the public.

So that, for instance, the bulletin on the employment figures for the fourth quarter has just been released and it says, very simply:

The unemployment rate increased marginally from 3.7 in the third quarter to 3.8 in the fourth quarter of 2013.

So when you do an average for the entire year, you will have to take the four quarters into account, and you would probably end up with 3.65 or 3.7 as the case might be. I cannot remember all the numbers for the different quarters, but they are easily to be found in the documents that have been prepared.

The point I am making is that the figures are reasonable; they are done by professional people. The whole intention of doing these figures is to keep the country aware and alert to what is happening in the economy: whether it is inflation; whether it is the number of jobs; whether it is any other statistical dimension of measurement in the country that the CSO does.

Now, the Member for Diego Martin North/East talked about the fact that the budget represented economic fraud, and he talked about the fact that the numbers belie the reality of life in Trinidad and Tobago and so on, an argument that cannot be substantiated either by the figures that are available or by the reality of life on the ground in any part of Trinidad and Tobago.

So I asked the Central Statistical Office—I asked the director—to respond to some of the issues that the Member for Diego Martin North/East said, and this is the response that I got.

The Central Statistical Office utilizes a systematic approach for revising the annual GDP estimates that have been in place over the last 40 years.

GDP estimates are revised when better data become available, which normally occurs over time as more companies complete and submit their financial accounts and questionnaires. The CSO does not pluck numbers out of the air. They relate to the supply of information, in the case of GDP, from the business organizations in this country.

The National Accounts Division of the Central Statistical Office follows the national accounting procedures prescribed by the United Nations System of National Accounts 1993. The gross domestic product estimates, resulting from the application of such procedures, together with consistently applied imputation methodologies, are based on data collected generally from survey

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instruments, financial and economic data collected directly from establishment and administrative data.

The CSO produces GDP estimates at current and constant prices.

And always you will see there is a page with constant prices, and there is a page with current prices.

The Annual Survey of Establishments is one of the main data sources used for computing the GDP. Over any given period, GDP estimates are classified as actual estimated revised estimate and provisional depending on the level of survey responses and administrative data available at the time of calculation.

Current year GDP estimates are normally classified as provisional, since they are based on just a few months' data. They carry the least reliability and can be expected to change when more data becomes available in the following year.

Now that would tell you immediately that every year that you have completed, you would of necessity have to revise the data for the year before, because the data would have been based on a limited number of months in the year and projected based on that. So when you would have completed the year, you would have to go back and revise the figures because at the end of, let us say, seven or eight months into the new year, you would have completed 12 months of the year preceding.

When sufficient data and survey responses have been acquired for a given year, GDP estimates are classified as actual, meaning that the data have been finalized and no further changes are to be made to the estimates made.

If, however, the data collected are insufficient for a given reference calendar year, the GDP estimates for that calendar year will be revised when additional data has been collected. Consequently, it is not unusual for GDP estimates to be revised annually.

The Table below shows revised GDP constant prices, estimates as reported in the *Review of the Economy 2013* and revisions reported as in the *Review of the Economy 2014*.

And they have the documentation here in a tabular form.

So I want to go on to show you how mischievous and calculatingly destructive the Members of the Opposition can be and, most particularly, the Member for Diego Martin North/East who is a bright Member of Parliament, but uses his brains only for mischief and manipulation. [*Desk thumping*]

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If you look at the *Review of the Economy* that is for this year, 2014, you will see in Appendix 1, which is on page 65 of this, “Gross Domestic Product of Trinidad and Tobago at Constant (2000) Prices” and then you would see for 2014, you will see 2014<sup>p</sup>, that is projected and you have the estimates there, and then you will see for all the rest: 2010, 2011, 2012, 2013, you will see “re”. Okay. And basically what that is, is that it tells you that the numbers have been revised from the year before. Okay? Now, this is in 2014—that is from 2010 to 2014.

Facing the issues, I want to take the *Review of the Economy 2010* and I want to go to the same Appendix 1 in 2010 which is on—it does not have the number of the page here. It does not have the number of the page. In Appendix 1, what you see here is for 2010 you see projected, and then you see for 2006, 2007, 2008, 2009, again, you see, “re”, revised. Okay? So that these are constantly under review, but if you do not believe me, and you say well in 2010 we came into office and, therefore, we would have done that, I want to take you to 2006, and I am going to the same Appendix; Appendix 1. Okay. In that Appendix 1, you will see 2006<sup>p</sup>, that is to say projected, and then you will see 2002, 2003, 2004, 2005 “re”, which basically tells you that this has been the method for the entire period of our economic history [*Desk thumping*] of preparation. He knows that. That is why I am saying he uses his brains for manipulation and mischief. It is what he is good at. So it is not that he does not know; it is a calculation to mislead.

And I want to get now to the Member for St. Joseph. The Member for St. Joseph raised the issue of the International Monetary Fund, and I have the International Monetary Fund here. I have my own quibbles and problems and challenges with the IMF. I want to say that. I have always had a problem with them. Ever since I debated Claudio Loser, who was the head of hemispheric affairs right here in Port of Spain. He came here to tout the spectacular achievements of Argentina, and I warned him that it was wrong and that the IMF policy for the Caribbean should not proceed in the way that they did with their policy. At that time, he was talking about second generations reform, which I had no problems with but, as it turned out, Argentina collapsed, and as it has turned out in the Caribbean, you cannot take these policies and simply impose them on countries in that way, and you cannot treat economies such as you have in the Caribbean as if it were just an accounting exercise. It is development that we are after. It is not about accounting. So I have my own problems with the IMF, but I would deal with the IMF, “me and them”. All right? [*Laughter*]

I asked the head of the CSO to respond to what the IMF had to say and this is what the Director of the CSO had to say:

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Response to IMF Article 4 Consultation Report September 2014—Statistical issues:

We recognized that the CSO has been faced with many serious challenges, including human and financial resources that severely impact our ability to produce timely and relevant statistics that are in high demand. These problems are the resultant conflagration of a long legacy of dormancy in addressing the structural and human resource needs of the CSO, so much so that the CSO currently operates now, in 2014, with the organizational structure and permanent staffing that was created as far back as 1972.

The solution lies in the longer term transformation of the CSO into a modern statistical agency which the Swedish consultancy reports form a blueprint.

The latest challenge is the accommodation issue which is being resolved as the CSO will shortly be moving into new accommodations at No. 47 Frederick Street, Port of Spain.

The IMF assessment of the statistical issues is a most extreme exaggeration of the challenges at the CSO, and their impact on the overall statistical system.

It must be noted that the CSO continues to produce critical core economic data and strive constantly to improve timeliness of our data series.

While the accommodation and other challenges have severely impacted our overall data production capability, the staff of the CSO have worked hard to produce critical economic data, including GDP estimates, which were produced for the years 2010, 2011, 2012, 2013 and 2014.

The monthly retail price index which measures inflation was produced monthly up to July 2014. August RPI will be released shortly.

**2.00 p.m.**

The quarterly labour force bulletins have been produced for quarter one, two and three, and for fourth quarter 2013; first quarter 2014 is currently being processed. The index of retail sale was produced for the second quarter 2014. The Domestic Production Index (DPI) was completed for the second quarter 2014, while the Producer Prices Index (PPI) is being processed for the third quarter 2014. The annual survey of business establishments, which are the main data source for the GDP, has been conducted for the years 2011, 2012 and 2013. The bimonthly survey of departing visitors was conducted May/June 2014.



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I want to say, when I came to the CSO, the data on tourism was three years late. They are giving now May and June 2014.

Bimonthly food crop survey for December 2013 was completed. Additionally, the CSO has successfully attended to numerous data requests for census and trade data, as well as providing many external Government departments and institutions with assistance in sampling and sample selections.

Listen to this:

The IMF assisted the Central Statistical Office, at our request, in the improvement of the methodology for computing the Retail Price Index. The revised methodology was introduced in May 2012 and is currently being used to produce the Retail Price Index and the rate of inflation. The Central Statistical Office is currently engaged in an IDB-funded project where the CSO is working with an international trade consultant to enhance the systems used in the production of national trade statistics.

The main outcomes of this project will be to augment the quality and timeliness of the trade data, as well as to allow for expanded dissemination parameters, including a web-based application which will give users real-time access to trade statistics.

By the way, you can go on the website now and see whether there is missing data on the CSO.

Clearly, the production of such critical data sets—

And I think this is important to register this. This is what the director wrote:

Clearly, the production of such critical data sets and introduction of improved methodologies do not inscribe a pattern of collapse of the statistical data production processes, but rather reflect a sort of regeneration under very difficult conditions. The assessment by the IMF does not incorporate the many efforts being made to improve data quality and timeliness at the CSO, as well as the consequent improvement in data availability that is clearly apparent since the Article IV visit in April 2014.

So that is the position on the IMF and all the use of the IMF to criticize the CSO. These are the facts. These are the real facts. I want to say that we are in the process now, Cabinet has agreed to the restructuring of the Central Statistical Office. The reason we cannot restructure is because we do not have them in one place, and the kind of restructuring that is required, based on a demand study,

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based on a supply study, based on the ICT requirements, and based on the spaces required for the new human resource capability, that requires you to have a physical home in which these people can be accommodated properly, and in which the IT system can be connected, not only to one another, but to the supply and demand sides of the ecosystem that you are trying to create.

So Cabinet has agreed now to the restructuring and a committee has been established, of public servants and people from outside, with the competence necessary to drive this process. I do want to say something to you. Whenever the Opposition is chastising the Government about something and persistent about it, you can rest assured there is a hidden motive. Okay? They never come clean. They never come clear. They are not interested in facts. They are not interested in information. They are interested in disinformation and they always have some calculated strategy in which the confusion of the population is the objective.

When you look at the information that is available—let me give you an idea what has been happening to the CSO—in 1986/1987, the Busby Report was done which focused on the CSO, and the findings of that was that there was need for significant transformation of the Central Statistical Office. In fact, that Busby Report from '86/'87 was used as the basis for the first set of consultancies that were done in Trinidad and Tobago about the Central Statistical Office. And when were these done? In 2001, Cabinet Minute No. 898 to 2001, and it recommended that the CSO be given the status of an executive agency and an enlarged coordination role. I do not have to tell you that nothing was done.

There is no date here but it is a date somewhere between 2000 and 2007; we could not locate the date of the invitation. The Ministry of Finance and the Economy invited the UN mission to examine the quality of data produced by the CSO. This was probably around 2003, I think. They did their work but, again, nothing was done. In 2007, Statistics Sweden was called in; they did their report, assessment and recommended the most appropriate structure for the CSO and its role in the statistical system. A Cabinet Note was prepared, it was never taken to Cabinet; again, nothing was done with the CSO—this is 2007. In 2007, a Cabinet Minute No. 2934 indicated that they accepted the final report of the consultant and agreed to the establishment of a National Statistical System and a National Statistical Institute, and from 2007 to 2010 nothing was done.

On September 10, 2007, electronic process design project was managed, I suppose, in a consulting role. Fujitsu and PSTG, I do not know who they are but they did, again, some consulting work based on the work of the consultants. In

2008, IGES Management Solutions Limited was called in and a transformation project established, and a transformation manager brought in—I do not want to call the lady's name because I do not want to cause any problems for the person—July 2009, consultancy to draft regulation pursuant to proposed statistics Act in support of the restructuring of the statistical office.

The end result of 1986 to 2009 was nothing; from 1986 to 2009 was nothing. That is the end result, which is consultancy interventions and reports, but nothing was done. I can say that under my watch since 2011, not only did we produce the census reports but we have had subsequent reports out of that, and everything in the CSO that had a challenge is better off than it was before; trade statistics, labour statistics, everything, and by October or November this year we would have caught up, entirely, with the labour statistics information system in this country. And when we move into the new Central Statistical Office, they will then be in a position with a restructured and revamped CSO to be able to really move to independence and run an organization that is truly something to be proud of in Trinidad and Tobago.

These are the reports here which our Cabinet has now accepted so that we can begin the transformation of Statistics Sweden; they are all here, all right, and the work is being done to make sure that we have a CSO. If we have a CSO that is worth something and that has an international reputation, which it in fact has now in spite of all the difficulties, we would have achieved something of value for this country because it is that important, but it will be no thanks to the Opposition during their tenure in office. It will be because we did everything that was required to make sure that we entered the modern age. [*Desk thumping*]

So I leave this issue of statistics and I want to say that quoting the IMF and trying to make things look bad does not change the reality of progress at the CSO. I want to say that the misinformation provided by the Member for Diego Martin North/East was calculated because he knows the evidence of how these things are revised every three, every four years or so; every five years in the system, and every year in fact for the year before. More than that, the Leader of the Opposition who talked about the fact that the CSO has no home and it has no place to work and so on, that is not something to laugh about; that is a challenge. It is a crisis that we are facing because of all kinds of things, and I do not want to get into that. Part of the reason for things like that in Port of Spain, the reason you cannot get buildings and so on, is because they, for years, used Town and Country Planning in order to give permission to their friends and to nobody else to build buildings [*Desk thumping*] that were tied up. You can watch the whole history of

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the place and you would understand it. It is tied to political patronage down the line.

I want to move now to another challenge, and I would go very quickly. What I want to do is speak to the Opposition's constant haggling about the fact that their constituencies are not looked after in this country. All right. [*Crosstalk*] Let us start with La Brea. [*Laughter*] The Minister of Energy and Energy Affairs told me that a French company by the name of Technip will commence construction on the Juniper platform in LABIDCO fabrication yard in 2014, all right. This will create some 300 to 400 direct jobs, and this job creation is a direct result of bp's decision to invest in the Juniper project and is a direct consequence of changes in the fiscal regime for the last four years. So what it means really is that La Brea will get a boost in the private sector, but that whole Point Fortin area, the hospital, the highway, the industrial—the decision on the economic development zone; all of those things are going to make an impact on the community there.

In terms of health, we have a health centre office, extended hours in Carenage, the St. James Medical Complex; you have it in Diego Martin, Point Fortin, the hospital I mentioned, the Carenage Health Centre, that is being constructed now as I remember. You have the Diego Martin Highway. I do not know when last you went to Chaguaramas but I went there last week Sunday just to see the work that is going on, and the kinds of things that are happening there were things that nobody conceived of before. [*Desk thumping*] Believe you me. All right.

I want to tell you about basic things like water, all right; 216 water projects, 137,000, it looks like, lengths of pipe, involving an expenditure of \$215 million. And where? Arouca/Maloney, St. Joseph, Laventille East, Laventille West, Diego Martin Central, Diego Martin West, Diego Martin North/East, Port of Spain/St. Ann's West, Port of Spain/St. Ann's East, Port of Spain South, Point Fortin, La Brea, San Fernando East—I mean, how could you all dare complain? It is a shame. [*Desk thumping*]

### **2.15 p.m.**

How could you all complain—and you give the population the impression that this Government somehow is vindictive and favouring a part. Let me tell you something: it is a fact that this Government has reversed, for all time, rural neglect

in Trinidad and Tobago. [*Desk thumping*] We have reversed 50 years of rural neglect, but we have also catered for every community in Trinidad and Tobago.

**Hon. Member:** Where? Where?

**Sen. The Hon. Dr. B. Tewarie:** Look at these. These are squatter regularization sites: Jean Avenue, Diego Martin, Diego Martin North/East; La Brea Trace, Siparia, La Brea; Allambie Street, Tarouba in San Fernando East; Maracas Royal Road, Maracas Valley; Alta Garcia, Maracas Royal Road; Scorpion Village, Carenage; Guapo in Point Fortin; Waterhole in Cocorite; Alexis Street in Morvant; Five Rivers, Lopinot/Bon Air; Boissiere, Maraval and Lady Chancellor Hill. And you all are complaining? [*Interruption*]

**Mr. Speaker:** Hon. Minister, your time is expired, that is original speaking time. Are you interested in your extra 10 minutes?

**Sen. The Hon. Dr. B. Tewarie:** Yes.

**Mr. Speaker:** Hon. Members, the question is that the speaking time of the hon. Minister of Planning and Sustainable Development be extended by 10 minutes.

*Question put and agreed to.*

**Sen. The Hon. Dr. B. Tewarie:** Thank you so much, hon. Speaker. I will go quickly now, but I just want to give the population the accurate picture.

Look at things like community centres by the Ministry of Community Development: Diego Martin North/East; San Fernando East; Laventille East/Morvant; Port of Spain South; Diego Martin West, all of these in constituencies that those Members of the Opposition represent, without any discrimination whatsoever by this Government. The Government does what it feels is right to be done for the citizens of this country. [*Desk thumping*]

When we look at completed projects by the Ministry of Works and Infrastructure through CISL, from 2010 to the present time. I will just read some of them; I cannot read all, look at the size of this thing: flood alleviation works, London Street, Wrightson Road; retaining wall, drainage work and road work in Ravine Road, Diego Martin; South Cocoyea flood alleviation in Blitz Village; Bird retaining wall, Bird Street, Diego Martin; Clarence and Panka Street, Woodbrook; construction of new San Juan Market complex; Cocoyea flood alleviation project in Narin Avenue, South Cocoyea; Brasso Seco, La Canoa

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Road, and so on, in Arouca. Maloney; Diego Martin West; St. Ann's East; Diego Martin North/East; Diego Martin Central; Diego Martin East; Diego Martin Regional Corporation. All right, we leave those there.

**Dr. Khan:** What about Barataria?

**Sen. The Hon. Dr. B. Tewarie:** In Barataria we are building the library there. The Minister of Education says the library will go there.

The Member for Port of Spain South—I went to open a community facility the other day. We took pains, I begged the people from East Port of Spain to make sure not to forget the representative from the area; make sure she is present. She did not show up for the event. She did not show up for the event; a beautiful facility, the kids are there, we put computers in it, we have good training centres, et cetera. In that East Port of Spain area, which involves Port of Spain South and Laventille West, I think—right?—do you know that we have done 46 projects in that little 90,000-area community, [*Desk thumping*] from 2011—not 2010—because it took some time to get things going—from 2011—2014.

Look at this: Beetham Play Park, completed September 2011; Enforcers Recreation Ground, completed February 2013; Jacobin hard surface court, Morvant, October 12, completed; Jacobin Court, Morvant, supply and install lighting, completed June 2013; Coconut Drive pavilion, completed, and so all of them. Do you know what we are doing there? We have gone in East Port of Spain, having found out that there are still pit latrines there in that community, and we have made a commitment—and I must say that we have collaborated with the mayor in this particular instance—to eradicate every single one of them before the year is over. [*Desk thumping*] That would be a legacy of this Government, not yours which governed for 50 years. This Government will have eradicated pit latrines in East Port of Spain. [*Interruption*]

**Mrs. Gopee-Scoon:** Mr. Speaker, point of order, 44(8). No, this is after.

**Hon. Member:** Pit latrines?

**Mr. Speaker:** You will have to explain to me at the appropriate time, but continue, please.

**Mrs. Gopee-Scoon:** Okay.

**Sen. The Hon. Dr. B. Tewarie:** Thank you very much, Mr. Speaker. But that would be one of the legacies of this Government, that we would have eradicated pit latrines from that part of Port of Spain, for all time. There are lots of other projects that I can talk about. There are projects done by the Ministry of Works and Infrastructure. There are projects done in URP.

There are schools—Mr. Speaker, when we talk about the schools that have been done: Palo Seco Government Primary; St. Barbara Spiritual Shouter Baptist Primary; Rose Hill Roman Catholic Primary; Egypt Village Government Primary—five minutes; okay. The point I wish to make is that in preschools, in primary schools, in secondary schools, all the constituencies of this country, including the constituencies of the Opposition, have been very, very well served indeed. [*Desk thumping*]

I just want to quickly move to one thing, I would have thought that anybody would have been happy to know that a newborn child would have the support of \$500 from a mother who may not have earnings. You would think that, at least, the child gets one year of opportunity, when milk and diapers could be bought, when the child could be properly served, and which the mother, whatever worries she has, does not have the worry about where is my child going to get the next meal. [*Desk thumping*]

I would have thought that people would have been happy about that; on the contrary, they vex. I do not understand why it is you are vex, but I want to say that this is in keeping with all the things, especially the hon. Prime Minister, emphasizing in this Government: the establishment of the Children's Authority; the concern for children; the Children's Life Fund; the children's hospital; this baby support mechanism that we are creating; the laptops for children.

I want to tell you, we have just done the Millennium Development Report for this country, and a significant part of it is how we are focused, in fact, on children and it gives a good report for Trinidad and Tobago in terms of what we have been able to achieve. What did we focus on there? Eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, Malaria and other diseases; ensure environmental sustainability; develop a global partnership for development. In all the things having to do with young people, with children, with education, with health, the country has performed exceedingly well. [*Desk thumping*]

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We have done things with the United Nations; for instance, in children's issues. These include the programme of cooperation between the governments of the Eastern Caribbean and UNICEF, with Trinidad and Tobago being a key partner as a leader; Trinidad and Tobago's strategic actions for children and the Government of Trinidad and Tobago UNICEF work plan for Trinidad and Tobago 2013—2016—so we are not going anywhere; memorandum of understanding between the Institute of International Relations in order to set up an observatory, a monitoring capability to look at the progress and improvement for children in the entire Caribbean region. So these are some of the things that we are doing.

The last straw was to hear the hon. Leader of the Opposition talk about the fact that this Government has no plan. I want to say, all the documents that I have here on this table and all the documents in this entire bag, [*Dr. Tewarie lifts bag*] these are documents during the stages of evolution of this Government, before we came into office with the manifesto and, subsequent to office, from different Ministries collaborating. Ministry of Planning and Sustainable Development doing certain work with the monitoring and evaluation, with the development, we have all of these things. How could you talk about achievements without a plan? [*Desk thumping*] How could you talk about a national performance framework without a plan? How could you have an annual report 2013, which we laid in Parliament, without a plan, and 2012, without a plan?

The people who do this in the NTU of the Ministry of Planning and Sustainable Development, do you know what happened to them?

**Mr. Speaker:** Hon. Minister, I just give you two seconds to wrap up, please.

**Sen. The Hon. Dr. B. Tewarie:** Yes. The people who produced this were just selected among three finalists in the entire Commonwealth for the work that they have done here. Do you know what the other two countries are? Singapore and Malaysia—and they are very likely to win. [*Desk thumping*]

This is a Government, Mr. Speaker—if you give me one second, [*Laughter*] that has performed, that has contributed every day of our existence in this country, to the development of the country, and that is committed to all the people of Trinidad and Tobago. This is a Government such as you have never seen in the history of this country in terms of performance and achievement and delivery.

Thank you, Mr. Speaker.



**Mr. Speaker:** The Member for Point Fortin rose on 44(8). If you could explain to me what material part of your contribution that the hon. Minister of Planning and Sustainable Development misrepresented, I will then entertain your intervention. Could you do that in a few seconds, please.

**Mrs. Gopee-Scoon:** It just has to do with a statement made by the hon. Minister, that the Juniper platform would provide jobs for La Brea. What I had said is that the Juniper platform, the construction of it, would provide 300 temporary jobs while being built. The point I want to make, and I am saying it as it is, no permanent jobs will be provided to the people of La Brea, from the construction of the Juniper platform.

**Mr. Speaker:** Okay. I recognize the hon. Member for Port of Spain South.

**Miss Marlene Mc Donald** (*Port of Spain South*): Thank you, Mr. Speaker. I always say, coming at the end of the debate is always very difficult, as my colleagues would have dealt adequately with the measures in this budget, unlike the Government Bench. Before I begin my contribution, I want to respond to certain Members on the other side.

I want to respond, in the first instance, to the Member for St. Augustine, the Minister of Legal Affairs. I was not here yesterday, but where I was I seized the opportunity to look at his contribution. I will just make mention of him very briefly. He made mention that there is an unholy alliance between the PNM and the Member for Chaguanas West. But you know, Mr. Speaker, I find that very laughable, because when the Member for Chaguanas West was seated on the other side, on his side of the aisle, it was a very holy alliance. The Member now sits on this side of the aisle, and that alliance has suddenly become unholy. I find it rather laughable. [*Crosstalk*]

**2.30 p.m.**

And this is the same person—[*Interruption*]

**Mr. Speaker:** Please. Please.

**Miss M. Mc Donald:**—and, Mr. Speaker, I want my protection.

**Mr. Speaker:** Yes, you have my protection.

**Miss M. Mc Donald:** I want my protection. This is the same Member, this same Member of Parliament for St. Augustine who, just two weeks ago, refused the chairman of his party a space at a head table where they celebrated their anniversary. And you know what he did? He put another leader to sit at the head table, and her name mysteriously was taken off the agenda, [*Crosstalk*] taken off

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the agenda for speaking at the function. I want to tell the Member for St. Augustine that I feel the same way as thousands of COP supporters outside there—disgusted, totally disgusted with him. [*Desk thumping*] I thought I was going to hear about vision. I thought I was going to hear about stewardship. I thought I was going to hear about plans, but absolutely nothing.

Mr. Speaker, the last speaker, the hon. Senator, you know, I would not pay him too much time, but I want to praise my colleague from St. Joseph for bringing to this Parliament what is exactly going on in the CSO, [*Desk thumping*] and it is because of his intervention that brought this Senator from the other place to try to dispel what the Member for St. Joseph said. And really and truly I do not take on that Member, you know, because I will tell you something, his only claim to fame is to give Machel Montano a \$4 million contract to record some CD, up to now we cannot get it. Up to now we cannot get it. So, I would not bother with him.

Mr. Speaker, it is always a good opportunity to participate in any debate in this Parliament, particularly this is our fifth debate. You know, we started 2010 with these budget debates, and I can assure you and assure this House it will be the last time I will be delivering any speech in any budget on this side of the House. [*Desk thumping*] Last time. [*Crosstalk*] Last time. [*Crosstalk*]

Mr. Speaker, the theme “Empowering our People through Sustained Economic Growth and Prosperity”. I have looked at the theme. That theme is simply misleading. It is hollow rhetoric. It is all put together to create a sense of calm, to create a sense of apathy and false security amongst the citizens of Trinidad and Tobago.

Mr. Speaker, this budget is clearly crafted to garner support, to win friends and influence the minds of citizens. [*Crosstalk*] This is indeed—Mr. Speaker, protect me from the Prime Minister, please? Protect “meh”. [*Laughter*]

**Mr. Speaker:** Hon. Member, you are protected. [*Crosstalk*]

**Miss M. Mc Donald:** Prime Minister, I have enough friends on this side, thank “yuh”. Mr. Speaker, it is indeed an election budget. I have said here already in this Parliament and I will say it again, that so many people can be duped by the mild mannerisms, the lovely words, the silver tongue of the Minister of Finance and the Economy, but not me. Not me! At all! He does it every year. He comes here and he keeps his head down, and then he just peeps up when something is said about him and he laughs. Mr. Speaker, I am not going to be fooled by him.

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You see, if one listens carefully to what was not said in this budget in his presentation, one would understand what is not there in the budget, Member for Oropouche East, one would understand what the true issues are in this budget. And having heard all the speakers on the Government Bench, I am still trying to understand how is this Government going to achieve the objective: “Empowerment of Citizens through Sustained Economic Growth and Prosperity”?

The Minister of Finance and the Economy has not demonstrated the mechanism by which he will achieve sustained economic growth. How have you done that, Minister? You have not put anything forward, any proposals to restructure the economy. You have not done so. You have not presented any measures to diversify the economy. And I will tell you. I will get into that a little later on. There is only the parroting, Mr. Speaker, of economic diversification, with no real recommendations to achieve same.

Mr. Speaker, it is indeed correct to state that this budget is long on expenditure, but it fell woefully short on demonstrating to the national community how all those expenditures will be sustained in the future. And I am dealing with things futuristically. One of the biggest shortfalls in this budget, it does not introduce any new revenue streams—no new revenue streams—and the current revenue streams cannot meet the level of expenditure. So what this Government has to do is to resort to borrowing, whether they do it internally or externally, they have to borrow.

In those circumstances, I ask the Minister of Finance and the Economy the following questions: where are the new income or revenue-generating initiatives in your budget? Second question, how is this budget transforming our economy to create higher value industries, diversified industries? Tell me about that when you are wrapping up. How is this budget creating quality and sustainable jobs for our citizens, not only the short-term, but medium- to long-term period? Mr. Speaker, has this budget addressed quality growth based on innovation that will truly empower our citizens? Has this budget introduced any of those measures? Those five questions I have posed to the Minister. And I know this Minister, you know. He will not answer one. When he stands up to do his summing up, he will not answer one question.

Mr. Speaker, you know as I said, I have dubbed, I have given—as a former student of economics—this budget a little theme, and I have renamed this budget, for me when I was analysing it, “Sustainability of the 2015 budget”. I have no problems with all the goodies that you will find under the social safety net. My

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question and my concern is, how do we sustain such? And if we are going to do that, let us just examine our revenue streams because the Minister painted a very rosy picture of our revenue. And I want to tell you that whilst you talked I was reading the review—not this one, the *Review of the Economy*—and analysing the figures inside there. So, let us examine our revenue earners.

For the fifth consecutive year, this Government has come to this Parliament seeking approval for yet another budget deficit. And permit me to share some of the revenue figures. Mr. Speaker, from 2011, 41.2 billion; 2012, 47 billion; 2013, 50.7; 2014, 55.04; 2015, 60.3. That amounts to, over the five years, \$254.2 billion.

Whilst on the other side, your expenditure is \$303 billion and counting. Because I am sure by mid-year next year, if they are still here, they will come with a supplementation of appropriation, and that of course, will send the expenditure much higher. So there is a shortfall for all intents and purposes of \$49.1 billion deficit which will have to be made up by borrowing. As a matter of fact, I could tell you from the accounts placed before us, there is the borrowing of some \$7.5 billion for the 2014/2015 period—\$7.5 billion.

As I said, the Minister has not said to us if there are any new income streams—none. There are no clear plans to bring about a transformation of our economy. And our economy remains highly dependent on oil and gas revenues. It remains highly dependent in order to fund our ever increasing expenditure.

Mr. Speaker, a reading of the *Review of the Economy* tells you exactly how our revenue earners are performing. Let us take a look at our energy sector because we are characterized as a gas-based economy. Let us look at the energy sector. In the petroleum sector, let us look at crude oil and condensate. This averages something like 80,258 barrels per day for the period October 2013 to May 2014. [*Crosstalk*] Mr. Speaker, yet I am hearing a drone coming from across there. I am being disturbed by the Minister of Finance and the Economy and the Prime Minister.

**Mr. Speaker:** Well you have my protection. Continue, please.

**Miss M. Mc Donald:** Thank you. Let us compare this performance with October 2008 to September 2009, where we produced, the former administration, 108,521 barrels per day. So there has been from 2009 to 2014 an overall decrease of some 26 per cent in the production of crude oil. We are producing some 28,263 less barrels per day. But let us take out crude production by itself, and let us not include condensate inside of there. For the period October 2013 to 2014, crude oil

by itself decreased by 2.3 per cent from 68,715 barrels, to 67,163. The Minister would not come here and talk about this. He will not talk about this at all in this Parliament. This is what he is supposed to do, analyse the figures, so the national community would understand what we are dealing with. The question must be asked of the Minister, why has crude oil production declined, and the overall production of crude and condensate has decreased? And it is just hovering around that figure of 80,000 barrels per day.

Mr. Speaker, the answer perhaps lies in the drilling operations. And looking at the figures presented, the number of wells drilled for 2013/2014, the number of wells amounted to some 47 which is a 26.6 decline over the corresponding period where 64 wells were drilled. And of those 47 wells that were drilled, only seven were for exploration purposes. So, you could understand that we really need to—how I should put it—increase our oil production.

Let us look at natural gas. Natural gas production declined by 1.4 per cent during the first eight months of 2014. Mr. Speaker, natural gas production has not increased over the last four years. There has been a gradual decline in the overall production of natural gas. So, our oil, we are not producing enough, it is on the decrease. Natural gas is also on the decrease. Let us look at LNG. These are our revenue earners, eh. Let us look at LNG. Production of LNG declined by 4.6 per cent during the period October 2013 to March 2014. Compare this performance when we were producing something like about 759.2 trillion BTU—that is British Thermal Units—down now from 759, down to only 379 trillion. Mr. Speaker, we have cut it by some 50 per cent decline in natural gas—sorry—in LNG.

#### **2.45 p.m.**

Let us look at the petrochemical sector. There has been miniscule increases in the petrochemical sector. Ammonia production increased just by 5.7 per cent; urea production just by 9.2 per cent; methanol, by just 8.9. Mr. Speaker, while production and export of certain petrochemicals increased during 2014, the export prices and products such as ammonia and urea declined. At page 4 the Minister of Finance and the Economy said—of his budget statement—and I quote him:

“The non-energy sector in particular, has shown continued strength and buoyancy;”

There is nothing furthest from the truth than this statement. And let us examine what is going on in the non-energy sector: agriculture, marginal increase, 0.8 per cent; manufacturing, well that is scandalous, for 2014 economic activity is expected to decline by 0.7 per cent, and let me give you a history on the

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performance of the manufacturing sector: 2010, it increased by 7.2 per cent; 2011, by 4 per cent; 2012, a decline by 5.8 per cent; 2013, declined by 1.8 per cent and for 2014, I expected a decline by 0.7 per cent. I am getting the figures from the Review of the Economy. I will be able to sit with you and show you how you compile and read. Remember, I am a former student of economics. Just remember that.

Overall, Mr. Speaker, the sector's contribution to GDP, that is the manufacturing sector contribution to GDP, fell from 8.7 per cent to 8.5, and let us compare it. In 2010, it was 9.4 per cent; in 2011, it was 9.8 per cent, that is its contribution to the GDP (Gross Domestic Product)—2012, 9.1 per cent; 2013, 8.7 per cent, and 2014, 8.5 per cent.

Mr. Speaker, let us look at the services sector. All of these are revenue earners. I am showing all of this to demonstrate that our revenue base is shaky. It is shaky, and therefore, to add more expenditure without generating new income streams, we are in for some trouble. As I said, I am not knocking any one of "them" baby grant or whatever. Oh no, I am not knocking that. I am saying, let us examine what we have and where we are going.

The services sector is poised to record real growth of 3 per cent, and I will say, the Minister tried to play with figures, because it was 2.2 per cent, in 2013, and it would be going up to 3 per cent in 2014. Therefore, the growth is really .8 per cent.

Mr. Speaker, on closer examination, it is not all of the services sector that is performing creditably. It is the growth in the finance sector; the restaurants and construction which have collectively resulted, and the security services would have contributed to this .8 per cent growth.

Let us examine our tourism sector., Visitor arrivals have decreased in 2014, and I could give you a history. In 2012, that figure was 503,792 arrivals; in 2013, that figure stood at 467,097; in 2014, that figure stood at 225,986; a 50 per cent decrease. So, we are not doing good there. Cruise ship arrivals decreased by 16 per cent during the first five months of 2014. Overall, the total number of cruise ship passengers visiting both islands decreased by 23.7 per cent, to 22,032 persons from 2013's 28,869. Why the Minister did not tell us these things? Why?

Mr. Speaker, I am saying, given our circumstances with respect to decreasing crude oil production, decreasing production in natural gas and LNG, coupled with

miniscule growth in the non-energy sector, especially the manufacturing sector, I am appalled that nothing has been posited in this budget to boost our revenue streams. Nothing! And as I said, Trinidad and Tobago is characterized as a gas-based economy, but we have not done well in producing more oil and gas.

With respect to oil production, as I said, we are hovering around 80,000 barrels a day. What has saved our economy is the buoyant oil and gas prices. That is why this Government continues to desperately rely on increases in global energy prices in order to book income, while they do very little to diversify our economy away from oil and gas.

Mr. Speaker, if there is a sudden dip in the prices of oil and gas, you know what will happen? It will seriously affect the Government's ability to deliver goods and services to the citizens of Trinidad and Tobago. Added to this, Trinidad and Tobago's revenue is threatened by the US with its shale gas production. Our revenue base—as my grandmother always say to us—“if you are building a house make sure the foundation is good”. Our revenue base is shaky, and in order for us to become strong and to maintain our competitive edge we need to find new oil, start producing—find, get the reserves and start producing new oil and gas immediately.

What we can also do, as I said, we could stop parroting economic diversification and actually do it as quickly as possible. What they have done, is to place this country 10 years back. That is what they have done. What the PNM had done, the PNM had identified seven sectors for diversification. I noticed they have put something, a semblance of it in the budget statement. Look at that, but, Mr. Speaker, it has come too late, and that is what this budget is lacking, meaningful ways of diversifying this economy.

Mr. Speaker, yet another year has come and another year would pass without this land and building taxes or the property tax, and the law is still in our books and that is where we are losing hundreds of millions of dollars. Hundreds of millions of dollars we are losing by not collecting those taxes. And I have to use the language of my colleague from Diego Martin North/East, the Minister of Finance and the Economy has to be a magician given our poor performance in the energy sector and the non-energy sector, as well as no revenue streams that we can sustain that level of expenditure that just has been unleashed in this budget.

And if we look at the expenditure, Mr. Speaker, let us look at the new expenditure which will be here from this budget, from the next financial year. Senior citizens grant, that increase will cost this country \$200 million annually;

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the public officers, that increase will cost the country \$240 million; the expansion of the social safety net; the Disability Grant will cost this country \$86.8 million annually; Public Assistance Grant, \$89.3 million annually; the baby fund, the Prime Minister says she will set aside \$100 million.

Mr. Speaker, when you just total that amount, that is \$716 million, almost three-quarter billion dollars, being added to our expenditure on an annual basis, just to support these—and, as I said, I have no problems, I have none, but having done this I have to pose some questions to the Minister. Mr. Minister, is this level of expenditure sustainable over the medium- to long-term period? Can this country's resources withstand this level of expenditure, Mr. Minister? Can we?

This brings me to the issue of the deficit financing. It is clear to me that in order to meet these expenditure the Government needs to borrow, and I see in their accounts they will be borrowing something like \$7.5 billion. This borrowing to fund our recurrent expenditure is not the correct approach. Capital expenditure stimulates growth, so the emphasis should be on capital programmes that can yield sustainable economic growth.

While many infrastructure programmes could be needed, like what is happening in the Ministry of National Security, there is need for this Government to focus on direct economic projects which could make a contribution to growth in the economy. Deficit financing might be necessary for the short-term. It could stimulate economic growth, but there needs to be a planned exit, and I do not believe that mathematical “mamaguy” that the Minister comes up with each year, telling me about 1 per cent of the GDP—they are still borrowing, and what they are doing is that they are indebting—I should say—the future generations of this country, and they would not be there to clean it up, Mr. Speaker. This is their last budget. This is their last budget in Government. [*Desk thumping*]

Mr. Speaker, this brings me to the issue of the public debt, because in fact what the Government is doing is actually borrowing to make up the deficit. The net public sector debt as a percentage of GDP is expected to be some 43.4 per cent in 2014. It is projected to increase by 10.2 per cent from \$70.9 billion in 2013 to \$78.1 billion in 2014. Let us compare that to the former administration's figure. In October 2008 to September 2009, that net public sector debt was \$45.5 billion when we demitted office. By September 2014, in four years, that figure has jumped by 41 per cent to \$78.1 billion. It has gone up by some \$32.5 billion.

Mr. Speaker, the question is, and I want to ask the Minister, is this Government spending too much on short-term handouts to bring about short-term



relief and preferring to manage the 2015 general elections rather than manage the economy properly, with a proper vision and a proper plan? Is that what you are doing, Mr. Minister? Has the Minister of Finance and the Economy given consideration to the fact that Trinidad and Tobago does not exist in a vacuum? We can be affected by external factors, external factors such as the threat of shale gas in the United States, which could reduce their demand, the US demand for our oil and gas, impacting significantly on our revenues. What about the downturn of the Venezuelan economy which may impact on many production-sharing contracts in oil and gas? What about that, Mr. Minister?

Mr. Speaker, I turn my attention to some growth poles, and I am glad the Member for Tunapuna has just come in. In the 2011 budget, the then Minister of Finance, the Member for Tunapuna, stated that the growth strategy underlying the budget was the opening up of new economic spaces. With this in mind he cited five growth poles across the country. The third growth pole was that of the east Port of Spain area. And every year since then there is just a brief mention of this in the budget, with no meaningful implementation of whatever projects they intend to pursue.

Mr. Speaker, again, this year, I took careful note of how the Minister of Finance and the Economy proposes to stimulate economic growth and investment in the east Port of Spain area, and at page 20 of the statement, this is what he said. I quote:

“Technical work continues on the five growth poles which we have established in special and regional areas for spurring economic growth and development.”

That is it, Mr. Speaker. Nothing else. So, I have to ask the Minister of Finance and the Economy this afternoon, can you tell this House and the community at large, and the people of east Port of Spain, what economic growth have you initiated in east Port of Spain? And how are you, Mr. Minister of Finance and the Economy, empowering the people of east Port of Spain through this growth pole which was conceptualized since 2011?

### **3.00 p.m.**

We heard in this Parliament that the Minister of Planning and Sustainable Development had suggested—I think it was earlier this year—that a cable car service would be put in place. Well, I have heard nothing about it and I have seen no allocation for that, thank God. And I ask you, Mr. Minister, what is the

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technical work that is continuing on these growth poles, with particular reference to the one in east Port of Spain? How far have you reached in the technical work on the east Port of Spain growth pole? You see, I can only ask questions because there are no—I saw no allocations for it in the budget.

Mr. Speaker, I turn my attention now to housing. And the Minister of Finance and the Economy stated that the Government is building an inclusive society, thus fostering sustainable growth. They identified six key areas, housing was one. And I focus on housing because I think that east Port of Spain, I think in the redevelopment of east Port of Spain, housing is very crucial. And I am reading, let me read from the Minister of Housing and Urban Development's budget response on September 16, 2013—that is the hon. Member for Oropouche East. This is what he said:

“Mr. Speaker, Port of Spain city, this Government is well aware of the challenges associated with development in Port of Spain...The various projects that we will implement speak to an integrated, redevelopment concept of east Port of Spain.

...It is the intention of”—the Government—“to implement the framework for sustainable development and economic feasibility in the Port of Spain area. We”—will—“begin by looking at such areas as: Sea Lots, Beetham, Duncan Street, Nelson Street and environs. We have done the necessary work and will embark on a pilot project...for the redevelopment of Port of Spain east. Our programme involves providing sustainable employment; affording residents an apparatus to be successful business persons; improve local services; improve social development programmes”—and—“the promotion of training and skills.”

He said:

“We have done the appropriate surveys in this area, and will roll out this construction in 2014.”

Mr. Speaker, my friend from—the Member for Diego Martin North/East, not a blade of grass has been cut, not a stone has been turned, not a spoonful of dirt has been dug. Absolutely nothing has gone on. And, Mr. Speaker, in this year's budget—page 52 of the budget statement—3,000 units/houses are being built at Egypt Village in Princes Town, Union Hall. So out of a budget of \$64.6 billion, once again east Port of Spain has been left out and would not share in these resources.

How can the Government state that they are trying to achieve a more inclusive and equitable society when this segment, particular segments of this society have been continuously ignored and left behind in the midst of all these massive and unprecedented expenditure?

Mr. Speaker, this budget before us today, we cannot support it. As I said, this is not sustainable, the levels of expenditure are not sustainable. We are adding almost \$1 billion in expenditure, annually, to what we already have. I have absolutely no problem with people receiving increased grants and pensions, but we have to be sober, we have to be sober when we are analyzing these figures. We have to look at our revenue streams. We have to make sure that we are producing oil, we are producing gas. We have to diversify our economy away from gas and oil, so therefore, if we are faced with sudden dips in the prices of oil and gas we will be able to continue to support our citizens.

Mr. Speaker, with this in mind, we cannot support, and I hope that the Government, the Minister, would be able to answer my questions. I thank you. [*Desk thumping*]

**The Prime Minister and Minister of the People and Social Development (Hon. Kamla Persad-Bissessar SC):** Thank you very much, hon. Speaker, for allowing me to join in this very interesting debate. But before I go into the substance of my conversation this afternoon, I want to take a moment to really congratulate and thank the hon. Minister of Finance and the Economy and his team for presenting what I [*Desk thumping*] consider to be the best budget ever. So Minister, thank you and the entire team. [*Desk thumping*] Thank you very much.

I had the privilege, Mr. Speaker, in joining with members of the legal fraternity on Tuesday at the Trinity Cathedral to witness the opening of the law term, 2014/2015. And thereafter, I had the privilege of witnessing and hearing the address of the hon. Chief Justice over at the Convocation Hall in the Hall of Justice. And out of those two, several things have remained with me, and I thought that I would like to repeat some of them in this august Chamber.

I was very touched and inspired by the words of Fr. Harvey in the Trinity Cathedral, so much so that I called him back and I asked him, please remind me of the exact words of an old saying, because it inspired me very much and I think it could give all of us some inspiration. And the words were: The will of God will never take you where the grace of God does not protect you. [*Desk thumping*] The will of God will never take you where the grace of God does not protect you.

And so, I see that we are all here today in this very blessed land, Trinidad and Tobago, and it is through the will of God that we are here and we continue to be protected by God, and these are words that we can remember when we had good times, bad times. In life, it is a roller coaster, sometimes it is like a yo-yo, but when we remember these words we know that we will sustain and we can be sustained.

And for the hon. Member on the other side, you know, the Member said, Member for Port of Spain South, who refused my hand of friendship because she said she has enough friends on the other side, that is quite okay. I have a lot of friends on this side too. [*Desk thumping*] I have a lot of friends. But the hon. Member for Port of Spain South is saying, hon. Speaker, that this budget was about winning friends, it is an election budget and winning friends. And the hon. Member is not alone in those sentiments. There are many people in our nation—well, I would not say many, but some people who share a similar view, that this budget is an election budget.

Well, let us deal with the first aspect of the comment made by the Member, it is about winning friends. And when she asked for your protection I was in fact saying to the hon. Member, so what is wrong with winning friends? Are we in this business to make enemies? Or are we in life, whether it is in politics or outside of the politics, is that not part of our lives, making friends, winning friends and doing good things that we would like and want? [*Desk thumping*]

So what is wrong with that? And what is wrong, you say it is an election budget, what is wrong with that? Minister Howai said it in his own words, I will say it in mine, which is to say, every budget is an election budget. [*Desk thumping*] Why is it so? It is because we sit here because of an election. That is why we are here. If there were no election we would not be here. If we are not elected by the people we will not be here. And having been elected by the people, we made promises in our conversations which are promises that we are seeking to deliver and to keep. And if it is then that you say “these goodies” are in effect to give to people to win friends, then I say nothing is wrong with that. And if you call that “a shame” then I stand and we stand so accused to help the poor, to help the underprivileged, to help the elderly, [*Desk thumping*] and that is where I think we differ on each side of the House.

You know they are always saying in some countries you have parties that are differentiated with respect to whether they are on the left or on the right, or left of centre or right of centre, wherever on that spectrum. And then some say in

Trinidad and Tobago, parties here, the two main parties are differentiated by nothing really. Perhaps, in geographic spread, but the philosophy is basically the same in the system that we have, and I beg to differ with that. And I can see clearly when I heard the comments coming from the other side, how different our philosophy is, how different our policies and philosophy for good governance, how those are so different from those on the other side. Because our budgeting and our policies and programmes have always been people-centred. [*Desk thumping*] We took it out in the manifesto, we talked about people-centred development.

For years whilst I was in Opposition, I talked about people-centred budgeting. On the other side they say that is not development. The Minister of Finance and the Economy has provided no development, no plans for development, and so on. But, Mr. Speaker, development is not just about concrete and steel and mega projects and mega buildings, true development is about human development. [*Desk thumping*]

Like the hon. Member for Port of Spain South, I was once a student of economics as well. Just like you, I was also a student of law, so I feel I can share some of that as you shared with us. The new economics is not about the concrete and the stone and the hard macro-economic numbers which talk about balance of payments, foreign exchange reserves, all the unemployment rates, all these other numbers, the crunching of the numbers plus the hard economics, but the new economics is about human development. [*Desk thumping*]

And since we came into office that is what we have put our plans, our policies, our programmes, and taken the moneys being allocated here, being in the budget, in each budget, that is where we are spending it. And I was happy when the Member for Port of Spain South started to say we put X dollars into this grant, Y dollars—therefore when they ask us where is the money, where are we spending the money, the Member gave a very good accounting about disability grant, the pensions, all the programmes and the policies.

But coming back to people-centred development, hon. Speaker, you can look at every one of the line items in this budget and you will see, as the Member pointed out, the majority of it will be going to help those who are most vulnerable, most in need. The elderly, the pensions; the disabled we have increased the grants under the Ministry of the People and Social Development and grants under the Ministry of Gender, Youth and Child Development, those grants there. And I could not believe the hue and cry, the wailing and gnashing of

teeth from some quarters with respect to the Baby Care Grant. I could not believe it.

**Mr. Peters:** “Dey crying more than baby.” [*Laughter*]

**Hon. K. Persad-Bissessar SC:** I could not believe. If you look you would see that my philosophy has always been one of helping children, developing children. I could give you a list of them and you may remember, hon. Speaker, there is a list. Whilst I was the Minister of Education, my first incarnation, I worked with the rest of that Cabinet led by the hon. Mr. Basdeo Panday, then Prime Minister, who was also very forward thinking when it came to education and policies for education. And which is why almost every Cabinet Note I took to the Cabinet to deal with education was approved, as Minister Gopeesingh is finding, he is getting a light, an open door [*Desk thumping*] to bring programmes for education.

**Hon. Member:** Passport to the future.

**Hon. K. Persad-Bissessar SC:** Passport to the future. I used to say then, education is the key to a better quality of life, and so then we dealt with school construction.

Mr. Speaker, Dr. Gopeesingh passed me a note here to remind me of the promises that were made with respect to school construction. I will come back to it. So then we were talking about schools everywhere. What did they say when we said look, let every child get a place in a secondary school? Do you recall, Mr. Speaker, what was said? The hon. Member for Diego Martin North/East, he said, we were building schools for parrots and “douens”. Let us remember that, building schools for parrots and “douens” when we were trying to find a space for every single child who wrote the Common Entrance Exam. So they were against that.

**3.15 p.m.**

When we came to give out the laptops to school children, the hon. Member for Diego Martin West, if I recall, said “duncey head” children so do not help them. If you come from a poor family, do not get anything, do not get any help.

**Hon. Member:** Be “duncey”.

**Hon. K. Persad-Bissessar SC:** You are a “duncey” child. You do not deserve a computer. You will lose it; you will “tief” it.

**Dr. Rowley:** Mr. Speaker, for the umpteenth time, I rise under 48— [*Crosstalk*]

**Hon. Member:** What is the Standing Order?

**Hon. K. Persad-Bissessar SC:** No, no. What is the Standing Order? I am not giving way if there is no Standing Order.

**Dr. Rowley:** I rise under 48(6)—

**Hon. K. Persad-Bissessar SC:** If there is no Standing Order, I am not giving way.

**Mr. Speaker:** All right. Standing Order 48 what?

**Hon. Member:** Six.

**Mr. Speaker:** Hon. Prime Minister, the Member for Diego Martin West is saying he never made such a statement, [*Crosstalk*] and in those circumstances, if he has not made such a statement, then I would ask you not to pursue that line. [*Desk thumping*]

**Hon. K. Persad-Bissessar SC:** Thank you very much. I will have my research people, right now, forward to us the statement that was made, but I do recall it. If you do not wish me to go there, we will get it and then we will have another issue to deal with, on a matter of privilege, then. So let us get that research done.

**Hon. Member:** The country heard it.

**Hon. K. Persad-Bissessar SC:** So here we were, building the schools: parrots and “douens”; laptops, “duncey head” children, whoever said it. They said they were “duncey head” children. We talked about universal secondary education, they were against that. We are talking now about universal preschool education, well, I do not know what they are saying about that, but I am sure they will oppose that too.

Let us look at the school construction programme of the last Government. You want to know where we are with development? I said, human development. Let every child get a place and every child get an education and get the facilities there. By Cabinet Note 2167, of September 01, 2005, when the last administration was in office, they promised to build 600 preschools—the early childhood centres, 600. They promised to build 86 primary schools and they promised to build 94 secondary schools. Let us see what the record reflects.

A promise by the last Government in 2005 to build 600 childhood centres, they built 22 childhood centres. They promised to build 86 primary schools, they built five primary schools. They promised to build 94 secondary schools, they

began eight, but none was complete by the time we came into office, so we completed them.

Under our Government, we constructed 53 early childhood centres in the four years—53. [*Desk thumping*] Primary schools, 23 schools constructed—primary; [*Desk thumping*] secondary schools, seven. In addition, there were 4,500 projects for repairs and maintenance in our schools, and under construction now, 31 primary schools are being constructed, 35 early childhood centres are being constructed and eight secondary schools. That is the difference. They made those promises; they allocated moneys, I presume, but did not deliver on the promises that were being made. The difference is, hon. Speaker, they talk, we deliver. They talk and we deliver. [*Desk thumping*]

This is only with respect to education. There is much more that will fit into this in terms of the development and the human development. We talked about tertiary education. When we came into office, we had 42 per cent tertiary education. We set ourselves, by 2015, a target of 60 per cent. You know, Mr. Speaker, we have surpassed that target of 60 per cent. We have, from 2010 when it was 42 per cent, now 2014, just four years later, we are at 65.2 per cent—[*Desk thumping*—tertiary education.

That is development. That is the human development. But human development is also in the health sector. That is human development too. To put it crudely, if “yuh dead”, you really cannot enjoy any roads, school, bridge, drain, any goodies. You need to be healthy and alive. So that is why we have also invested, and will continue to invest, in infrastructure in the health sector and, of course, administrative and otherwise, matters in the health sector.

I heard the contribution of the hon. Member for Baratavia/San Juan, Dr. Khan, and I was very impressed with some of the things [*Desk thumping*] that were done—are being done. So in the health care we are looking at the hardware, which is the hospitalization. But even as I speak right now, we understand that it is not just to have the bed, the hospital and the treatment, but when you go in there you need somebody to treat you nice. You need to be greeted and, you know—because that is when you are feeling at your worst when you get into one of these health centres and hospitals.

So as we speak, they are 700 persons, in training, to become liaison officers who will come to each of the hospitals and district facilities; they will be working there, young people in training, and they will be working there to help you with



your transition into any of these institutions. So I want to compliment the Minister of Health. [*Desk thumping*] I want to compliment the Minister of Tertiary Education and Skills Training, Mr. Karim [*Desk thumping*] for this initiative in customer-service relations. Customer-services reps, they will be, in the health institutions.

In health again—that is some of the software. In the hardware, the hospitals, we are very proud—very proud. There is no shame whatsoever of the San Fernando Teaching Hospital. [*Desk thumping*] Before we came into office, we groaned and moaned and complained, “People sleeping on bench, on de floor”. That hospital was designed for that, but also to be a teaching hospital—designed to create more beds and so on.

That is why, also, we will be investing in the Point Fortin Hospital, [*Desk thumping*] the Arima Hospital, [*Desk thumping*] and as we are speaking, the Children’s Hospital in Couva is off the ground and being constructed. [*Desk thumping*] So in health, we are investing in health; we are investing in education, and I come back to the Baby Care Grant.

Many persons, when the grant was announced, came forward and offered their assistance. There were groups and organizations offering their assistance. But before I get to those groups and organizations, I just want to say it is most interesting that many of the persons who have commented on the baby grant do not fall in the income bracket of those mothers who will be in need of the baby grant. [*Desk thumping*] I would not want to go further except to say that many of them do not fall in that bracket. But should you go and speak to the underprivileged mothers, which, apparently, there was only one report I saw where people actually spoke to three underprivileged mothers—if you speak to them one on one, they will tell you that this is going to help them. I hear a mother on the other side, the Member for Couva North saying, “yes, yes, yes”. This will assist with the health care, the nutrition.

So we have assisted, Mr. Speaker, from the preschool age, we are moving right up into tertiary. So why can we not go and help the babies now?

**Hon. Member:** Of course.

**Hon. K. Persad-Bissessar SC:** So from cradle to grave, we are investing in the human resource of our country. [*Desk thumping*] What is wrong with that? And if that is about an election and winning votes, I am very proud to be helping people. I am very proud to do that! [*Desk thumping*]

We had set up, again with children—I am saying so many things we have done with children. With the groups that have offered to help for the Baby Care Grant, we thank you for your offers and, certainly, they will be considered. But I do want to point out that, mistakenly in the past people were not informed—they probably did not know—that there are several programmes right now to do some of the things that some of the groups are offering to do. Minister De Coteau—  
[*Interruption*]

**Mr. De Coteau:** Right behind you.

**Hon. K. Persad-Bissessar SC:**—the Member for Moruga/Tableland, will tell you in his Ministry, there is a programme known as the Adolescent Mothers Programme, and the Ministry provides a subvention to the Child Welfare League to assist, through this programme. What this programme does is that it is community-based; it targets pregnant adolescents and teenaged mothers and their children, providing them with counselling, remedial, continuing education, day-care services for their children and training in pre- and post-natal childcare at established centres.

So people were offering to do some of this kind of parenting, this kind of work, which is already happening. In addition, through Servol, we have increased the subvention—Mr. Howai, can you remind me? Is it 12 per cent?

**Hon. Howai:** Twelve per cent.

**Hon. K. Persad-Bissessar SC:**—by 12 per cent to Servol for their parent outreach programmes. So it is not correct to say that this programme is not thought out and we do not know what we are doing and we are just dropping \$500. I made the point and I want to repeat it. I cannot see any woman, young or not so young, deciding, “I want that \$500 every month so I am going to have a baby”.

**Hon. Member:** That is an insult to the intelligence.

**Hon. K. Persad-Bissessar SC:** It is insulting! It is insulting! [*Crosstalk*] I am not saying you said it, Sir. So I would say that this Baby Care Grant, that is one of the comments that was being made, that we are encouraging people to have babies with the \$500, and I said, for the life of me, I cannot imagine which person, whom, when or where, will say, “I want this \$500 that this Government giving out. So you know what? I am going to have a baby”. Just the cost of the birth of the baby will far outreach this \$6,000 per year it may come up to.

So we have the parenting programmes. We are going to increase those parenting workshops through the Ministry of Gender, Youth and Child Development and so on, with that Servol-increased subvention—increased allocation to them—working in tandem with the Ministry. And of course, there is the Adolescent Mothers' Programme which the Minister of Gender, Youth and Child Development will also have to spend some more time to ramp up that programme as well, so we will have those.

Then, who is eligible for it? It will be those mothers who come below the \$3,000 income level—household families. You know, we keep saying mothers, because usually it is mothers, but can I say single fathers will also be able to access—[*Desk thumping*]*—single fathers—because it is a baby care support—baby care grant. So single fathers because there is a single fathers' association and I am sure that they will also be able to access this fund. So both the mothers and fathers. So under \$3,000, the programmes will be tied, the parenting programmes, through the Adolescent Mothers Programme and also with the Servol workshops as well, they will have some training as we progress with the grant.*

Some people say they do not think it will ever happen. Well, you know, Mr. Speaker, one thing: they talk and we deliver. [*Desk thumping*] We keep our promises. We spent a lot of time in the Parliament talking about promises that we have made and that we have kept, many of them. I will not repeat them today, but I started off by quoting Fr. Harvey's words and I said we are in a very blessed land.

You know, I am going to the United Nations, the General Assembly, in the upcoming week—next week, yes—and what we will be looking at, we will be dealing with the Millennium Development Goals Report, 2014. Now, you will remember these MD goals had been set up to 2015, but I am sure you will be very proud and happy to know, we have already surpassed some of these goals in 2014. [*Desk thumping*] For example, universal primary and secondary education have been achieved. [*Desk thumping*] There are countries that are still struggling to get there. This country is on track to realizing universal early childhood education by 2015. [*Desk thumping*] Our tertiary level participation rate increased. Fifteen per cent it was in 2004, we have now gone to the 65.2 per cent. The gender parity in primary and secondary level enrolment has been achieved and women surpassed men at the level of tertiary participation.

I saw it very strikingly on Tuesday at the opening of the law term when I saw the majority of the young lawyers were women. So we have to do some catching

up again, Ministry of Gender, Youth and Child Development. We have to do some catching up to bring our boys up on par. At tertiary level, the women are out-performing and we need to help our boys to come up to scratch. Once they were the ones out front in all the professions, well, it is changing. We were happy for the change but are not happy to see it go into the reverse. So we have a lot of work to do in that regard. So here we are with these goals. We have surpassed some of them. We are well on the way to achieving other MD goals.

Mr. Speaker, there is one other matter I would like to raise that came out of the law term opening. I mentioned Fr. Harvey's words, but, secondly, His Lordship, the hon. Chief Justice, in his address to the fraternity and, of course, in that regard to the nation, spoke about financial autonomy for the Judiciary and administrative autonomy. With due respect, the hon. Chief Justice is pushing at an open door. In 1999, I attended a conference—I was then in the Opposition, I believe. No, I was then Minister of Legal Affairs. I attended a Commonwealth conference in London, and there I sat on a committee which developed what has become known as the Latimer House Guidelines. Those Latimer House Guidelines were dealing with respect to the relationship between the arms of the State: the Executive, the Judiciary, the Legislature.

And I was a signatory to those guidelines and in it, we committed to the principle of financial autonomy for the Judiciary, so that you could have that true separation of powers from the Executive and the Judiciary or between the Executive and the Judiciary. So it is something that I had addressed my mind to quite some time back. It is something I am firmly committed to.

**3.30 p.m.**

And therefore, we intend to invite His Lordship, the hon. Chief Justice to send their proposals—the proposals of the Judiciary with respect to administrative autonomy and financial autonomy in the same way that the Parliament has done by the way. The Parliament has sent proposals for autonomy in this regard. Already, you have autonomy to the administrative, even to a large extent, but the financial autonomy. [*Desk thumping*] So, we intend, as I say, to ask the hon. Chief Justice to send, on behalf of the Judiciary, the documents. How much time do I have please? [*Crosstalk*] You are giving me two more minutes, Member for Port of Spain South? You are very gracious with the two minutes, thank you. Thank you very much.

**Mr. Speaker:** Your original speaking time is 3.50 p.m. So you have 20 more minutes.

**Hon. K. Persad-Bissessar SC:** Okay, thank you. I want to turn to a matter that has been raised on both sides in a sense, housing. The hon. Member for Port of Spain South spoke of housing stock, very important. You know, the majority of messages I receive—text messages, emails and phone calls—are from people seeking houses. All very, very good cases, I refer them to the line Minister and so the issue of housing stock is a very important one.

I have tasked the Minister of Housing and Urban Development to actually take his staff from the housing Ministry and the HDC and make some immediate visits to where houses are located, because it seems that there are some houses that are complete but they are not occupied, and I do not know why. Every time I ask, we get a different story in some regard. So I think the first thing is to take stock of the housing stock. We need to know for sure the ones that are not occupied. That is very important. And those that are not occupied, let us try to get them out and get people into them as soon as possible. There is a crying need for housing. We have some stock.

Some of it, however, we have a problem with, because they are—Las Alturas, for example, where we have to break down two towers, and I will come to that in a second. So firstly, the Minister is tasked with the HDC and the housing Ministry to actually visit, please visit. Because people tell us all the time, “Look, I see someone occupying this house here and the next three empty, and they come once in a while and they paint it. Paint it and it is still empty.” So let us see if we can bring that housing stock into use because people are crying out.

The second thing the hon. Member for Port of Spain South talked about, Port of Spain and so on. The Minister of Housing and Urban Development has told that me that \$150 million has been spent for intense refurbishment works at the HDC estates in Port of Spain east, central, Maloney, San Fernando from 2010 to 2014. So there has been some work done.

But let us come back to this Las Alturas matter that was raised by the hon. Minister of Housing and Urban Development, and since then, I gave it a lot of thought and in conjunction with the hon. Attorney General, we requested copies of documents from the various agencies. I have a file here. I do not need the documents but that is the pile of files that I have summarised, and these are only some of documents we have been able—copies we have been able to get thus far. So let us just spend a few moments—I have a lot of time you say, so let us just spend some of that time on this.

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When this matter was first raised, I am sure you cringed as I cringed to know that we are going to spend \$26 million to break down this and to know how much was already spent on that building. And so these buildings I am told and from the documents passed to me, the Las Alturas Buildings H and I were designed under the last PNM administration; the contractor was hired under the last PNM administration; started and completed under the last PNM administration; paid for under the last PNM administration and collapsed under the last PNM administration. This project should have provided homes for 48 families is now costing our country \$26 million plus the cost of demolition. The building was condemned as it was finished. And so the question is: who is responsible for this disaster?

Instead of getting answers, we are made to watch the very unpleasant spectacle of persons who are singing or talking like Shaggy “It wasn’t me, it wasn’t me”. Seeing two former PNM housing Ministers both saying, “It wasn’t me”. And so we heard the Member for Diego Martin West, in this very House, vehemently denying that it was under his watch and we saw the former Minister, Emily Dick-Forde, seeking to distance herself from the failure of Las Alturas Buildings H and I. Well, what happened there?

The people of this country have a right to know who is accountable for this construction disaster that may soon become the new flag bearer for the Member for Diego Martin West’s tenure as Minister of Housing. I sat in horror when I listened to the Leader of Government Business as he exposed what can only be described as utter madness which could have led to such wastage of taxpayers’ money.

After hearing the Leader of Government Business, I asked to be provided with the file on this matter so I could see for myself the extent of the wastage, the financial mismanagement and possible corruption. Mr. Speaker, what I found disgusted me even further. Who is responsible? At this point, I do not know. There would need to be a detailed and forensic enquiry into the failure of the Las Alturas Buildings H and I to determine this. What I do know is that certain names keep appearing in that file. High profile PNM members’ names are appearing there.

Mr. Speaker, for us who may not be familiar with the buildings, Las Alturas H and I, it is my wish to give a brief overview of this very shameful PNM project,

and you want to talk about shame, that is shame. That building, that project is shameful.

On March 31, 2004, a unanimous decision was taken by the then UDeCOTT board to award a contract of \$67.62 million inclusive of VAT to a company known as China Jiangsu International Corporation, and I will refer to them as CJIC as we continue along. They got the contract to construct 297 apartments at Lady Young Road in Morvant, which project later became known as the Las Alturas Towers. It is noteworthy to observe that the members of the UDeCOTT board, at that time, comprised the following persons: Mr. Calder Hart, Dr. Krishna Bahadoorsingh, Mr. Madan Ramnarine, Mr. John Mair, Mr. Wayne Maughn, Mr. Winston Agard. Dr. Harry and Mr. Le Hunte were absent from that meeting when the decision was taken for the award of the contract. I am advised that the hon. Member for Diego Martin West was the line Minister for UDeCOTT from November 10, 2003 to November 2007. So when the decision was taken, the hon. Member was the line Minister.

On March 17, 2005, a letter was sent out from the Chief Construction Engineering of UDeCOTT, one Mr. Ian Telfer, to Planning Associates Limited informing them that UDeCOTT was aware of significant movement of the lower slope of the site which may have serious repercussions with respect to the construction of the multi-storey building.

**Hon. Member:** 2005?

**Hon. K. Persad-Bissessar SC:** Yes, in 2005, March 17, 2005. Saying that there was significant movement of the lower slope of the site which may have serious repercussions with respect to construction of the multi-storey apartment buildings in that area.

On March 24, 2005, a letter was sent out from Planning Associates Limited to Winston Agard, CEO of UDeCOTT, revealing that there was evidence of land movement where Blocks F, G, H and J were located. March 24, 2005, CJIC, who had put forward the lowest bid during the tendering process for this project, requested an additional amount of \$8.2 million to complete works on the Las Alturas project. This is \$8 million more than the original tender price of \$67.62 million. The original tender price of \$67.62 million was \$7.5 million lower than the quality surveyor's estimate for the project. So it was lower than the quality surveyor's estimate and then when they got the project, they upped it by 8.2, a bit

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more than what was the surveyor's estimate. The original tender price of \$67.62 million was also \$10.7 million lower than the second lowest tenderer.

It is perhaps strange that after CJIC placed such a tantalizingly low bid to secure the project, they suddenly required \$8.2 million more to complete it. What is even more strange is that it was revealed by the hon. Member for Diego Martin West in an interview with the *Guardian* on Sunday that the project, in fact, cost \$90 million. Perhaps the Member has an insight as to where this came from.

Upon embarking on the Las Alturas project, UDeCOTT engaged Geotech Associates to provide geotechnical information concerning the site chosen. However, the geotechnical information provided by Geotech Associates failed to detect that there was a partially blocked ravine and the presence of a spring on the site which contributed to slippage of this hill and therefore it was conceivable that the total number of units to be constructed may have to be reduced by half. The then board expressed concerns with the level of service being provided by Geotech Associates. The members then: Mr. Calder Hart, Mr. Krishna Bahadoorsingh, Mr. John Mair, Mr. Robert Le Hunte, Mr. Winston Agard. Danhpaul and Ramnarine were absent when that decision was taken. Note that Civil Engineering Management and Services, CEMAS, was engaged to carry out the design of the apartment building.

On July 30, 2007, now, CJIC was awarded the contract for 24 months, given possession of site, the cost of the contract was \$74.8 million. The contract was now for 134 units in 20 buildings. Mr. Speaker, for those who may not remember at that time, the Member for Diego Martin West was the housing Minister. One Mr. Andre Monteil was the Chairman of the HDC and one Mr. Faris Al-Rawi was director of the HDC, Housing Development Corporation.

**Hon. Member:** Which Faris?

**Hon. K. Persad-Bissessar SC:** One Mr. Faris Al-Rawi, at present, Sen. Faris Al-Rawi. In fact, I think on his résumé on the website, if you look at his biography, he puts in it that he was a director of the HDC but he goes further and he says that he sometimes acted as Chairman of the HDC in that period of time.

Indeed, I have the 2006—I wish I could find it here—2006/2007 report of the HDC in which Senator, then Mr. Faris Al-Rawi, sent the 2006 report. Where can I find it here? I will. I read all of it. The report was submitted by the hon. Sen. Faris Al-Rawi, not then Sen. Faris Al-Rawi, 2006/2007 report, and in that report, the Las Alturas project is listed as being under construction in that 2006/2007 report. Note the times and the dates, 2006/2007. The line Minister, at the time,



was still the hon. Member for Diego Martin West. I find it very hard to believe that there would have been absolutely no discussions, but the Member may well deny that the now Sen. Al-Rawi and the hon. Member of Diego Martin West never spoke about this project at all. But it was clearly within the knowledge of the then Senator as a member on the board and acting Chairman and so on.

But let us continue. As I say, the contract for phase II of the project was signed between HDC and CJIC. Again, if you may not remember, this time: Mr. Andre Monteil, Chairman of the HDC, Mr. Faris Al-Rawi was a director of the HDC and, at this time, Minister Emily Dick-Forde was Minister of Housing. October 2008, a Geotech subsoil investigation report was prepared by Geotech to define the foundation works for buildings H, I and J. Mr. Speaker, again, for those who may not remember, at this time, a Mr. Sydney Andrew McIntosh was Chairman of the HDC and Mr. Faris Al-Rawi was a director of the HDC and Mrs. Emily Dick-Forde was Minister of Housing. Yes.

**Mrs. Mc Intosh:** And what did he do?

**Mrs. K. Persad-Bissessar SC:** He was a Member—Mr. Sydney Andrew McIntosh was Chair—[*Interruption*]

**Mrs. Mc Intosh:** That is my husband.

**Mrs. K. Persad-Bissessar SC:** He is your husband? Well, I did not know for sure. You have confirmed.

**Hon. Member:** Yeah, right.

**Mrs. Mc Intosh:** And what did he do?

**3.45 p.m.**

**Hon. K. Persad-Bissessar SC:** He was a member of the board. He was the Chairman of the Board of the HDC. That is all I am saying. [*Crosstalk*]

**Mr. Speaker:** Please, Member, please, no crosstalk.

**Hon. K. Persad-Bissessar SC:** He was the chairman, at that time, of the HDC. [*Crosstalk*] Together on the board was Mr. Faris Al-Rawi. The geotechnical report prepared by Geotech to define the foundation works for buildings H, I and J, those were the members on the board, as well as others.

December 08, 2008, CJIC commenced infrastructure works for buildings H and I. In November 2009, signs of cracking were observed on the ground floor slab of building H. Remember, since 2005 they were being told of problems on

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the site with respect to shifting earth. There were a series of site meetings.  
[*Crosstalk*] Can I please, hon. Speaker?

**Mr. Speaker:** Please.

**Hon. K. Persad-Bissessar SC:** There were a series of site meetings. The Member for Port of Spain South alone is not entitled to all of the Speaker's protection, I can certainly get some as well. I am sure the Speaker will not discriminate.

**Mr. Speaker:** No.

**Hon. K. Persad-Bissessar SC:** Thank you, hon. Speaker. December 08, 2008, CJIC commenced infrastructure works for buildings H and I. November 2009, cracking observed on the ground floor slab, building H. Since 2005, problems were being shared with the relevant board members.

There were series of site meetings: 22<sup>nd</sup> September, 2009, 8<sup>th</sup> November 2010, when cracks were observed where the Project Manager of the HDC was noticeably absent in 2009 on those occasions.

Further, there was no representative of the HDC present when the project manager was absent. The project manager was absent for 17 site meetings during the period.

In January 2010, buildings H and I were finally completed. Although cracks were observed in November 2009, Geotech Associates were only asked to do a second soil report in October 2010, after the buildings were already completed. Geotech did further extensive geotechnical studies during November/December 2010. They submitted the final report. They noted the land was moving laterally and was affected by landsliding.

CEMAS, the company which designed buildings H, I and J, provided additional recommendations that portions of each building be demolished to relief stress in the structure. The HDC commissioned structural assessment reports by three separate engineering consultants relating to buildings A and I.

Dr. Robert Ratay, an international forensic structural engineer, along with his team of structural and geotechnical experts from Sevrund Associates Consulting Engineers and Mueser Ruteledge Consulting Engineers engaged to provide the report. They concluded that the lowest degree of difficulty and risk was to demolish selected units of blocks H and I, to abandon the site.

Trintoplan Consultants Limited concluded that building H is too severely damaged to be salvaged and while parts of it can be salvaged, it may be inevitable that building I would also have to be demolished. The reason for the damage was a land slippage which ran under both of the buildings. So who did the soil testing? Who did the soil testing to allow these millions to be spent to put up these two towers? And then being warned from way back when and continued to spend whatever it was, \$26 million, on what was obviously going to collapse.

The total cost of H and I, \$26 million. Minister Moonilal has informed me it will cost us about \$2 million to demolish them. Those buildings would have provided 48 housing units, the very houses we are crying out for.

It should be noted that the Board of UDeCOTT agreed to award a contract, 67.62 to China Jiangsu for construction of 297 apartments. However, UDeCOTT only managed blocks A and B, in which 56 units were built.

Further, HDC managed Phase II, which encompassed blocks C to I yielding 116 units. In total, therefore, out of the total 297 apartments, only 172 were constructed. So, again, you have now not just ones to be demolished, but the discrepancy as to what the contract was awarded for and what were actually built. This means that an additional 125 units paid for, never constructed. So where did that money go? We have to answer that question too.

**Mr. Speaker:** Hon. Members, the question is that the speaking time of the hon. Prime Minister be extended by 10 minutes.

*Question put and agreed to.*

**Hon. K. Persad-Bissessar SC:** Thank you very much, Mr. Speaker. Members, thank you very much. So, I ended that sentence: where did the money go? And there we ask, you know, we keep hearing others on that side talking about value for money. Is this value for money? Should the public today do like the PNM did and sweep this matter under the carpet? Should these high-profile persons not be able to explain what happened under their watch?

In the *Trinidad and Tobago Guardian* newspaper article dated September 14, 2014 and entitled:

“PNM ministers deny role in \$26 million Las Alturas towers”

The Member for Diego Martin West stated he had nothing to do with those towers and was surprised to know the towers were built because he knew the land was shifting.

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In the said article, the Member for Diego Martin West stated:

“When I became minister of housing, I met that project there and almost complete. I met that project...”

2004, this project is in the line, in the works. This was in reference to phase one of the project. He continued:

“I defy anyone to show my part in that construction [of the demolished structure]. Yes, I finished the two blocks and handed out keys, but I was very surprised when I heard there was another tower because I knew the ground was shifting. It was a surprise to me,” Rowley said.”

I am quoting from the article.

“That tower was built after I left office. The HDC board continued the project. That tower was not built when I was minister, and I was party to no discussion,”

Never spoke with the then Mr. Faris Al-Rawi.

“Unlike Dr. (Roodal) Moonilal I do not micro-manage. I do not know what board-level decisions were taken, and I was party to no discussions,”

The line Minister. And I ask the question today, again I ask the question and with no disrespect, but if this is the attitude and this is a person who is aspiring to become Prime Minister, what would happen if you do not micromanage; \$26 million collapsing down the drain and you take no—*[Interruption]*

**Miss Cox:** LifeSport.

**Hon. K. Persad-Bissessar SC:** Yes, LifeSport has gone to the auditors. You may well know. This has not yet gone to audit. It will now go somewhere for investigation.

Former Housing Minister, Miss Dick-Forde:

“...denied any knowledge of the multi-million dollar structure.”—She stated—“I do not know anything at all about that building,” Dick-Forde said. ‘I have no recollection of ever approaching Cabinet for that project,’ she said. Dick-Forde said when she took over the HDC from Rowley, she inherited ‘a mess.’

‘A lot of things were lacking. Projects that were said to be completed and delivered, I now had to start. The HDC was in a mess, there were thousands of projects unstarted all over the place,’ she said. Dick-Forde said it seemed that

Rowley had ‘chosen to defend himself’ on the Las Alturas project. ‘I am not falling to that trap that Dr. Rowley fell into. It is possible that the HDC did something the minister was not aware of it,’ she said.

However, Dick-Forde then added that it was not possible for the HDC to approve and begin construction without ministerial say-so and Cabinet approval. ‘And I can say that it was a long time after I became Minister of Housing that I had to take anything to Cabinet for approval because I was finishing construction rather than starting new projects,’ she said.”—Rowsey—“also questioned the accuracy and veracity”—[*Interruption*]

**Miss Cox:** Rowsey?

**Hon. K. Persad-Bissessar SC:** That is Rowley. This is what the article—I am quoting from the article that is why I am using the name rather than the hon. Member for Diego Martin West.

“Rowley also questioned the accuracy and veracity of the 2007 HDC minutes that the Sunday Guardian received.”

So now, after seven years, this is where we are. What went wrong, Mr. Speaker?

**Dr. Moonilal:** Ministers receive minutes.

**Hon. K. Persad-Bissessar SC:** Well, I would think when you are a Minister you receive the minutes from the agency that falls under you. So if you are the Minister of Housing, you would get the HDC reports, UDeCOTT reports, and so on, as each Minister will get their minutes.

Mr. Speaker, the legacy of the PNM is mired in negligence, excess and desolation and I hear they are muttering LifeSport, LifeSport. You know, what did we do when those matters were brought to our attention? We sent it off for audit. [*Desk thumping*] We then sent the audit to the various agencies that have the power to and the jurisdiction to enquire into and investigate those matters. We did not hide it. This thing happened since when? Way back when? Collapsing buildings. What are we doing? What did they do when letters were sent saying: look this land is sliding, the buildings are in danger of collapsing? What did you do? And so today we have to come and clean up the mess that Mrs. Dick-Forde said she met, she inherited when she went into that ministry.

What I had mentioned thus far may very well only be the proverbial tip of the ice berg. There are many questions and there are far too few answers. The people deserve to know who was responsible for this wastage of taxpayers’ dollars. And

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so it is for this reason, Mr. Speaker, I wish to advise I have been authorized by my Government to announce that a commission of enquiry is to be established into the matters to which I have just referred. [*Desk thumping*]

The terms of reference of this commission of enquiry would be as follows:

1. To enquire into the entire process which led to the construction of the Las Alturas Towers at Lady Young Gardens, Morvant, and all other acts, matters or decisions done or undertaken incidental thereto, up to and including the construction thereof;
2. To advise reports and minutes which were made available to the HDC and UDeCOTT and/or the relevant director and/or Board of HDC and UDeCOTT and/or the Ministry of Housing later known as the Ministry of Planning, Housing and the Environment concerning the suitability or unsuitability of the site for the construction of the said Las Alturas towers (hereinafter referred to as “The Project”);
3. The consideration, if any, given by the Board of HDC and UDeCOTT and/or the relevant director and/or representatives for HDC and UDeCOTT and/or the Ministry of Housing later known as the Ministry of Planning, Housing and the Environment of the said advice and report and the action if any taken by the board of the HDC and UDeCOTT or the relevant responsible director and/or representative;
4. Whether the Board of HDC and UDeCOTT and/or the relevant director or directors of HDC and UDeCOTT or the Ministry of Planning, and so on, commissioned proper advices and reports into the suitability of the site at Lady Young Road for the construction of the project;
5. The reasons for and effect of the site selection for the project, including the advice and reports which were made available to the various boards and personnel;
6. The procedures, practices and procurement processes employed by the board and management of UDeCOTT and HDC in the award of the contract;

7. The circumstances concerned in the procurement process and the award of all contracts from the inception of the project;
8. Whether the board of HDC and UDeCOTT and/or director or directors fulfilled or complied with the responsibilities and duties imposed upon them by law and by good corporate governance and practice by commissioning the construction of the Las Alturas Towers on the site at Lady Young Road Morvant;
9. The identity of the officials, if any, who have so failed in their duties as set out in the eight foregoing references mentioned; and finally
10. To make such findings, observations and recommendations arising out of its deliberations as may be deemed appropriate in relation to whether there are any grounds for criminal and civil proceedings against any person or entity, whether criminal proceedings should therefore be recommended to the DPP for his consideration and whether civil proceedings should be recommended to the Attorney General for his consideration.

Mr. Speaker, we will establish this commission of enquiry when the Cabinet next meets, with respect to persons who would serve on this particular commission of enquiry. It is important that this matter be clarified and we get some answers as to where this money went, how that money happened to go there and what could have been done or not done, whether it is negligence or so, which led to these buildings being now demolished, Mr. Speaker.

As I close, I want to thank you for the time here. I want to repeat I am very proud of this budget. I am very proud and happy that, through prudent fiscal management, first from the hon. Member for Tunapuna, Winston Dookeran, as Minister of Finance [*Desk thumping*] and thereafter, the hon. Minister Larry Howai, that prudent fiscal management has allowed us in this budget to increase grants, assistance and support to some of the most vulnerable in our society.

Mr. Speaker, I want to repeat, as others have said, I find no shame whatsoever in helping those most in need in Trinidad and Tobago. That is the job of the Government; [*Desk thumping*] to give support to those most in need. [*Desk thumping*] I want to thank you very much, Mr. Speaker, for this opportunity. Thank you. [*Desk thumping*]

**4.00 p.m.**

**The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):** Mr. Speaker, thank you. It is always difficult, of course, coming after the Prime Minister, but you know, I will certainly try to bring as far as possible, the issues which have been raised by various Members in this debate to a conclusion.

First of all, Mr. Speaker, I want to congratulate Members on this side for their contributions to the budget debate. They used the opportunity which this debate offered, to be able to explain to the population what they had been doing, and the tremendous job and the tremendous number of accomplishments which have taken place over the last four years of this Government. I want to say that I would like to congratulate each and every one of them for the clear articulation of what has been done.

Well, of course, Mr. Speaker, in the course of the debate there has been a number of issues which had been raised by the other side, that perhaps need to be corrected or perhaps contextualized, so that we can understand properly what the true state of the situation is. In particular, I want to use this opportunity to restate what our current economic position is, to answer some of the questions which had been raised by Members on the other side and, of course, to take a look at some important issues which we must address.

First of all, Mr. Speaker, let me deal with the facts on the economy. As I had said, the economy has returned to growth. In 2012, 2013 and 2014 respectively, we had growth of 1.4, 1.7 and it is projected for 2014; 2014 is not yet completed, 1.9 per cent.

In the non-energy sector for this year, the growth is projected at 2.5 per cent. The hon. Member opposite, for Port of Spain South, did identify a few areas where obviously some work still needs to be done to build some of those sectors, but at the end of the day, I want to emphasize that this economy has been on a growth trajectory over the past three years. [*Desk thumping*]

I want to say also with respect to GDP and we use constant year 2000 prices. In 2008 the gross domestic product, the real gross domestic product of this economy was \$92.9 billion. Oil had reached a high of \$147, and gas actually had hit a high of \$12.69 almost three times what it is today. Of course, immediately after that the global economy went into a downturn, and consequently prices dropped. In 2010 the GDP of this country had moved from \$92.9 billion to \$88.7 billion, a drop of about 4 ½ per cent.



I was pleased today to see, Mr. Speaker, the projections for this year 2014, the real GDP is projected at \$93.2 billion, having grown from \$88.7 billion, when we took over Government, when we came into Government, and showing that we have recovered all the lost ground that—all the ground that was lost since 2008. Today, we exceed that high point when gas was at over \$12.00 and when oil was as high as \$147. So I think, Mr. Speaker, it goes without saying that this economy continues to grow.

Inflation is subdued at the average for the first seven months of this year to July, is 3.5 per cent, and the IMF had projected for this year, it would be about 3.7 per cent. The fact though is that inflation is subdued, it is low and it will continue to remain low.

Foreign direct investment has recovered. In 2010, foreign-direct investment had hit a low of US \$549 million. For this year, the count, using the numbers from the oil and gas companies only, the oil and gas companies have indicated to us that they are looking at foreign-direct investment in the energy sector of US \$3.3 billion, and they expect—that is almost TT \$20 billion, and they expect that to continue for the next two years. So we expect investments of over \$3 billion a year for the next few years.

Now, Mr. Speaker, this money does not all stay in Trinidad and Tobago, because there is a large import content that goes along with these investments. But very importantly, what it points to is the return to confidence, by investors, in Trinidad and Tobago, and that is a point which seems to have eluded a number of speakers on the other side. I want to say too that the balance of payments continue to remain positive ending at US \$786 million last year, which has continued to contribute to the growth in our foreign exchange reserves which, as we had indicated some time ago, amounted to US \$10.2 billion or about 12 months of import cover.

Unemployment remains low at 3.7 per cent and the debt-to-GDP ratio remains well managed at 43.4 per cent. So, Mr. Speaker, the macroeconomic indicators are fine. The economy is strong. We are on a solid footing and we are on a basis that we can move forward with confidence into the future. So what does this data mean for the man in the street? Well, first of all, it means that there is confidence in the economy. It means that people are employed. It means that people do not have to worry about their jobs. It means that there is opportunity to start a business. It means that there is opportunity to educate your children. It means there is opportunity to borrow money to buy a house, and to continue to improve the quality of life of our citizens.

This economy remains an economy in which we can all enjoy a good quality of life. Are there risks? Of course, there are, as in any economy there continue to remain many risks. We continue to have a high degree of dependence on the energy sector, we have said that over and over, and we are working on dealing with that, but it is not a transformation that can take place overnight. The other side would know that, they had been working on it for many years themselves, and it is something that takes some time to achieve. But, in fact what we are seeing is marked progress in achieving the goals that we want, and I will speak to that and I did speak to some of it, during the course of the budget debate, during the course of my budget speech.

The non-energy sector is another risk for us. The non-energy deficit remains too large. Underemployment remains something that we need to continue to work on.

Investment in research and development in the public and private sector is something that we need to continue to work on. Our demographic profile remains a challenge, and I have mentioned this quite a number of times when I have been speaking, in that the under-15 cohort in Trinidad and Tobago, if you look at the Review of the Economy in 2007, seven years ago, was in the region 330,000 young persons. Today in 2013, that number has gone down at the end of 2013. I think it was 276,000 or a contraction of about 15 per cent. Now, that is very important for us to look at.

My colleague the Minister of Education is building schools. We do not want to have empty schools, nobody to put in the schools when they are finished. So these are things that we need to deal with, our pension system and so on. So these are challenges that we need to deal with but, Mr. Speaker, all of these challenges are known, and they are being addressed in a systematic way. I am pleased to say that progress is being made on each one of these variables, and I will touch on some of them as I go through my own closing remarks, Mr. Speaker.

One of the things that had been raised is the question of data quality, and data quality, my colleague, the Minister of Planning and Sustainable Development spent a lot of time dealing with it, so I would not bother to go through all of the issues. But I will note that, in fact, the *Hansard* in 2012, I had attempted to deal with some of these things, and I had pointed out that if you were to look at the Review of the Economy in 2009, you will see that there were changes made to figures going back to four years, 2005, 2006, 2007 and 2008. In fact, between the years 2004 to 2008, revisions to GDP estimates were made to either three or four years back.

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So, Mr. Speaker, I am quoting from the *Hansard* dated October 10, 2012, when I also went on to point out that this is not a unique situation to Trinidad and Tobago. You know, we say well, the hon. Member is having challenges with the CSO, and that is why we have to keep changing these numbers on an annual basis, or why previous Governments may have had to do that. I should point out that—and I am quoting from the *Hansard*:

“The United States”—these are my words to the *Hansard* back in October 2012:

“The United States and the United Kingdom regularly amend their published data and I would like Mr Speaker, to draw attention to a report in the *Financial Times* dated July 25, 2012.

Speaking of the US economy, the largest economy in the world, and I quote Mr Speaker, “In 2010 and again in 2011, huge revisions showed that the recession in 2008 and 2009 in the United States was much deeper than previous thought and the recovery from it was weaker, the *Financial Times* went on to say that “the revisions are made because detailed statistical information such as numbers from corporate tax returns can take years to finalise.’

Speaking of the US economy, they went on to say, “For example, early estimates of the final quarter of 2008 showed the contraction 5.4 percent at an annualised rate but in July 2010, that was revised to a fold of 6.8 percent and in July 2011 it was revised further to a 8.9 percent slump.”

So in the United States, Mr. Speaker, you see in 2011, they are going back to 2008 and amending that number of 5.4 per cent to a slump of 8.9 per cent or almost 70 per cent change in the numbers. Similarly, in the United Kingdom, the *Daily Telegraph* on August 24, 2012 again reported that the first reading of GDP for the UK was only based on 44 per cent of the total data that is used to determine the final estimate. Today, first revision is based on around two-thirds of the data used to produce the final estimate. So we could yet see further upward revision.

So basically, Mr. Speaker, what I am trying to say is that countries throughout the world do, in fact, amend their data on a regular basis, sometimes going several years back, and the amendments which we had to our data is nothing new, is nothing strange, is nothing different to what happens. Sometimes some of these numbers are based on estimates and going forward, I want to say that we are very comfortable that the work of the hon. Minister continues, and that we can rely on

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the numbers as far as one can in the context of what one produces on an annual basis.

I have to say too, Mr. Speaker, that there has been a lot of confusion around some of the data. And I think perhaps some misinformed comments on some of the information which is being presented. I have seen people mix up the issue of a percentage change in the data, as compared to the percentage contribution of components of GDP, for example, and I have seen wrong results drawn.

In fact, one businessman pointed out to me, you know, he said, look, he thinks if there is an error, it is probably that the estimates are too low, given the expansion being experienced in many parts of the non-energy sector. In fact, there is need to include a more rigorous assessment of growth taking place particularly outside of Port of Spain in the rural communities. In fact, there is probably the need to rebase our numbers. Normally, GDP is rebased every 10 years. We still use the 2000 numbers, and if we were to use the 2010 numbers, we will see that, in fact, you would probably get a further bump up of the growth that we are seeing in our economy today.

**4.15 p.m.**

So I think we understand there are issues with the CSO. My colleague, the Minister of Planning and Sustainable Development, came this afternoon to this honourable House to explain what is being done, and we are very comfortable that the issues that plague the CSO now will be addressed but, very importantly, what we are seeing—both the feedback we have from the official data as well as anecdotally from the business community—suggests to us that the growth remains robust.

Some comments are being made about the national debt and the point is made that, in 2009, the debt amounted to \$45 billion and I think it went to \$50 billion in 2010, and today it is \$78 billion. I want to say that more than 60 per cent of that increase is because we had to pay for Clico; and the first thing I had to do was to issue a bond for \$10 billion to put into the CIF and then we had several billion more that we had to put into Clico itself to capitalize the company and so on. So, in fact, more than half of it—more than 60 per cent of it—had to go to meet the cost of Clico.

And then, of course, we have done the things that Governments normally do. We are building the Couva hospital. We have built the Chancery Lane hospital. We had the programme of roadworks under PURE. We are completing the campus fitout. We have put all of that into the projected numbers for this year, and, of

course, WASA's Water for All Programme; and, therefore, you can see the tangible results of what has happened as a result.

But while we have allowed that to increase, we have kept our metrics well controlled. Today, the debt to GDP still remains at the level of an A class institution more than a country in a global community. [*Desk thumping*] Also, we should point out that, in addition, there were bills that we inherited—the fuel subsidy, we had unpaid bills of \$2 billion that we had to pay; contractors—we had about \$2.6 billion that we had to pay—the hon. Minister Winston Dookeran could tell you about that—and VAT refunds of another \$2 billion. So we inherited another \$6 billion in debt that we also had to pay off and bring to account.

So, we accept the fact that the number is at 78. We are trying our best to keep things manageable and controlled. We are continuing to give the benefits to the community at large and we look forward to collecting, in due course, the funds which we have advanced to Clico as a result of the bailout that had to take place.

Mr. Speaker, one of the things that has come out, in fact, on an ongoing basis, is the question of expenditure, government expenditure being extremely high. The Member for Diego Martin North/East kind of just threw his paper on the table and he said, “This is getting out of hand”, you know. Also, I want to quote the Member's comments a few years ago when the shoe was on the other foot. If I may be allowed to quote the *Trinidad Guardian* of Wednesday, April 23, 2008, which was referring to Minister Imbert, whose Ministry had mega projects in the pipeline from billion dollar highway construction to the \$1 billion rapid rail project and Minister Imbert at the time indicated, and I am just quoting from this. He says:

“...I cannot agree with a proposal to reduce Government spending...

It's easy to call for reduction, but what will you cut?'...

'Will you cut expenditure on roads? On health care? Education? Security? Old age pension or social welfare?'

He said reduction of spending on any area of the economy would create...negative, adverse consequences.

'Especially in the context of demand, because the population demands better all the time,'...

'Cutting expenditure will lead to unemployment and reduction in the growth of the economy.'

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‘There will be a howl of protest from every sector of society, including the very businesspeople now clamouring for reduction.

‘They’ll be first to complain that if Government stops buying goods and services from that sector, it will negatively affect their businesses.’”

And there were more comments, “‘this is real life, not an academic exercise,’” and so on. My colleague here is asking what was the inflation rate and I think that is an important point to make because these statements were being made in a context where expenditure was rising and inflation was a real threat. In fact, inflation had gotten to double digits of 10 per cent at the time.

We understand that as circumstances change policy prescriptions will change and, therefore, if it is that at one stage you may say do not spend, and another time you may say spend, we understand that; but it is the context in which the statement is being made. And when the Central Bank is warning that things could get out of control as far as inflation is concerned, you would want to be very careful as to how you expand expenditure during that period of time.

Today the inflation is low. The economy had gone into a slump and, therefore, there was some room over the past two years to engage in an expansionary policy. I want to say, Mr. Speaker, that we cannot be very blasé about this. We cannot just say that government expenditure should be allowed to continue to grow exponentially without bringing the books into balance. Certainly, we cannot say that and certainly we would not say that.

We have committed as a Government to bringing the books back into balance and we have sought to do that on an annual basis, but we recognize, as the hon. Member said in 2008, that government expenditure is bound up with the economy as a whole and, therefore, we know that the process of disentangling this will cause pain and it will involve cost to different sectors of the society.

It is one thing for those different sectors to call for cuts and to call for cutbacks and to call for restrictions in expenditure, but, of course, when that starts to happen, it is the same people who are calling for it who would then, just as the Member said—and he was quite right—those are the same sectors that would then be raising a hue and cry about the economy being slow, the economy is contracting and businesses are failing and so on.

So we have to disentangle ourselves from this in a way that does not seriously dislocate our economy, and that is why one of the main initiatives we have put into this budget, which has not involved a lot of discussion, is the fact that we intend to expand this tripartite discussion that is currently taking place under the

leadership of the hon. Minister of Labour and Small and Micro Enterprise Development to a multipartite discussion, including more stakeholders in this process, as we start to bring more persons into the discussion of how we can start to manage the cost which Government incurs as we go forward by trying to bring our budget into balance.

Therefore, Mr. Speaker, we recognize the problem. We are not saying that it is something that is a non-issue. We are saying that it is something that needs to be managed, but we are saying that we are putting a programme in place to ensure we do so in a way that does not dislocate the economy.

Another issue which has come up is the question of the deficit, which we have projected at 2.3 per cent this year. Again, I want to say that deficit budgeting is not an activity that can be continued indefinitely, but I want to make some comments about that.

In the first place, there is nothing inherently wrong about a deficit, nor is there something inherently right about a surplus. If you have, of course, excessive deficits, you can have an inflationary spiral; you can have debt getting out of control; your country could go bankrupt, so you know, therefore, that you have to manage deficits. But at the same time, with successive surpluses continuing to build, you run into a problem similar to the problem that has occurred in a number of countries like Japan, for example, where you run into a deflationary spiral. Again now, these deflationary conditions result in no investments, result in some acceleration of consumption and you run into difficulties as far as your economy is concerned. So you have to find an appropriate mix for the context within which you are existing at any particular time.

In our case, we recognize the fact that we had some good macroeconomic variables, but the economy was contracting and, therefore, what we were seeking to do is to provide a stimulation to the economy which as, in fact, the hon. Minister, Winston Dookeran, had initiated the process back in 2010, in order to ensure that he could give a boost to the economy which, at that time, was suffering in the context of the global conditions which existed where the global economy was actually in deficit.

But, of course, if you get into a situation where the inflation is starting to heat up and the economy begins to overheat, you need to move to where you are in surplus and you take money out of the system so that you reduce the overheating that is taking place in the economy.

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There is also a further point which needs to be made on deficits, and that is that Governments have not generally leveraged their balance sheets well and it is only in today's modern environment that we are seeing financial structures such as sale and lease-back arrangements and so on which are being added to Government's arsenals to address debt obligations and deficits. But, of course, these are things that you have to do being very clear on the implications of what you are doing and the risks associated with what you are doing. So, at all times, as you manage your economy, you have to manage it, not with any preconceived notion of what you think is right or wrong, but understanding the context within which appropriate fiscal policy measures and monetary policy measures would work and be effective.

The other thing you have to note about a deficit is that it is an important condition, of course, where it results in additional borrowing, but you could have a deficit which, for example, may not be as threatening. For example, if you have transfers to the IDF, which remain unspent, it is accounted for as a deficit, but is not really an outflow of cash.

Similarly, there is some spending that may be brought in below the line and, therefore, in bringing in that income below the line, in effect, there is no need to finance the deficit and the deficit is an issue when it is that you have to borrow to meet the requirements. The deficit, therefore, needs to be understood in the overall macroeconomic context within which it is generated and we need to climb down gradually from that 2011 position.

Given the fact that the economy is close to full capacity, it is important, therefore, that over the next 12 months, we start to bring the economy back into a position of balance, and I expect that by the time I read the budget in 2016, we should be close to coming to—I am just trying to—[*Desk thumping*]

So, Mr. Speaker, I want to move now to the issue of transfers and subsidies. I want to deal with the issue of transfers and subsidies. In a sense there is not a much better understanding concerning this issue and I think this is something that we need to engage is some kind of a wider national discussion on because I think there is room to create more value out of this category of expenditure, just as much as there is opportunity to address government expenditure on the whole.

I think it is important that we understand the role that transfers and subsidies have in our economy. While we recognize the fact that transfers and subsidies have to be reduced, we recognize that government expenditure on the whole has



to be brought in line with the revenue that we can generate and, therefore, that is something that we need to pay attention to.

**4.30 p.m.**

Currently, transfers and subsidies to households account for only 35 per cent of the total of transfers and subsidies, and inside of there, Mr. Speaker, we also have the pension payments for public servants inside of there, which is over \$2 billion. So if you take the pension payments out, you would literally have a situation where transfers and subsidies to households is only about one-third of the total amount of transfers and subsidies.

A lot of the transfers go to the IDF; it goes to the THA, the allocations made to the THA; the transfers to the RHAs; the transfers to the regional corporations; the transfers to state enterprises and so on. We need to recognize the fact that while the IMF may come to us and say that, you know, the policy prescription is to reduce transfers and subsidies, I should say that they pay less attention to the impact of these policy prescriptions on the society as a whole, on their social impact and the dislocation that could be associated with that policy, and neither do they provide a road map, they simply indicate, in a broad sense that they feel that this is what should be done. It is for us to ensure that we make these changes without dampening competitiveness and without dislocating our economy as a whole.

So the trick is really to find a way that takes us out of the major subsidies, while ensuring social stability and economic growth. That is our intention as we move forward with the process of transfers and subsidies. The idea is that it has to be done on a sustainable basis and we, therefore, have to find a way in which we can manage that process. We have mentioned already the issue of the fuel subsidy, and the fact that we have to move gradually to the reduction of that fuel subsidy as well as some of the other costs which we incur as part of our subsidy programme.

Another factor which has come up has been the minimum wage. There has been some talk that the increase proposed can have long-term effects on the economy as a whole. I want to say that the increase that we have recommended actually came from the Minimum Wages Board. If I may be able to quote from the 2014 report of the board. The Board indicated in their report that:

The Board has recognized its collective responsibility in reporting to the hon. Minister—which is the Minister of Labour and Small and Micro Enterprise Development—as outlined in the Minimum Wages Act.

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In this regard, the Minimum Wages Board recommends that \$15 per hour be proposed as the national minimum hourly rate in Trinidad and Tobago. It is recommended that this rate be the minimum applicable to all workers without exception.

As indicated above, the board's survey of companies has revealed that most small businesses are currently paying rates well above the current minimum of \$12.50 an hour, and in a large measure are in support of an increase in the present minimum hourly rate.

So, Mr. Speaker, the Government accepted the report of the Minimum Wages Board. We recognize, in fact, at a \$12.50 minimum wage, if you allow for inflation, the buying power of that \$12.50 is actually less than what \$7 was in 1998 and, therefore, it was felt that an adjustment should be made that would help to bring that more in parity with the buying power of the minimum wage where it was in 1998, and that is what we sought to do in this report.

We have considered the issues and the implications which it has for our economy. We have looked in detail at the report and we have looked at the analysis done of the feedback from the various sectors, and we are very comfortable that this increase will not result in any dislocation, given what is happening with respect to wages on the whole. But what we will do is we will seek to—what we have done is to bring that minimum wage more in line with what the buying power of that \$7 minimum wage was in 1998.

Mr. Speaker, an issue has been raised in connection with the dividend income which is being taken from the state enterprises but, in particular, the issue of the NGC has been highlighted. I just want to say that for the period 2012 to 2014, the NGC's after tax profits amounted to \$13.9 billion, and of this amount a dividend of approximately \$6.9 billion or 50 per cent was requested from the company. You should note that publicly traded companies would normally pay between 45 and 55 per cent as dividends and, in some cases, some dividend stocks actually pay as much as a 90 per cent dividend. In other cases, you will get instances where energy companies will pay as low as 25 to 30 per cent, because of the fact that they have capital expenditure in the works.

The dividend policy of the Ministry of Finance and the Economy is that companies must return all their profits after the retention of sums for capital and operating commitments to the Treasury. If the Treasury were to adopt this approach then the dividend would be much higher than the amount which we have asked for. We have not asked for that. What we have tried to do is pitched

the dividend at about the average of what publicly listed companies pay as a dividend to their shareholders. What we have therefore done is allowed the NGC to retain a substantial amount of its cash for its own ongoing investment programme.

The elite sport programme: Mr. Speaker, issues have been raised about some of these programmes, and I would just like to spend a couple of minutes on these. The first is, I want to confirm that the Elite Athlete Programme continues as conceived. There was a hiatus where some disbursements did not take place; this has since been rectified. I am told that there was a particular athlete that the Member for Laventille East/Morvant had raised, and that the sum to be disbursed to that athlete is currently being processed.

I would like to add that, again, to emphasize what we said in the budget, this administration continues to invest heavily in the country's sporting future through the construction of several world class facilities including the aquatic centre, tennis centre, the cycling centre as well as the Arima Velodrome. The Arima Velodrome has received a much needed refurbishment, Mr. Speaker. [*Desk thumping*] In addition, we have continued to enhance sport grounds around the country. As the Minister of Public Utilities indicated, a total of 137 grounds have been lit, a further 28 are completed and awaiting commissioning with 30 more currently being lit.

With respect to the LifeSport Programme, Mr. Speaker, as the Prime Minister mentioned in her speech, the matter—in fact, the Ministry of Finance and the Economy had conducted an initial audit which had uncovered certain discrepancies which we had asked to be addressed, and based on that we initiated a second deeper investigation. While that second investigation was ongoing, the Prime Minister herself then ordered a further audit. As soon as that audit was completed, the Government took immediate corrective action. The audit was laid in Parliament and copies dispatched to the Attorney General, the DPP, the Commissioner of Police and the Integrity Commission for action as they see fit.

The energy sector: Mr. Speaker, a lot was said about the energy sector and there seemed to be the suggestion that perhaps things are falling apart in the energy sector. Nothing could be further from the truth. There have been some issues surrounding gas curtailment and oil production has not increased. So we recognize that. The difficulties experienced in the gas sector, of course, a lot of what is happening now and a lot of what is taking place really had its genesis, as the Minister of Energy and Energy Affairs had indicated, in fact, since 2004 and,

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in fact, going back to the absence of investment in the sector over the period 2006 to 2010. In addition, the maintenance works which have become more acute in the aftermath of the bp oil spill in the Gulf of Mexico has affected the industry.

I just want to quote from the summary of a transcript of “CNMG Good Morning T&T” programme of Tuesday, September 16. This is the transcript which was referring to the comments of Mr. Driver who is the CEO of the Energy Chamber. What he is saying is—he says:

A lot has been happening and what they are seeing with the level of investment that is taking place in the upstream industry.

He says that they are working very hard to remove this shortage in the gas production.

He says that bp will be going up to a five-rig programme by next year, and BG has just finished their Starfish Programme.

He says that EOG has an aggressive programme that is taking place and Repsol just came through a very busy period with their oil.

He says BHP also has a very active programme and he is seeing positive things in their future.

He says that the downstream players who are being affected by the gas shortage should be a lot happier soon when more gas is being pumped through the system.

**Hon. Member:** And he is a driver.

**Sen. The Hon. L. Howai:** Yeah, he is a driver in the industry. [*Laughter*]

The hon. Member for Diego Martin North/East also asked for another quote, so let me give your Roger Parker who is the president of the energy chamber. He is saying in response to: “How healthy is our investment regimen in this country in terms of the energy sector in the last three or four years?” Mr. Parker says that:

If we go back for the past 10 years, in 2004, we had an investment of about US \$900 million in the sector.

He says that between 2004 and 2010, that number declined to about US \$550 million.

He says that in 2011 it was US \$1.8 billion; in 2012 it jumped to US \$2.2 billion.

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He says that in 2013 it was somewhere around \$1.7 billion.

He says that looking forward to the end of 2014, 2015 and 2016, we should be at around US \$3 billion per year for the next three years.

He says that this is a significant increase in investment as compared to what we were seeing in 2010.

He says that if they are able to keep this level of investment in the upstream, then they will be able to see the benefits in increased gas production and, hopefully, the fears of the downstream industries will be solved.

So, basically, Mr. Speaker, what I am saying is that the industry is starting to see an upsurge of investment following the doldrums and the downturn that took place between 2006 and 2010.

Over the past four years we have made significant changes to this fiscal regime, and I am very heartened to see what is happening. The Starfish field should be connected to the grid during the course of the next month, certainly, by the end of October, I would see that. So BG's output would be enhanced, and in another 18 months when the output from Juniper comes into production, I expect that, again, there will be a further boost in gas production and output and, therefore, the problems which we are seeing now should be resolved.

So, I want to say too that the bid rounds over the past three years have been among the most successful in this nation's history [*Desk thumping*] as compared to prior to that. If you were to compare it, for example, in 2006 eight deep-water blocks were put out, and I am told that we received only one bid which subsequently withdrew.

Finally, I would want to say, Mr. Speaker, in response to questions, that the NGC is currently in negotiations with both bp and BG regarding gas supply contracts which are expiring up to 2018.

So we are taking action to deal with the problems which we inherited. We have started to invite investment back into the sector. We are starting to see that investment grow; we are starting to see activities take place in the upstream and, once again, once that upstream gets moving, we could expect to see continuing improvements in performance.

**4.45 p.m.**

**Mr. Speaker:** Hon. Members, the speaking time of the hon. Minister of Finance and the Economy has expired. The question is that the speaking time of the hon. Minister of Finance and the Economy be extended by 10 minutes.

*Question put and agreed to.*

**Hon. Member:** The growth poles.

**Sen. The Hon. L. Howai:** I am coming to those.

So if I could deal with the issue of Caroni; a few things have been raised, Caroni GREEN—yes, we have had to do an audit and I did an audit. There were some issues, you know, I heard comments being made about people being fired, and so on. Yes, changes were made to the company and action has been taken to address the issues and concerns which have been identified in Caroni GREEN, and we are moving forward with increased output in that sector, and the Minister of Food Production will address those issues in a bit more detail.

There was an issue raised about the figure for pensions, that it was increased. I had indicated in my speech that it had been increased from \$1,950 to \$3,000. I am told that the point was made that the figure was not correct and it should be \$2,500. Well, I have checked with my staff and they have indicated they have no indication of that. They provided me with a copy of Act No. 13 of 2010, which was assented to on December 13, 2010, and in that Act, in section 5, the Pensions Act is amended by deleting the words “one thousand, nine hundred and fifty” and substituting the words “three thousand”. So we need to get the information perhaps from the other side as to where that came from but, certainly, the information that we have, according to the Act, was that the only change was from \$1,950 to \$3,000. [*Crosstalk*]

So if I may turn, Mr. Speaker, very briefly, to Methanol Holdings, because I think the Leader of the Opposition, the Member for Diego Martin West, had raised the issue of Methanol Holdings, and if I could just briefly respond to that; the arbitration decision was handed down by the International Chamber of Commerce, International Court of Arbitration, on September 11. A report was apparently handed in on August 24 by the tribunal to the ICC, but the results were only released on that date. Some background to this matter would be important.

As we know, the Government of the Republic intervened into the CL Financial Group in January 2009. The group had assets of \$100 billion, or equivalent to about 75 per cent of GDP at market prices at that time. Mr. Speaker, we have substantially addressed this problem. We have issued the bonds and units in the CIF and we have stabilized the group. Over the past few years the company has been able to generate cash, by way of its operations and the sale of assets, to keep all its loans from its secured creditors up to date, and payments to date have amounted to about \$3.4 billion to these creditors.

When the budget was read in 2012, I had indicated that the total amount injected into the company to meet its commitments, including to depositors and investors, was \$19.8 billion. Since then we have injected a further US \$52 million to address the demands of the liquidators of BAICO, and we have provided assistance to Caricom for payments to BAICO investors in the sum of US \$200 million.

Mr. Speaker, on September 11, the arbitrators provided the ruling that the value of the CL Group's investment in Methanol Holdings was US \$1,175 million or \$1.175 billion. Clico and CL Financial have been given 14 days from the date of the release of the order to make a formal offer to the CL Group, and that group has 60 days thereafter within which to make the payment. Mr. Speaker, this decision has changed our computations regarding the ability of the group to liquidate the "outstandings", and we are therefore considering how we deal with any potential shortfall that could arise. We are still completing our computations and under different scenarios these numbers could change. The Government is currently evaluating all its options regarding this matter with various accounting and legal experts.

Mr. Speaker, in closing I want to say that this budget is a budget that is aimed at empowering our people. [*Desk thumping*] What we have sought to do is to deliver on the promises which have been made to our people, and we have seen a high degree of delivery by all of the sectors, [*Desk thumping*] and I would just quote a few: with works and infrastructure we have the Point Fortin Highway, [*Desk thumping*] the Valencia bypass and the Diego Martin Highway have been completed; in education, opportunities have been expanded; the participation rate in tertiary education has risen to over 65 per cent; the School of Journalism and Communication studies has been established; the COSTAATT Sangre Grande Campus has been completed and opened; the Nursing and Health Care Education and Training Facility has been established; the Tobago Technology Centre has been established; 83 new schools have been built, 4,500 have been repaired and 74 are under construction, if you include the Early Childhood Care Centres; eight new multimillion-dollar police stations have been built in La Brea, Oropouche, Arima, Maloney, Piarco, Cumuto, Brasso and Arouca; more and better equipped police are available; 1,000 police officers have been recruited; we have computerized 75 police charge rooms; 330 police vehicles have been equipped with GPS tracking systems; our sporting facilities are being completed; in water and the environment over 1.3 million trees have been planted over 6,200 acres; 57 per cent of customers now receive a 24/7 water supply, up from [*Desk thumping*] 18 per cent in 2010; health, our National Oncology Centre, our Children's

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Hospital and Multi Training Centre in Couva are well under way; repairs are under way to our health centres in Arima, Couva, Palo Seco, Sangre Grande, Maracas/St. Joseph, Carenage and Toco; the Chancery Lane Hospital has been opened.

These are just some of the accomplishments, we have not gone into the miles of roads that are being completed, the other areas of infrastructure that are being addressed and a number of other areas that have seen the progress as a result of the People's Partnership administration.

Mr. Speaker, we are proud of what we have been able to accomplish in these four short years and we look forward to continuing to serve the people of Trinidad and Tobago as we move forward in the future. I thank you and I beg to move.  
[Desk thumping]

*Question put and agreed to.*

*Bill accordingly read a second time.*

**The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):**  
Mr. Speaker, in accordance with Standing Order 81(8), I beg to move:

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending on September 30, 2015 be referred to Standing Finance Committee for the consideration of the Bill together with the Estimates.

*House resolved itself into Standing Finance Committee.*

**Mr. Chairman:** Hon. Members, as you know this is a new era in how we do business at the level of the Standing Finance Committee, and I have been assigned the chairmanship of this very important body. Today what we will just focus on is the work schedule and the approach, and we will adjourn thereafter to Monday at 10.00 a.m., but we are not going to spend any time this evening going into any of the Heads of Expenditure. This evening is just for five minutes to give you an appreciation of the work schedule and the overall approach, and we will adjourn our Standing Finance Committee to Monday at 10.00 a.m.

Hon. Members, in accordance with Standing Order 81(2) and (5), the Estimates containing the details of the financial requirements along with the Appropriation Bill have been referred to this committee for consideration. The documents before the committee therefore include the Draft Estimates Details of Estimates of Recurrent Expenditure, the Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly, the Draft Estimates of Development Programme.



In accordance with Standing Order 85(1), the consideration of the clauses of the Bill will be postponed until after the consideration of the Schedule which lists, as you would know, the Heads of Expenditure to be approved by the Standing Finance Committee. The Heads will be considered in the order submitted by the Leader of the Opposition.

I put forward the work schedule for our Standing Finance Committee. Hon. Members, there are some 50 Heads of Expenditure to be considered over a five-day period, therefore I propose that the committee meet from 10.00 a.m. to 7.00 p.m. each day, provided that a minimum of 10 Heads of Expenditure must be considered each day. Speaking time, hon. Members would be aware, in accordance with Standing Order 45(1), the speaking time in Standing Finance Committee shall not exceed five minutes on each intervention. Each Minister will be invited to make a brief five-minute opening statement on the Ministry's priority areas for the upcoming year if the Minister chooses to go that route.

Now let us deal with the procedure that we are adopting for each Head. The procedure for each Head of Expenditure will be as follows: the Head and the amount to be appropriated will be announced by the Chairman; the Minister then will be invited to make, as I said, a brief opening statement if he so desires; I will then propose a question that the sum proposed stand part of the schedule; for each Head of Expenditure I will call the sub-head followed by the item, I will not call the sub-items. Discussions will ensue on the item called and whatever clarification is sought. I will then repeat the procedure for the Development Programme. So we are dealing with both the Recurrent Expenditure and the Development Programme as we proceed.

### **5.00 p.m.**

Business attire is the dress code. We have a lot of Permanent Secretaries, or accounting officers that is, technocrats and other officials who have been alerted to this process. We want to make it very clear that it is business suits for males, business attire for the women.

As I said, this is new territory we are traversing; everything will not go perfect. We are working together as a team to get through this new experiment, as we deepen the democratic fabric of our nation.

This, in essence, constitutes the approach that the Chairman of the Standing Finance Committee will take in this particular matter that we have to deal with over the next five days, unless we are able to complete the process before the five-

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day period. But that is the period that has been allotted in our Standing Orders to complete the work that is before us at this time. So, Members, I would like to put that to the committee.

**Dr. Rowley:** Mr. Chairman, just for a point of clarification, I would like to make an observation and a request. I notice you said that we will meet from 10.00 in the morning to 7.00 in the evening. Mr. Chairman, the Standing Orders provide for five days for the discussion and examination of the elements of the budget. We are doing this for the first time.

I want to point out that Members associated with the Parliament, like the House staff, parliamentary staff in particular, staff in my office and so on, we have been pretty much meeting and working continuously for the last two weeks, early morning, all day into the night. Therefore, when we come to examine the numbers, if we are to do justice by the letter and spirit of the new arrangements in the Standing Orders, I want to put to you, Mr. Chairman and to the rest of my colleagues here, that we do not attempt to meet from 10.00 to 7.00, because after five or six hours of examining numbers, one gets mentally drained, especially after a period of days of going through this debate. One of the most rigorous things on a human body is to sit quiet. It takes a certain amount of energy out of you, and normally at this time the debate ends, and we just have an hour or two at most of committee and we go and exhale.

Now, under the new arrangements, the real work of examination of this budget will start and, therefore, I am suggesting that we meet from 10.00 in the morning, we break for lunch at 12.00, 45 minutes, and we come back and we stop at 4.00, 4.30, and use the period available in the Standing Orders of the five days. Otherwise we will not get the benefit of the exercise that we went into when we determined that Finance Committee would be a standing committee and that it would examine this budget in a very serious way. I want to put that to you, Mr. Chairman, with all due respect, and to my colleagues in the House.

One other point I would like to raise. I have heard that the Minister in the Office of the Prime Minister, namely the Prime Minister, who is also the Minister of the People and Social Development, will be out of the country. When I was asked by virtue of the office I hold, to determine how we would examine the budget, I did indicate that I would like in the order to examine the Office of the Prime Minister as number two, which means on Monday, because we do Ministry of Finance and the Economy first as the omnibus Ministry, then the Ministry of the Prime Minister.

If the Prime Minister is not going to be in the country, I humbly suggest to you that you adjust my request and have the Prime Minister's Office be examined on the last day, to give the Prime Minister adequate time to go and come back, and be in charge of her Ministry in front of the committee. This standing committee is where the accountability is going to be seen, and where we are going to do justice to the request, as put to us by the public service and the Executive.

I thank you.

**Mr. Chairman:** As it relates to your first request, my main concern is to ensure that every day we complete a minimum of 10 Heads. If at 4.00 or 4.30 we can ensure as the Standing Finance Committee that we achieve that target, I am happy to close off at 4.00, 4.30. So it means to say that we collectively have to have a certain degree of discipline in doing the work, in order for us to achieve the final objective. So I have no difficulty, with the leave of this House, to agree that, first of all we achieve our minimum target and we close off at 4.00 in the evening. I have no problem with it. If 4.00, 4.30, if we are able to complete our target of 10.

**Dr. Moonilal:** Chairman, thank you very much. I want to make just a short response to the Leader of the Opposition. The first matter as it concerns the timing and so on, yes, we have been involved in a hectic period of debate. One also has to understand that the Cabinet and all Ministers have been involved in this debate for several days now, and we would like very much to examine the estimates, as prudent as we can, but also in a timely manner. There are some Headings that may use a longer time than others, so to speak.

Therefore, we are suggesting that we will proceed on Monday and Tuesday and whatever days are required, but if we can get this work done, given the listing that we have before us, as the Leader of the Opposition suggested, we can do this in a timely manner. It may not be necessary to have a full five-day period.

There are Ministers of Government as well who have been away from their desks for several days, and in cases several weeks, and we would be very much interested in seeing how we can complete this process in a way that maintains its integrity, but also in a timely way.

On the second matter the leader is raising, the Prime Minister is due to travel, of course, but there is in place a provision for an Acting Prime Minister and an Acting Minister of the People and Social Development. That person will be present in the House to take questions, to respond along with the technical people,

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the accounting officers and so on, so that in no way will that undermine the process.

It is not only the Prime Minister, but there may be other Ministers not present. Next week, as the colleagues opposite would know, is also the meeting of the United Nations Assembly in New York to which several colleagues may be attending, but in all cases the acting Minister and Permanent Secretary and accounting officers will be present, and they are quite capable of responding to questions on the estimate, and they are quite capable of responding to other issues that may be related to the particular Ministry. So I do not think the travel of any Minister or the Prime Minister should impede this process.

**Dr. Rowley:** I am very happy to hear that the Government's representatives would be in a position to treat with the issues as raised. I just thought that the budget being so fundamental to the governance of the country and the matters raised so important, where money is being requested for the service of the country, that the number one priority of Ministers, if not the Prime Minister, would be to satisfy the House before allocations are appropriated. I am just surprised there are greater priorities than that, but if the Government says so, who am I to argue. I look forward to the confirmation that whoever is here would be able to do justice to the questions posed.

**Dr. Moonilal:** Mr. Chairman, the issues of accounting and so on, I did not want to get—and I warned about getting involved in it, this type of debate on these matters now, but the question of accounting—there are accounting officers who are in charge of their Ministries. In fact, many of them have been there longer than the Ministers in question. They would be present and other accounting officers from state enterprises, to respond in a very strong way to whatever questions are raised.

The Ministers, as you know, deal with policy issues. These are questions on the Estimates, and the raw figures before you, so that in no way will that undermine any process. The issue about the Government looking on at this process, we view this as extremely important, that is why we will participate in it along with other Members of the Finance Committee. So I assure the Opposition Leader that all Ministers who are in position and those who are acting in other positions will be present along with the technical and Permanent Secretaries and other people to respond adequately to all concerns.

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**Mr. Chairman:** Hon. Members, as I said, we are into new waters or unchartered waters, and we will learn as we go along. I think that we all have come to an agreement to the work schedule. I will just now put the question.

*Question put and agreed to.*

*Standing Finance Committee adjourned.*

*House resumed. [Interruption]*

**Mr. Speaker:** Hon. Members, we have simply adjourned the Standing Finance Committee. We have not adjourned the House.

#### ADJOURNMENT

**The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal):** Mr. Speaker, I beg to move that this House do now adjourn to tomorrow, September 19, 2014, at 10.00 a.m., and to indicate that the Government intends to debate, through all its stages, Bill No. 2 on the Order Paper, an “Act to amend the Proceeds of Crime Act, Chap. 11:27, the Anti-Terrorism Act, Chap. 12:07 and the Financial Intelligence Unit of Trinidad and Tobago Act, Chap. 72:02”.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 5.11 p.m.*