SENATE
Tuesday, June 07, 2011

The Senate met at 11.00 a.m.

PRAYERS
[MR. PRESIDENT in the Chair]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Senators Prof. Patrick Watson and Faris Al-Rawi who are both out of the country.

SENATORS’ APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from His Excellency the Acting President, Timothy Hamel-Smith and His Excellency the President, Professor George Maxwell Richards T.C., C.M.T., Ph.D:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency TIMOTHY HAMEL-SMITH,
Acting President and Commander-in-Chief
of the Republic of Trinidad and Tobago.

/s/ T. Hamel-Smith
Acting President.

TO: MR. RABINDRA MOONAN

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

NOW, THEREFORE, I, TIMOTHY HAMEL-SMITH, Acting President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 40(2)(a) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, RABINDRA MOONAN, to be temporarily a member of the Senate, with effect from 7th June, 2011 and continuing during the absence from Trinidad and Tobago of the said Senator Patrick Watson.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann’s, this 2nd day of June, 2011.”
Senators’ Appointment

[MR. PRESIDENT]

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: MR. MARIANO BROWNE

WHEREAS Senator Faris Al-Rawi is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, MARIANO BROWNE, to be temporarily a member of the Senate, with effect from 6th June, 2011 and continuing during the absence from Trinidad and Tobago of the said Senator Faris al-Rawi.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann’s, this 3rd day of June, 2011.”

OATH OF ALLEGIANCE

Senators Rabindra Moonan and Mariano Browne took and subscribed the Oath of Allegiance as required by law.

FINANCE (SUPPLEMENTARY APPROPRIATION) BILL, 2011

An Act to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending 30th September, 2011 of the sum the issue of which was authorized by the Appropriation Act, 2011, brought from the House of Representatives [The Minister of Finance]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings. [Hon. W. Dookeran]

Question put and agreed to.
ANTI-TERRORISM (AMDT.) BILL, 2011

An Act to amend the Anti-Terrorism Act, Chap. 12.07, brought from the House of Representatives [The Minister of National Security]; read the first time.

Motion made, That the next stage be taken at the sitting of the Senate to be held on Tuesday, June 14, 2011. [Sen. The Hon. Brig. J. Sandy]

Question put and agreed to.

PAPERS LAID


4. Annual administrative report of the National Enterprises Limited for the fiscal year ended March 31, 2010. [The Minister of Finance (Hon. Winston Dookeran)]

11.10 a.m.

CENTRAL TENDERS BOARD ACT
(PROPOSAL TO REPEAL AND REPLACE)
Joint Select Committee Report
(Presentation)

The Parliamentary Secretary in the Ministry of Energy and Energy Affairs (Sen. Kevin Rammarine): Mr. President, I have the honour to lay on the Table the following report as listed on the Supplemental Order Paper in my name:

The report of the Joint Select Committee appointed to consider and report to Parliament on the legislative proposals to provide for public procurement and disposal of public property and the repeal and replacement of the Central Tenders Board Act.
ORAL ANSWERS TO QUESTIONS

Rent Restriction Act
(Details to amend Chap. 59:50)

65. Sen. Pennelope Beckles-Robinson asked the hon. Minister of Legal Affairs:

Could the Minister inform the Senate of the initiatives which are being taken to revalidate and to amend the Rent Restriction Act, Chap. 59:50?

The Minister of State in the Ministry of National Security (Sen. The Hon. Subhas Panday): Mr. President, I have in my possession the answer for the hon. Minister of Legal Affairs, however, Cabinet has not had the opportunity to review this question, in the circumstances, I humbly beg that this question be deferred until the next sitting of the Senate. [ Interruption] Pardon? I have the question but Cabinet has to sit on it, and I apologize to you, Mr. President and to my learned friend.

Sen. Beckles-Robinson: I have no objection, Mr. President.

Question, by leave, deferred.

Shortage of US Currency

66. Sen. Pennelope Beckles-Robinson asked the hon. Minister of Finance:

Could the Minister explain the repeated shortage of US currency claimed by the private banking sector which obtains US currency from the Central Bank for trading?

The Minister of Finance (Hon. Winston Dookeran): Mr. President, since the liberalization of the foreign exchange market in 1993, commercial banks primarily obtain foreign exchange by purchasing from the public. This supply generally falls short of the public demand and the Central Bank also sells foreign exchange to the banks. In 2010 about 72 per cent of the foreign exchange sold by the commercial banks came from the public and 20 per cent from the Central Bank.

Inasmuch as the bulk of theforeign currency inflows from the public come from the market at discrete intervals and coincide mainly when energy companies convert foreign exchange to pay taxes, while demand for such resources is continuous, there are periods in which the foreign exchange market can experience demand pressures. This situation is aggravated from time to time when there are unusually large transactions in the market.
Over the first four months of 2011, total purchases from the public reflected a combination of fallout of receipts from the non-energy sector and an increase in those from the energy sector which resulted in purchases from the public remaining unchanged from that of the corresponding period of last year. Over this period, however, the demand for foreign exchange increased by 9 per cent. Of this 9 per cent increase in demand, the Central Bank supplied 30 per cent via sales to the commercial banks; the remaining increase in demand was fulfilled via purchases from the public.

In this context, the Central Bank increased sales to the commercial banks by 30 per cent, from $395 million in January to April 2010 to US $515 million in January to April 2011.

Sen. Browne: Thank you very much, Mr. President. If I could also ask the Minister of Finance—he indicated that there was an increase in demand for foreign exchange—if there is no real change in the terms of trade or increase in the level of imports, exactly where is the increase in demand coming from?

Hon. W. Dookeran: Mr. President, it is the cash flow position with the demand and the supply. I said that the supply is discrete and the demand is continuous, so what you have had from time to time is a shortfall in the supply as a result of the increase in demand on a continuous basis.

Construction of Houses on Agricultural Lands
(Details of Government’s Policy)

70. Sen. Pennelope Beckles-Robinson asked the hon. Minister of Food Production, Land and Marine Affairs:

Could the Minister indicate the government’s policy on the construction of houses on agricultural land?

The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath): Thank you, Mr. President. State land is managed by the Commissioner of State Lands on behalf of the President of the Republic of Trinidad and Tobago. Currently, available land for agricultural use is distributed to individuals and companies for development by way of 30-year standard agricultural leases. These leases contain an option for renewal for a further 30 years. Usually, the minimum size of parcels leased for agricultural purposes is five acres.

Leases for such parcels allow for the construction of one house on the parcel for use by lessee and his or her immediate family. For larger parcels, leases contain a clause which allows for the construction of additional houses at the rate of one
Oral Answers to Questions

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[SEN. THE HON. V. BHARATH]

house per additional 4 hectares which is approximately 10 acres. It is generally envisaged that these houses would be used by the farm manager or as workmen's quarters. No lease is renewed where it is observed during the renewal process that houses exist on the parcel in a manner which contravenes the provisions of the lease to be renewed.

All houses constructed on state agricultural lands must be so done with the prior consent of the landlord and must have all approvals from all state-regulatory agencies. In addition, it should be noted that in the recent exercise related to the closure of Caroni (1975) Limited, the ex-employees of the company received a parcel of agricultural land as part of their Voluntary Separation of Employment Package. A policy decision was taken in 2003 to issue leases for parcels of two acres in size to each of these ex-employees.

It is noteworthy, Mr. President, that for seven long years this matter has languished in the courts of Trinidad and Tobago and it has taken a People’s Partnership Government to commence the distribution of these leases. To date, 1,432 leases have been issued to these ex-employees.

The State’s current rental policy on house lots within agricultural parcels is as follows: In respect of parcels of less than 25 acres the following applies—houses constructed on areas of less than 5,000 square feet in size within state agricultural parcels attract zero rental per annum; houses that occupy more than 5,000 square feet on agricultural parcels attract an annual rental at the rate of 3.5 per cent per annum in addition to the annual rental which is paid on the agricultural lease.

Lands are identified for agricultural purposes because of their good quality of soil and other characteristics which make them favourable for agricultural development. Such lands are sometimes occupied by residential squatters, however. In these situations, the Ministry of Food Production, Land and Marine Affairs may agree after consultation with the Ministry of Planning, Economic and Social Restructuring and Gender Affairs to surrender the occupied areas to allow for a change of use designation from agricultural to residential. In these circumstances, the occupation of the lands usually makes them unusable for future agricultural use.

In other circumstances, proximity of good agricultural lands to areas of residential and urban development results in pressures for the use of the agricultural lands to be changed to that of residential development. This usually occurs in areas in which private lands are juxtapositioned to state lands. In cases where private lands are subdivided and sold for residential development, it
sometimes becomes impossible to continue agricultural pursuits in close proximity to areas in which persons now live and work. This type of change over time can be seen clearly along the East-West Corridor where developments in such areas as Valsayn and Mausica have led to the clamour for a change of use in other areas like Aranguez and Maloney.

In these situations, Mr. President, it becomes necessary to eventually surrender these lands for the construction of houses. In all such circumstances, all efforts are made to keep agricultural lands from being used for housing or other purposes. In addition, the erection of houses on lands leased for agriculture is strongly controlled by the contractual clauses contained in the leases thereof issued. Thank you.

**Lighting of the Runways at Piarco and Crown Point Airports**  
(Details of Issuance of Contracts)

75. **Sen. Fitzgerald Hinds** asked the hon. Minister of Works and Transport:

In light of the Prime Minister’s public call for a halt of the issuance of contracts for the improved lighting of the runways at the Piarco and Crown Point Airports, could the Minister inform the Senate:

(i) What action, if any, was taken by the Prime Minister in that regard;
(ii) What was the resolution that emerged as a result of the Prime Minister’s intervention?

**The Minister of State in the Ministry of National Security (Sen. The Hon. Subhas Panday):** Thank you very much, Mr. President. In answer to part (i): the Prime Minister asked that the Minister of Works and Transport review the process for the awards of contracts.

Part (ii): the hon. Minister did so as advised by the Prime Minister.

**Sen. Hinds:** Thank you, Mr. President. Might I ask by way of supplemental, is the Minister able to indicate why the Prime Minister made that intervention in part (i), to halt the contract?

**Sen. The Hon. S. Panday:** Hon. Senator, I do not have the answer to that question, could you kindly file it as a substantive question and we shall, indeed, answer it? As a matter of fact, this morning I had this question and I had intended to ask for it to be postponed so that the supplementals could have been dealt with, but I thought that you would have liked to have it answered today, so I thought I would answer.
Sen. Hinds: Mr. President, you must agree with me that this is less than what is expected—

Mr. President: Sen. Hinds, I cannot allow you to enter into a debate on the issue of questions—if you have another supplemental question you certainly may ask it. [Desk thumping]

Sen. Hinds: Mr. President, you must have heard my learned friend say that he is unable to answer my supplemental questions. He went further to say, he was tempted to postpone answering the question, but he attempted to answer it. But he is now saying—

Mr. President: Senator, please have a seat. We are not about to enter into a debate relative to the questions. Yes, I have heard Sen. The Hon. Subhas Panday indicate that he is not able to answer that particular supplemental question. If you have another supplemental question that he may be able to answer, you may proceed on that basis, but we cannot have a debate on the question of the issue relating to the answers or non-answers to the questions. If you have a supplemental please proceed.

Sen. Hinds: Mr. President, with your kindest blessings, I thought I heard the Minister say he was unable to answer all supplementals. That is what I thought I heard him say.

Mr. President: Then that is an end to the matter. Thank you, Sen. Hinds.

Sen. Hinds: Well, no. Mr. President, I was really saying—I was calling on you, Mr. President, to support my view that this is untenable because when we file a question here—

Mr. President: Sen. Hinds, please have your seat! We are not entitled to enter into debate on the question at hand. If you would like to file a supplemental question at some other occasion, because the Minister is unable to answer the questions today, then you may do so. But the rules do not permit you to enter into a debate on the question relative to answers being given or the inability to give answers. Therefore, we would proceed to the next state of business.

[Procedural Clerk stands]

Sen. Hinds: Mr. President—[Just hold on please. Just hold on please]—I would simply conclude by saying that this is rather inefficient and I do not consider that the question was properly answered today, and therefore, in the spirit of inefficiency I would have to file another one, the same question.

Mr. President: Thank you, Sen. Hinds. Proceed.

Sen. Baptiste-Cornelis: PNM talking about inefficiency!
The Parliamentary Secretary in the Ministry of Energy and Energy Affairs (Sen. Kevin Ramnarine): Mr. President, I beg to move, the following Motion standing in my name:

*Be it resolved that the Senate adopt the report of the Joint Select Committee appointed to consider and report to Parliament on the legislative proposals to provide for public procurement and Disposal of public property and the repeal and replacement of the Central Tenders Board Act.*

Mr. President, the last time we dealt with the work of this Joint Select Committee on May 17, 2011, not very long ago, we asked the Senate for an extension of the life of the committee for a period of one month. It was the thinking then, that a similar Motion would have been piloted in the other place. However, due to the imminent prorogation of the First Session of the Tenth Parliament and the possibility that the other place may not meet again before the end of the current session, the Chairman of the Committee, the Hon. Dr. Tim Gopeesingh, presented a report on the status of the work of the committee at a sitting of the House of Representatives on Friday, June 3rd, 2011. At that sitting, the Motion for the adoption of this report was moved and agreed to, by the House of Representatives.

The presentation and adoption of this report was necessary to save the work of the committee, and we had mentioned that the last time we discussed the work of the committee that we were aware that the First Session was coming to an end, and therefore we needed to save the work of the committee so that a new committee in the Second Session would be able to carry on the work of the original committee.

For the record, Mr. President, I just want to add that two interim reports on the work of this committee as it progressed from November of last year to May of this year, were submitted to the Senate and to the House of Representatives. Those reports were submitted in February which was the first interim report, and a second report was submitted in May of this year. A brief synopsis of the work of the committee throughout the course of its life in the First Session of the Tenth Parliament would show that the very first meeting of the committee was held on
November 12th, 2011, and in its first phase of work the committee considered and reviewed the literature as it related to existing legislation, conventions and models from other jurisdictions as they relate to public procurement.

In February the committee was granted a three-month extension to complete its mandate, and at that time in February the first interim report was submitted. Following the adoption of the first interim report, we held seven further meetings between February and May of this year. Those meetings which I consider to be the second phase of work, included meetings with key stakeholder groups, and I mentioned who some of those groups were in my last contribution, of course, the Joint Consultative Council for the construction sector, the Trinidad and Tobago Chamber of Industry and Commerce, the TTMA and the Trinidad and Tobago Chapter for Transparency International. The committee also held consultations with the Office of the Chief Parliamentary Counsel and the Ministry of Finance. We also received written submissions from a number of groups.

What has been distilled out of the last seven meetings, some of the issues that have emerged are: the creation of the post of procurement regulator, how that regulator is to be appointed; the process used for parliamentary oversight and the nature of the relationship between the Parliament and the regulator. I am pleased to report that Mrs. Claire Blake SC, has assisted the committee in its work, and with the guidance and recommendations of the committee, she has produced a draft legislative framework which was presented to the committee for further consideration.

A new committee that would carry the baton forward in the Second Session will naturally inherit the work that was done by the committee from the First Session of the Tenth Republican Parliament. Despite considerable progress that was made, the committee is still engaged in discussions with technical experts with respect to the finalizing of a legislative framework on public procurement.

Given the foregoing, as well as the imminent prorogation of the First Session of the Tenth Parliament, the committee wishes to report that it will not be able to complete its work in this session and wishes to recommend that all the work of the committee be referred to a new committee in the Second Session of the Tenth Parliament for further consideration.

Mr. President, I beg to move.

*Question proposed.*
11.30 a.m.

Sen. Pennelope Beckles-Robinson: Thank you very much. Yes, Mr. President, I intend to make a brief contribution on this request. Mr. President, you would recall there was a resolution passed in the Senate on Tuesday, October 19, and Tuesday, November 2nd for the appointment of a joint select committee to consider and report on the legislative proposal to provide for public procurement and disposal of public property; together with a legislative proposal to repeal and replace the Central Tenders Board Act.

One of the terms of reference of that committee, was to submit a report to the Parliament within three months from the date of that appointment. Mr. President, you would no doubt recall, that when that resolution was being debated, that we, the Opposition, indicated that that three-month period was much too short, and we had serious reservations that the committee would have been able to report within that time. We spoke of the Government’s absence of a policy on procurement. We were not surprised therefore, when the Government returned and presented an interim report to the Senate on February 08, 2011—and a second report on Tuesday, May 10, 2011, respectively—and in so doing asked for a further extension to May 07, for the presentation of the second report.

Now, Sen. Faris Al-Rawi, made it very clear on the first occasion, and if I might just quote—it is very short—the contribution on February 8, 2011; “for the adoption of the first report I rose to state that we should be cautious, and we should disabuse ourselves of the practice of asking for extensions of time which were not adequate.” Sen. Al-Rawi also referred, when the second extension was requested, and I quote, “I am cautious that we are asking for a one-month extension only, and I am cautious that in this second report, which I have in fact, not had the benefit of participating…”

He indicated again, that he was of the view that that one month would not have been sufficient, and in essence that is the position of the Opposition. And I would just like to say that had our opinion and our submission been considered seriously, then we would not have had to have these debates for two extensions.

Now, the report refers to in its recommendation that given the foregoing, as well as the imminent prorogation of the First Session of the Tenth Parliament, your committee wishes to report that it will not be able to complete its work in this session, and to recommend that all the work of your committee be referred to a new committee in the next session for further consideration of the subject proposals.
Now, I am very certain that when this request was made for the one-month extension, it was public knowledge of the imminent prorogation of the Parliament, and having regard to the fact that when you look at the sittings of the Senate over the last couple months, and those sittings have been very regular save and except, I think on one occasion, that we are aware now that the Parliament I would say, is functioning much differently from previous years; that is to say that a number of committees are sitting and are sitting quite frequently. I do not want to list the multiplicity of committees that are sitting. But there are several occasions when those committees are not able to have a quorum for one reason or the other.

11.35 a.m.

I have made the point time and time again and I will make it again today, that it is the same staff that we are using for all these various committees and, therefore, with all the good intentions in the world of the Government, the Opposition and the Independents, it is much more difficult to have the work of committees completed within the relevant time. As we decide on the time frame for committees, I think it is very, very important for us to take into consideration, the challenges that the Parliament now faces in terms of ensuring that those committees meet their relevant time frame.

Mr. President, I know that you are in the Parliament from time to time, not only when the Senate sits. There are some days of the week when the Parliament meets on every single day, Tuesday and Friday and, then the other three days for committee. There are actually days, Fridays and Tuesdays, when the Parliament meets both in the morning and in the afternoon. I want to make the point again that, yes, we have to be expedient and we know that this matter of procurement is a very urgent matter. We know the urgency of it has come much more into the public domain because of some recent issues, NP, Sen. King and a number of other things that would have caused the public to have a concern, that this issue of the procurement must be given some greater urgency and priority by the Parliament. But I think it is very important for us to understand, that as we seek to complete the work of these committees, and as we seek to ensure that urgent matters and matters of priority are taken and given the relevant consideration, that we must be aware of the challenges for the staff of the Parliament, in particular, the Hansard staff.

Mr. President, the Trinidad and Tobago Parliament is extremely fortunate that we have a very, very well organized Parliament, I would say, compared with a number of other Parliaments, and that we can actually have our *Hansard*
documents ready for us sometimes even within a short time after we have spoken. Trinidad and Tobago is probably the only Parliament in the Caribbean where that is possible. Guyana, St. Lucia, and a number of other Parliaments, for the purposes of obtaining your *Hansard*, it takes months. I am just saying that I think we need to be a lot more conscious of the workload of the staff in the Parliament, the importance of us having quality debates and having quality Hansard reporting, and the kind of debates and documentation that help us to make better decisions.

Mr. President, I said I was going to make a short intervention, but I just want to close by saying that when we—that is the Opposition—oppose measures at times, particularly as they relate to the time frame, and when we say to the Government that we will participate in the committee, we will participate in the debate, we will give full cooperation, but when we suggest that the time frame suggested cannot be met, it is not because we are being obstructionist. I think we have been here long enough that we want to participate in good debates, we want to participate in the making of good law and, therefore, I hope that the Government would take us a lot more seriously when we object to these very short time frames that they recommend to the Senate.

Thank you, Mr. President. [Desk thumping]

**Sen. Helen Drayton:** Thank you, Mr. President. I will speak briefly on this Motion, that the work of the committee on public procurement and disposal of public property be submitted to the next committee in the next session of Parliament for their review.

About the document itself, I noted that on page 7 there was an omission and I think that that was just an oversight. Indeed, I should mention it because much discussion was centred around the investigative process for complaints from stakeholders in the procurement system and the judicial review process. I think that I cannot overemphasize the urgency for getting this legislation done, and certainly hope that it will be a reality in the next session.

I believe that the need for an independent complaints process is critical and this should be reviewed in the context of institutional building for fairness and transparency and, indeed, the Government should see—I hope so—that it is a step in its best interest and in the interest of the public good. If only from the point of view that an independent system would help mitigate the level of accusations against the Government with respect to alleged corrupt practices. With the best will in the world, it is simply not in keeping with good governance to have a situation where himself investigates himself, and expect to get a result that is generally perceived as unbiased and if that was possible anywhere, I certainly do not think that it is possible in Trinidad and Tobago.
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[SEN. DRAYTON]

Without getting into matters—I do not intend to delve at all into recent situations, but certainly I need to underscore the urgency of an independent process. We had an investigation into the procurement process of a state agency and there was a report; I certainly am not questioning the veracity of that report. I think there was need to have an investigation as expeditiously as possible because you do not want a situation where the Government’s work in the interest of the public is stymied when there is a lot of confusion, complaints and disputes with respect to contract tendering. But the reality was, what was reported by the Government with respect to the investigative process and the conclusion, certainly conflicted with what the public saw when a copy of the evaluation was published in the newspaper. It certainly left any right-thinking member of the public with questions in their minds with respect to ethics and integrity, if only because there has been no denial by the Government or the state agency that the document which was published was a false document.

So it is useful to see at this time that for legislation to be effective, it should ensure that there is full independence of the investigative process when there are stakeholder complaints and that the system also ensures that the Government programme to serve the people is not held up as a result of undue complaints. We must do this because it is important that the public has confidence that the system is fair. When confidence is lacking in public contracting, then the opportunity is lost for better suppliers to participate because they certainly would believe that they do not stand a chance if they perceive the process to be unfair. So good players therefore, stay out of the process, and I think the public good is therefore subverted. At the least, it deprives the market of robust competition. Also, Mr. President, I believe that the time has come to review integrity legislation and to give due consideration to including the declaration of income from members of tenders committees.

Finally, in shaping the legislative framework for procurement, input is needed from stakeholders: stakeholders in the energy sector, in national security, in health, in works and transport, and education, all of who have very specialized needs. In closing, I thank the Parliament for the opportunity to have served on this committee.

Thank you, Mr. President. [Desk thumping]

Sen. Dr. Rolph Balgobin: Thank you, Mr. President. I rise in support of the Motion put forward by Sen. Ramnarine, and I thought that I would just make a few brief observations as we close off at least this part of the committee’s work
which has been quite detailed and very involving. There are a few things that I thought would be useful for me to share—just three or four quick points—with your permission.

The first is, I have to say that I was quite surprised at the gaps in the understanding of the complexity of the landscape where public procurement is concerned at the Ministry of Finance. This is in no way a comment on the very able Minister of Finance, the Hon. Minister Dookeran. But what I think surprised me quite a bit was—and perhaps that is because the public image is one of extreme competence—when you actually engage in trying to understand what is happening, it seems quite clear that progress and development have galloped somewhat ahead of the development and understanding of some of these units or departments.

In certain aspects that is understandable. But it underscores for me the importance of this committee’s work and why it should be saved as we go into the next session. We tried to come up with a holistic, comprehensive approach and perspective, so that all of us can develop and refine our understanding and move forward in a positive and productive way so that we have a better grip on what is happening when it comes to public procurement. That is important because I think we have entered a realm, Mr. President, where almost any action involving public funds can be questioned. We have seen this recently with the Ministry of Planning, Economic and Social Restructuring and Gender Affairs, we have seen it with CAL, we have seen it with NP.

Yesterday, a journalist asked to see me. I met the journalist and he pulled out page after page and document after document of what I thought was confidential information on a state enterprise regarding a tender. The information and the story that was being developed, was designed, I think, to injure the Government, but it was also based on really a misunderstanding of the law. It was spurious and it also appears that some of these things are driven by people who do not win contracts and bids.

So I think we have to be mindful, all of us, as a public, as the media, how we deal with some of these things. Sometimes there is something there, sometimes there is not and, sometimes it is easy to make something look like it is there even if it is not. I think that a rethink and a revamp of public procurement framework is very important, and this may perhaps provide a better degree of protection for people who are doing actual work from people who are not, because it is very easy for someone doing very little to criticize somebody who is trying to do a lot. That is not to say that there is nothing wrong in the state enterprise system, far from it; I am not saying that at all.
I am saying that we need to avoid having the Executive and people in state enterprises and so on, distracted by having to respond to allegation after allegation after allegation, when so many of them might actually be spurious, and this begs the question: what do we do with regard to an appeal mechanism? I think it is a very important aspect of this committee’s work. It should be one of the most important outcomes from any resulting legislation. I would say that it ought to be either independent or if not independent, objective.

That leads me into the penultimate point I have which is: what is the role of the Parliament? This is a three-legged democracy.

11.50 a.m.

What is the role of the Parliament in oversight for public procurement and so on? Is there such a role? I think that we may, in fact, run the risk if we do not see a role for Parliament in some of these things, of having independent commission or independent office after independent office after independent office, when it is really the duty and the role of the Parliament to pass laws, but also to exercise some degree of oversight over the work of the Executive—and that is something I think that the next committee will have to grapple with if this honourable Chamber so elects.

And finally, what I would say, Mr. President, is, I would again as I did in May, beg for the public’s understanding, and in doing so, support the view of Sen. Beckles-Robinson who is saying, “Look, you really cannot rush this, it is a very complicated landscape; there are many convoluted aspects to it.” You are not dealing with a singular animal; you are dealing with a very big economic and social player that has many incarnations, and it is very difficult to come up with a one-size-fits-all rule. But I think a framework can be developed and arrived at which would allow all of us to develop the capabilities and competencies, and the confidence—even more important than capabilities and competencies, the confidence—that when we say a deal is clean, it is actually clean.

So I thought that the committee’s work was very positive and I remain in full support of Sen. Kevin Rammarine’s Motion, and beg that the work of the committee be saved through the adoption of this report.

I thank you, Mr. President.
Sen. Mariano Browne: Thank you, Mr. President. I would like to add my voice to some of the voices that have gone before in commenting on this Motion to extend the life of this particular committee and to save its work. It is a very important piece of work, and I would like to support the view that its complexity will certainly keep the committee busy for quite a long period of time.

I think the manifesto and several points that were made on the public platform substantially underestimated the degree of difficulty that is faced in dealing with this particular matter, and that most of the commentators are self-interested, not merely self-interested from the perspective that they have a voice with regard to the bids, and I think that in itself leads to some degree of public difficulty in terms of what we hear and the mud that is thrown, and I think the point that was made certainly by Sen. Dr. Rolph Balgozin is a very, very important one in this regard, that most of the times that mud is being thrown, it is because of a certain level of disaffection, and that the public procurement process needs to cater for what we consider to be the differences between regular procurement of goods and services. Regular procurement, for example, of, in fact, services as distinct from the procurement of significant assets. They are two different things and we need to consider and we need to bring the procurement process into the 21st Century.

One of the biggest difficulties that we have is that all of the procurement methodologies that we employ are in fact manual, and not only manual, they are also subjected to a huge amount, if you want, of discretion, and discretion is where the difficulties come in, and we require, not merely fairness, not merely transparency, but what we really need to do in an era where we are dealing with $52 billion budgets, we need to ensure that we get value for money, and more often or not, the biggest question is whether we are getting value for money. That is the fundamental issue. So that the procedures that have to be adopted; the methodologies that have to be adopted will vary between purchases of different types of asset classes.

11.55 a.m.

It is, for example, fundamentally different to buy a car or to buy a fleet of cars or a fleet of trucks for that matter, or a fleet of tankers—somebody else will deal with that—as distinct, for example, from buying OPVs, as distinct, for example, from buying helicopters. Because the fundamental issues are the support costs and the running costs, not merely the actual acquisition decision, but the support and maintenance issues. The real cost of acquiring a significant asset, a piece of property, a helicopter, an OPV, a boat, has nothing to do with the individual
purchase price. In fact, the life of the particular asset—and the life of those assets are 25-plus years—has to do with the maintenance aspect. So, the issue is not merely the acquisition decision, the issue is also about the cost to maintain, the overall cost of running the asset over a particular period of time, and none of the acquisition processes that we have put into position in our state enterprises actually address that significant difficulty.

There were a number of experiments which were adopted to deal with that, and they actually involved making changes to the bid process, not just simply publishing, if you want, a tender document which established what you want it to do, but the whole question of how you select your suppliers, what you would look for, request for information, request for proposals or requests for information before you arrive at the request for proposals, because many times you are dealing with experts in subject matter areas with which this Government, with which our state enterprises, with which our Ministries do not have the relevant acquisition expertise. That is a fundamental issue and that is where the difficulty and the complexity come in. It is not just simply a question of the acquisition of the asset, how much it cost, how much it cost today and how much this one bid for it and how much that one bid for it, the question is the running cost and the maintenance, and those require detailed analyses which have to be done behind the scenes and brought to bear in the decision to acquire.

The process that exists at the moment, does not take that into consideration, and when we arrive and when you see stuff in the public domain, invariably it is simply a measurement of the price of X and the price of Y and no consideration is given to maintenance and running costs, which is the real difficulty.

In fact, there is a substantial body of opinion and a substantial body of law that have developed with the issue, not merely of the acquisition but the issue of maintenance contracts, and maintenance is a fundamental issue which is not taken into consideration. So, I wonder, for example, if the committee is, at the moment, still not too optimistic, in terms of what it is. In fact, what it wants to do and the time frame in which it can achieve it, because I do not think, so far, in terms of what I have read, certainly in terms of the terms of reference, that we have really dealt with the issue of consulting with experts for specific and particular interest areas; of consulting with John Q Public, in terms of what they expect, and the two things, by the way, are at variance. What John Q Public wants and what the experts want are two completely different things and we have to find a way to make the process, if not transparent, at least understandable, because one of the
things that you see in the papers all the time and the comments that you hear
clearly demonstrate that some of the worst critics do not understand the process;
they clearly do not.

There are a number of key experiments which had been undertaken,
specifically to deal with the different areas of procurement. One of those
experiments was what we call a reverse auction process or an electronic bidding
process, which would allow state enterprises to create an arm’s length transaction
and to allow third parties to bid online and it actually gave the state enterprise the
opportunity to obtain best prices, not by a tender process, but by allowing people
to bid against one another in real time. The real impact of that experiment was
that we were able to achieve discounts, if you will, to prices which we had
experienced before, somewhere in the order of 25 per cent; a significant discount.
But, that is a valuable change.

I want to ensure and advise the committee to understand that it is not just
simply one process. There are several different processes which have to be
employed and they will vary from enterprise to enterprise, from state enterprise to
state enterprise and also from project to project. One size does not fit all and the
issue of a regulator or leviathan who is going to interfere in the contractual
process may in fact be a stick that could beat you, and it is something that requires
a careful attention to detail. Sometimes, when doctors prescribe medicine, it can
be strong enough to solve the problem but kill the patient, and we need to take
that into consideration.

The point I would make, and particularly with regard to the purchase of
significant assets, and by significant assets we mean significant physical assets,
the development of infrastructure and infrastructure is something that Trinidad
and Tobago needs and needs very strong intervention; if not merely from the
point of view of roads and not merely from the point of view of hospitals. I think I
was hearing this morning over the news that a hospital which has been subject to
a lot of hue and cry; a lot of noise in the public debate about the procurement
system and everything else was had; that hospital is going to be a couple of
months late.

It will test any administration, because those issues are not issues which are—
for example, the difficulties that you face are not always the province of what one
would call “ratchifee” or somebody attempting to manipulate the process. There
are genuine difficulties which are faced. There are genuine issues in the
procurement process, in terms of the type of equipment that you will acquire, also
in terms of the actual construction phase. There are genuine difficulties that will
be faced, and we need to be sufficiently robust to put in adequate management
decisions but at the same time, processes which stand the test of time. One of the
fundamental issues that we also have to deal with is that we have to put in people
who stand the test of time, and at the end of the day put in systems which ensure
that we keep people honest. The fundamental rule is trust but verify, and any
procurement process has to take that into consideration.

If we needed any example, we have been faced with a whole series of
examples over the course of the last 12 months that will hurt and faze any
administration. Any administration would have difficulties. It is not just simply
reforming the procurement process and putting a regulator. That is not going to
solve the issue. We also have to ensure—I think that was the point made by
Independent Sen. Drayton—that the people who are involved in the acquisition
process are in fact kept honest.

I want to make the point that it is a very complex issue. It is not to be
underestimated. It cannot be done in three months. It cannot be done in four, and I
dare say at the end of one year, you would have formed the outline of a
procurement system with certain subtleties and even then it still has to go through
the test of practicality: what will work in certain circumstances and how do we
calibrate the system to allow for different types of acquisitions? It is a difficult
process and we are going to be faced with many more acquisition decisions,
particularly of a capital nature, in the near future.

I want to make the point that we need to proceed strongly, we need to proceed
quickly, but we also need to proceed carefully and with a certain degree of
judicial prudence. Thank you, Mr. President.

**Sen. Dr. James Armstrong:** Thank you, Mr. President. I would like to make
just a few interventions. One is to emphasize—well to support the Motion
because this procurement exercise is extremely important in the country today.
We are already faced with a situation where a number of contracts are being
awarded and where public money is being spent. Today, we are going to be
considering a request for additional funds and I think that one of the things that
we have to be very particular about is how we use public money. Therefore, I
think this is very important.

I certainly would like to support the Motion for the extension of the time
being requested, but also to emphasize that, as this work picks up again during the
next session, that we try to take into consideration all of the submissions that were
made. I have noticed that a number of questions are actually outstanding on page
7, and I think these are extremely important and, therefore, whatever time is required—I agree with Sen. Mariano Browne, that it might not take a month—to do this effectively and efficiently, because what we are interested in is actually transparency; transparency to the extent that if even those that are involved are dishonest, that the system itself will work to prevent the procurement process being derailed.

The other point I want to quickly make is that, as I have said, a number of contracts, major contracts, are already being awarded and we are seeing in the documents that we are going to be considering a little later on today, that additional funds are being requested for a number of procurements of items, services and so on.

Sometime ago, we talked about the fact that our contractors were left out of a number of the major contracts that were issued some time ago and I would like to again urge that those contracts and those moneys that are being spent today, that careful consideration be given to the local manufacturers, to the local contractors and the consultants that we have, so that they can also be made aware of whatever the requirements are, in terms of public moneys, and be able to participate in the process where it is transparent enough and be given an equal opportunity to vie for some of these projects.

Therefore, I would like to support the Motion and to express our appreciation for the work already done by the committee. Thank you.

**Sen. Terrence Deyalsingh:** Thank you, Mr. President. The reason I may have jumped the gun earlier, after Sen. Mariano Browne spoke, has to do with the fact that last week Tuesday I was denied the opportunity to speak by the Government, on the issue of constitutional reform, so I did not want to be denied again.

We are here to install a savings clause on the Second Interim Report of the Joint Select Committee appointed to consider and report to Parliament on the legislative proposal to provide for public procurement and disposal of public property and the repeal and replacement of the Central Tenders Board Act. I would hang the thesis of my contribution on several pegs.

Peg one deals with the fact that Trinidad and Tobago is a small society so, therefore, the rules of procurement that apply to small societies tend to be different to those that apply to large societies, because as you know, in small societies everyone tends to know somebody else, everyone is related to somebody in high office and that complicates the issue, as opposed to large countries where you are separated, not only by distance but you do not have those interpersonal relationships, so procurement is slightly different.
12.10 p.m.

The second peg I hang the thesis of my contribution on, Mr. President, has to do with the Motion—the very first Motion I spoke on in this Parliament, it was a private Motion brought by Sen. Subhas Ramkhelawan, “Efficiency and Effectiveness of Parliament”. And coming back with this savings clause on this particular item again is not the efficient use of parliamentary time, because we have told the Government over and over and they would not listen, that the extensions they were seeking for this piece, month to month would not do. And here we are again for about the third time debating this, when they were told over and over especially by Sen. Al-Rawi and myself; they were told the last time that one-month extension was going to be too short and it was met with cries of derision by certain Members of the Government side. We warned them back then that there should have been a savings clause before, they did not listen and here we are today June 7th, just before Parliament is to be prorogued to put in the savings clause which we advised to be put in to save the Parliament’s time. I bring in the issue of efficiency and effectiveness of Parliament and how the Government is not making full use of parliamentary time.

And I go back to my—to the fact that I was deprived the opportunity to speak last week Tuesday on constitutional reform, because constitutional reform is also important for procurement. We spent four days in this Chamber, Mr. President, speaking on constitutional reform up; to 5.00 p.m. last week Tuesday, there was an agreement that we would go on to meet until 6.20 p.m. or 6.30 p.m. At 5.20 p.m. last week Tuesday the proceedings of this honourable House were abruptly ended, abruptly curtailed, and four days of debate went down the drain, and this Government wants to speak about efficiency. But let me get back to procurement.

Sen. Drayton in her contribution spoke about allegations of corruption, she spoke about procurement processes of state agencies. I would like to deal specifically with the procurement process that NP may or may not have followed in procuring the services of contractors to haul their fuels. Contracts of that nature, not only the qualitative nature of the contract, but the quantitative aspect of the contract, the figures involved whether it is $40 million or $4 million, these are large sums of money. The finance experts like Sen. Mariano Browne and Sen. Ramkhelewan would tell you that before a decision is made to go to any one option, analysis will have to be done about the cost effectiveness of all the different options. My question on procurement, and I pose this question directly to the Minister of Energy and Energy Affairs and her board: what analysis was done on the different options that was leading NP to award a $40 million contract?
There were various options, we are hearing that the board prior to the Neil Gosine board was discussing with Neal and Massy the possibility of buying the tankers, that is one option, the straight buy option. Other options would be to buy and lease back, where you buy the asset and you lease it to someone and then you lease it back; you have a straight lease; you have a total outsourcing, where you could totally outsource the haulage of gasoline. Then you could have external funded buying, where if you do not have the cash flow yourself, and you do not want to use your own cash resources like in a straight buy, you can externally source funds to purchase.

**12.15 p.m.**

I would like the board of NP to tell this country what process it used—

**Sen. Abdulah:** Mr. President, on a point of order, 35(1), I am not sure that the issue of the particular processes at a particular enterprise is relevant to the Motion, which is to adopt this particular report.

**Mr. President:** I had my concerns; on the other hand, I think that the Senator is entitled to draw on references of specific matters, provided he keeps them within the relevance of the debate. Please continue.

**Sen. T. Deyalsingh:** Thank you very much, Mr. President. The relevance of this is, if we are going to reform our procurement laws; if we are going to repeal the Central Tenders Board Act, should we not learn from the errors we have made in procuring goods and services in the past?

I go on: what process did the NP board use? Did the NP board, by its own admission, in deciding to discontinue with the Neal and Massy straight-buy purchase, look at the discounted cash flow of each option to see which option was best suited to NP? Did they? What were their cash resources? If any state agency is going to procure goods and services, it has to be done in relationship to what cash resources they have and that will determine which option they go for; whether it is NP, UDeCott; whether it is the Ministry of Health, the Ministry of Planning, Economic and Social Restructuring and Gender Affairs; it matters not. What were the tax implications of buying versus leasing? What would have been the impact on their profit and loss statement? And, qualitatively, did NP look at what would be the impact on continuity of supplies? What would be the cost effect on different contracts if they go with one option versus the other?

That is the relevance, Sen. Abdulah. If we are going to look at procurement, we need to set down guidelines that each state agency could look at in determining which option best suits them.
Mr. President, on that note, this country—and I bring it up voluntarily; I have no fear—spent a lot of money on the Uff Report into UDeCott. That Uff Report made several recommendations. I bring this up because of what has happened since this NP contract was not awarded. The problem that I hung my thesis on originally is small societies where everyone knows somebody else. It is not that because you know someone in government; you are a friend or a relative, you should not get a contract. I am not advocating that.

I am not saying because Minister Dookeran knows someone or Sen. Abdullah knows someone, that person should not get a contract. I am not proposing that at all. What I am proposing is that when we attain, each one of us, high office and move from the realm of private citizen to that of public citizen, the same rules that apply to a private citizen no longer apply to a public citizen. What you can get away with—your actions, your behaviours, the company you keep, where you “lime”, the things you do as a private citizen, different rules apply once you attain high office because we are now held as exemplars, and how we behave, our ethics, our morals are what guide the rest of society and that, to me, hon. Minister, is the crux of the matter in the procurement of the NP contract.

Up to May 24th, you were a private citizen; from May 25th, you are prime minister. Different rules apply; different behaviours.

Mr. President: Senator, I would not allow you to go into the specifics of the NP contract. You may reference it and demonstrate the elements of that contract that touch upon procurement, but you cannot go further into it.

Sen. T. Deyalsingh: Thank you, Mr. President. I will. As I was saying, even though the Uff Report was into UdeCott and the construction sector, I think that there are lessons that can be learnt from that report, even though it was into construction, that we could apply to procurement on the whole.

I make reference to Recommendation 14 of the Uff Report:

“Rules requiring signed or formal contracts should either be enforced or amended, not ignored.”

That is one. I make reference to Recommendation 26 about setting up a Cabinet oversight committee.

“The objectives of the Cabinet Oversight Committee should include…the creation of a range of Standard Procedures and Documentation…”
What we saw with the NP contract, which the hon. Attorney General took upon himself to investigate, was a total breakdown in rules and procedures. This is the point I am making again. It is not that our family and friends should not get contracts; they should get them as long as they qualify for them and as long as procedures are followed.

Under the heading, “For the maintenance of integrity and transparency”, Recommendation No. 53—I am on record in this Senate saying several times that certain things cannot be legislated. You shall not legislate good parenting. I have said that over and over and over. Again, I go back to this, for the maintenance of integrity and transparency, Recommendation No. 53 of the Uff Report:

“Tender procedures should be designed to eliminate the effect of personal relationships or pre-dispositions to favour one person or company against another.”

That is my point, Mr. President; that in small societies we have those relationships. Those people who are close friends should be just as able to tender for contracts. However, it places a heavy burden on us as exemplars to make sure that those relationships do not colour the process. That is the point I am making, Mr. President.

Mr. President, the issue of the procuring of services to transport gasoline and other related products, one of the arguments put forward for considering a particular company that had no experience in it, was to engender competition and I fully agree with that. I fully agree that monopoly should be broken. If one company has a monopoly, then in a free market economy like ours, competition should be encouraged. However, if you are going to break that monopoly, why break it by giving the incumbent 10 per cent of the award and giving the new entrant 90 per cent of the award? In my view, if the argument is competition, it should have been the other way. Give the incumbent 90 per cent; give the new entrant 10 per cent and then, year by year, increase the new entrant’s and decrease the incumbent’s. That way, the process cannot be called into question and this is directly to do with procurement. To give the new entrant 90 per cent upfront and the incumbent 5 or 10 per cent does not hold up to integrity. That is another point I am making.

Sen. Drayton, in her short contribution on procurement, spoke about confidence in public contracting, and I am in full agreement with her; but how do we have confidence in our decision makers? One of the suggestions the hon. Senator made was to widen the scope of the Integrity Commission to bring those who sit on the valuation committees under the radar of the Integrity Commission.
The Integrity Commission has been the subject of much debate over the years. Some say it is too broad; it traps too many people. Now we have a suggestion that maybe we should broaden it more. I will not engage in a debate whether we should broaden it or limit it. What I will engage in is, going back to my horse which I whip, you cannot legislate on everything. At some point in time, people with integrity have to do the correct thing. The solution is not more legislation; the solution is people with integrity acting with integrity and appointing people with integrity. If we are going to procure services—I draw your attention to the Daily Express editorial on Tuesday, May 24, 2011. The headline of the editorial is “Investigative spotlight will remain in focus”, and if you will permit me, Mr. President, I will just read one paragraph of that editorial to demonstrate the point that the population will continue to lose faith in us as exemplars if we do not behave responsibly. I quote:

“The Express has relentlessly investigated some…matters that were crying out for such treatment. Weeks into the new administration, a Camini Marajh series queried the past performance of Public Utilities Minister Emmanuel George and Acting WASA CEO Ganga Singh in the 1995-2000 desalination project that was marked by bid-rigging.”


Sen. T. Deyalsingh: Now, Mr. President—

Mr. President: Senator, what I need to warn you before you proceed further—I do not know exactly where you are going, but you did call names. What I would prefer is if you left out the personalities. You can talk extenso into the question of procurement and how it relates to any project and any past matter; but we must leave the personalities out of it. It does not belong to this debate. Thank you.

Sen. Hinds: Mr. President.

Mr. President: Please have your seat, Sen. Hinds!

Sen. Hinds: For your clarification—

Mr. President: Sen. Hinds, please have your seat. [Desk thumping] [Interruption] Sen. Hinds, please have your seat.

Sen. Hinds: Mr. President—

Mr. President: [Louder] Sen. Hinds, please have your seat! [Sen. Hinds sits]

Thank you.
Sen. Hinds: Mr. President, am I permitted to ask a question?

Mr. President: Sen. Hinds, you are not permitted. I am asking you to have your seat.

Sen. Hinds: So I cannot ask a question [Inaudible] in this House?

Mr. President: Sen. Hinds, I am standing. Please have your seat! Sen. Deyalsingh is on his legs. Thank you.

Sen. Hinds: What is happening here?

Sen. T. Deyalsingh: Thank you, Mr. President. I will leave out the names as you requested. I will honour your ruling. However, if we are going to have faith in our leaders, that *Express* editorial speaks to the issue of procurement because that editorial spoke about the procurement of the whole Desalcott Project. So I will leave it there, Mr. President, and abide by your ruling.

Mr. President, as we continue with procurement, I would like to find out, when procurement processes run awry, flounder on rocks, get messy in the public domain, what mechanisms are there that we could implement that the injured parties could have some recourse to? And I come up squarely and directly with the opinion sought by the hon. Attorney General on the issue of whether “the staying by” a government official at a private resident constituted a gift or not, because it is all tied up in the issue of procurement done by NP.

12.30 p.m.

If an issue is before the Integrity Commission that has to do with procurement, my question is, why does the hon. Attorney General feel that he is exonerator in chief—[Desk thumping] that before the Integrity Commission meets, ponders on a matter, he seeks not one; not two; not three but four legal opinions to exonerate a Government official? How are we to have faith in the work of committees, whether it is the integrity commission, whether it is NP management evaluation committee? What role does the hon. Attorney General see himself as fulfilling in all of this? It boggles the mind. When questions are posed about procurement in the NP issue, we are told that the files have disappeared. How are we to now judge whether that procurement process was above board or not, when files have disappeared?

So, Mr. President, I have raised several important issues. I again—in my summing up, wrapping up—say that integrity cannot be legislated, decency cannot be legislated. In a small society you will always have these conflicts, these
personal relationships; the solution is adherence to procedures which are transparent—which this Government rode on in their election campaign; that people are held accountable when mistakes are made. Because many people who have made mistakes have not been held accountable, because we have procured the services of Reshmi Ramnarine, nobody is held accountable; we procured the services of Susan Francois, no one has been held accountable; and now no one is being held accountable for this. Mr. President, I thank you.

[Desk thumping]

Sen. David Abdullah: Thank you very much, Mr. President. I am a member of the joint select committee that was appointed by Parliament to consider and report on the legislative proposals to provide for public procurement and disposal of public property and repeal and replacement of the Central Tenders Board Act.

Those Members of this honourable Senate, Sen. Drayton and Sen. Dr. Balgobin, who are members of the committee, I think, spoke to the seriousness of the work of the committee and Sen. Penelope Beckles-Robinson also did, you know, address the importance of the work of the committee. Unfortunately, the discussions on this particular Motion have degenerated somewhat, Mr. President. Because, you see, members of the public viewing or listening to this particular debate would not appreciate that what is being sought here is that the report, simply, of the work of this committee—to ensure that the work of the committee can be continued into the next session of the Parliament; given the fact that the Parliament would be prorogued shortly; given the fact that the one-year term of this parliamentary session would up within a few weeks.

Mr. President, I am saying this because both Sen. Mariano Browne—who is here temporarily, we understand—and Sen. Deyalsingh are speaking as if the Opposition is not a part of the committee, that is, whose work is before this Senate today, and which report we are now seeking to adopt to save the work. It is quite amazing, therefore, that they are speaking and putting forward proposals—perhaps, you could excuse Sen. Browne because he is temporary and in fact acting for Sen. Al-Rawi, who is a substantive member of this particular committee. Sen. Al-Rawi has contributed extensively to the work of the committee, but when you hear Sen. Deyalsingh speak, and make proposals about: is this being addressed and is that being addressed; as if his own political party is not represented in the committee and able to make representations to the committee, [Desk thumping] as if this committee was, somehow, a Government committee.
12.35 p.m.

It is not a Government committee, Mr. President, it is a joint select committee comprising Members of the Government, Members of the Opposition and Members of the Independent Bench, all of whom have been engaged in a very frank and open debate, precisely because the Government felt that it did not wish to come to the committee with a specific policy position, but we wanted to get the considered views of the Independents and of the Opposition to craft the best legislation possible and, therefore, the Opposition has had every single opportunity to contribute to the shaping of the procurement legislation going forward that will satisfy the interest of the country, and address all of the concerns that Sen. Deyalsingh seems to have but, perhaps, he has no faith or confidence in those persons from his own political party who are sitting on the Joint Select Committee in terms of articulating their concerns that they have expressed.

It is quite amazing to hear the tenor of the contributions but, perhaps, that is because one Member of the committee—and, perhaps I would try to be as careful as I can—the Leader of the Opposition who is a Member of the committee has hardly attended meetings of the committee, because when we meet generally on a Monday morning, it seems that his party business of having a press conference on a Monday morning takes precedence over the very important work of trying to craft procurement legislation for Trinidad and Tobago. [Desk thumping]

So important, you see, they are concerned about procurement legislation. They have always been so concerned—and I suppose, hopefully, you will hear the irony in my voice—about public procurement that when Sen. Browne, as he is sitting today, was then a member of the Cabinet of the last administration, they did not bring procurement legislation to this Parliament to be passed. They brought a White Paper and then throughout the very White Paper that they brought, in common parlance, Mr. President, “Dey diss their own White Paper” which is somewhat unheard of [Desk thumping] as in terms of Government action. [Desk thumping]

Why did they “diss” it? They “dissed” it precisely because they wanted to engage in public procurement practices that were wholly inappropriate and which, in fact, led to the very Uff Commission of Enquiry [Desk thumping] whose recommendations Sen. Deyalsingh now reads with such pleasure. But those recommendations were really arising out of circumstances that had taken place under the watch of Sen. Browne and his colleagues then who were in government and, therefore, really and truly, to get up and speak as if they have moral authority to speak on this issue is taking all of us for persons who have no memory beyond
the last 10 days. And so to hear Sen. Browne lecture us virtually—pontificate about procurement and the complexity of it and so on, when as Minister in the Ministry of Finance, what was done by his colleagues and himself at that time to address the complexity of public procurement? [Desk thumping]

Mr. President, quite frankly, our side was just simply going to have this particular Motion adopted, because we were not going to get into a long debate on it, because it is a very simple Motion to adopt the work of the committee, and to ensure that in the next term we can conclude—whatever the Members of the committee may be, that the Joint Select Committee could conclude its work, because we are committed to having good procurement legislation on the law books of Trinidad and Tobago to address all of the concerns. We want to address them. We want to ensure that whether it is at NP or whether it was at UDeCott and so on, that we have good procurement legislation, and that is why we wanted to, and we were hoping to have had the work of this committee completed before the end of the term. Maybe we misgauged the timelines, but I do not think it would be fair to say that we are far away from concluding, because we have done a tremendous amount of work, and we have addressed the questions very significantly, and really we did not need a whole lot more time to conclude the work of the committee. I am sure that in the new term we would be able so to do, because of our commitment to bring good legislation dealing with public procurement.

Because you cannot put your head on a block for every single individual who is appointed or elected—nobody could put their head on a block—and that is one thing we could agree with Sen. Deyalsingh, that yes you cannot guarantee what an individual will do and, therefore, we have a responsibility as legislators to put in place the best checks and balances possible to ensure that those who hold office; whether they be elected or appointed or hold positions of responsibility by virtue of their employment in state agencies or in government ministries and departments and statutory bodies, that they pursue their responsibilities with the best integrity possible. So we have a responsibility to put that legislation in place, and we would not have gotten into this particular debate had it not been for those things that have been raised by Senators opposite.

I want to say that one of the documents that was considered—and that was reported on in an earlier interim report—was the Uff Commission of Enquiry and all of its recommendations. We looked at many different options and processes to be pursued; and we looked at the whole issue of the complexity of different kinds of state enterprises and the difficulties and challenges of having a one-size-fits-all
arrangement, because different state enterprises have different requirements; different levels of technical competence—as Sen. Browne was raising—in terms of being able to analyse and assess tenders and so on. All of these matters that the Senators raised have, in fact, been and were the subject of extensive discussion of the Joint Select Committee, and this is why I am surprised that they were speaking as if they were not getting feedback from their Members who were sitting on that very committee, because had they got the feedback, then they would have known how the committee was approaching its work, and that all the views of all the Members of the committee were being taken into consideration.

Sen. Deyalsingh also raised the question of what mechanisms are there to address complaints and so on. Mr. President, all of that was being considered by the work of the committee. So, really and truly, what we were hearing was an attempt to utilize the particular Motion to address other matters that are of concern to the Opposition. I suppose it is because they cannot get over the fact and they cannot live down the fact that under their watch, the examples of public procurement were absolutely horrendous, and we are saying this on the basis of what emerged from the Uff Commission of Enquiry, and gave the necessity for recommendations.

Mr. President, I should also say for the record that the Uff Commission of Enquiry was established not because the government at the time wanted a commission of enquiry. You would recall, Mr. President, that the first proposal was that there should be no commission of enquiry at all; that there should be a joint select committee of Parliament to deal with all of the information surrounding UDeCott and so on. [Crosstalk] Precisely, and it would not have been the kind of investigative enquiry that the Uff Commission turned out to be. It was as a result of public pressure on this issue by civil society and by the Opposition at the time, that ensured that we had a commission of enquiry that I think we all feel was positive in terms of making important recommendations going forward about ensuring that there is in place a proper legislative regime to address the issue of public procurement.

Let me also say, Mr. President, that we deeply appreciated as a committee, the contributions made by civil society to the work of the committee, be they the JCC, the Trinidad and Tobago Chamber of Industry and Commerce, the Trinidad and Tobago Manufacturers’ Association or the Trinidad and Tobago Transparency Institute, they all made collectively important contributions to the work of our joint select committee and others as well; both in the public and private sector made important contributions, and this was so that we could have available to us
all of the ideas, all of the proposals, because we on our side do not believe that we are the repositories of all wisdom, as they did when they were in government, which is why we ended up in the mess that we were in.

**Sen. Deyalsingh:** What about the airport?

**Sen. D. Abdulah:** Yes. And whether it be the airport or not, public procurement going forward, Sen. Deyalsingh—[Interuption]

**Sen. Deyalsingh:** Or, forward—[Interuption]

**Sen. D. Abdulah:** —with this legislation—[Interuption]—the point I am making is that when you were there you did nothing to bring in public procurement legislation. [Desk thumping] That is the point that we are making; absolutely nothing to bring in public procurement legislation. In fact, there was in that earlier period a legislative proposal to address the amendment of the Central Tenders Board Act.

So, Mr. President, the point I am making is that we sought to get as many views as possible at the level of the committee, and we sought to work in a very, not just consultative process, but in a way that ensures that the very best thinking is brought to this issue. It is complex, but it is not too complex for us to postpone indefinitely. It seems to be so complex that the last government could not deal with it whatsoever, and they dropped it like a hot potato, the result being UDeCott and all the fiascos of UDeCott and so on. [Crosstalk]

So, Mr. President, I wish to, therefore, support the work of the committee that I was honoured to be a Member of and to have made some small contribution to, and to support the Motion that has been brought before this Senate to have the work of the committee essentially saved to ensure that in the new term, as quickly as we can, we can bring a conclusion to the work, and to have a legislative proposal before the Parliament that will address in a significant way, good public procurement.

In that regard, we also want to thank the parliamentary staff for the very good work that was done. They did excellent work and supported the work of the committee tremendously, and also the Chief Parliamentary Counsel who was extremely helpful and so on in assisting the committee in getting the work to the point at which we are today. Thank you very much. [Desk thumping]

**Sen. Fitzgerald Hinds:** Mr. President, I feel rather warm to be on my legs. I feel rather a sense of accomplishment actually, a privilege that I will not take for granted. Mr. President, let me begin by saying that I have the greatest honour and
respect for this Chamber and for this Chair. That is how we were brought up in our homes and that is how I was brought up in the PNM—let me make that clear—and there will never be any intention on my part to be discommoding or disrespectful to this Chair. I was merely wanting to clarify—I heard my friend call a name—and I merely wanted to draw the Chair’s attention to the fact that he can call the office of the Minister of Public Utilities, he did not have to call his name. That was all. [Interruption and laughter] While I want to apologize for sharing my legs while you were on yours—sharing legs with you, so to speak, so to speak—Mr. President, I would say that I suspect you misunderstood my intentions. They were noble; they were noble.

Mr. President, let me proceed. I was about to say, Mr. Speaker, but—Mr. President, I am sorry—let me proceed. The Senator, Sen. David Abdulah, criticized the Leader of the Opposition for his absence at times from the committee proceedings and, of course, did not tell us that Mr. Imbert and Sen. Al-Rawi were very present and participated very fully and would have represented our views on that committee totally.

12.50 p.m.

I would suggest to Sen. Abdulah, that rather than comment adversely on the absence of Dr. Rowley, Member for Diego Martin West and Leader of the Opposition from being there on a Monday morning, he needs to look to his Prime Minister who is also very absent, early many mornings. [Desk thumping] I will attempt to find out the reason why Dr. Rowley may have missed some, but I will not attempt to find out, he needs to find out the reason why his Prime Minister is absent from important meetings, early many mornings.

So with that behind us, let me proceed. We have always had issues and I want to support the work of the committee as well. I want to congratulate all those who worked tediously to taking us to the point we are, but I would tell you, Mr. President, in my humble opinion, we have not come very far.

I heard Sen. Abdulah say that we did not bring procurement legislation, we did nothing about it since after the Uff enquiry. But what they have done so far as a government has not taken us very far, you know. They have not drafted any legislation and they sent this work to a Joint Select Committee; the report that we are considering to save today without a policy position from the Government.

To my mind, that would have made the work of the committee much more difficult, if not near impossible. Because as has happened in other pieces of legislation, I remember an Independent Senator standing up here and telling us
that he finds that the Joint Select Committee has to do far too much work, whether it was the anti-gang legislation—because the Government does not start with a position. They did not espouse or produce any policy on procurement, but they sent this matter for the consideration of a Joint Select Committee, so they were working in the dark, working in abstract. When the work of the committee is finally over, it may very well find that it is not in favour with what the Government intends or intended. So they started the other way around, but we are here to save it today and we will save it.

Their only policy, so far, seems to be criticism of procurement procedures and processes as they existed before they came to government. That is what their policy seems to be. We have had issues with procurement for a long time in this and many other Third World and even developed countries. Not new! Human beings we are dealing with and people are opportunists, and if the systems are not such that they would keep the door locked to opportunists, they are going to capitalize on them.

We have tried, I am advised, the reverse auction process: auction, electronic auction, request for further information, hiring of third-party consultants to advise inter-ministerial committees. None of these are being used now, but all of these were precursors, if you like, to bringing us bit by bit to where we are today, hoping to go forward. All these efforts and experiments failed. As some of them were loaded with shortcomings after they had been tried and tested tells us that we still have a long way to go, especially in Trinidad and Tobago where, as you know, very unfortunately, we have a reputation for being blessed with a disproportionate amount of smart men and smart women.

So, we have had issues, but the most recent issue was the UDeCott issue, and this country spent $52 million. The public are right to expect that having had a commission of enquiry costing the taxpayers $52 million, that that would have been Trinidad and Tobago’s attempt to fix a long-standing problem.

When Sen. Deyalsingh made reference across the floor to the Piarco Airport to Sen. Abdulah, he told him forget that going forward; we must go forward, we must move on, to use the words of his Prime Minister. But when she told us move on some months ago, we did not know we were walking into the “NP situation”. But they want us to move on again. All I am saying is that there are some shortcomings and we thought that the UDeCott enquiry, thorough and expensive as it was, would have offered this country, whoever is in government, some ideas about fixing a long-standing problem in this country.
12.55 p.m.

Mr. President, some persons were vilified, with justification, and some not, in that whole UDeCott scenario. There were strong voices in condemnation, coming from that side, about some of the things that the UDeCott enquiry had to address. But do you know what, Mr. President, they won the election on UDeCott; they complained; they protested, and they raised hell. I trust that is not unparliamentary.

The last government lost the election largely on the basis of affairs that took place in UDeCott, and this Government won largely on the basis of things that took place in UDeCott. But, shockingly, they walked into Government, and some of the first issues with which they confronted the very society were issues surrounding the same issues the Uff Enquiry had to deal with, procurement issues. Poor and improper procurement led, of course, to the firing of a Minister, Sen. Mary King, as she then was, and now we have a situation where the hon. Attorney General finds himself getting involved in issues in NP and, in our view, covering up things that he discovered bad about the procurement process—that Government, that came into Government criticizing the procurement process as it existed under the last administration. The only thing they could boast of, so far—[Interruption]

Sen. Panday: Mr. President, Standing Order 35(5), about the Attorney General.

Mr. President: Senator, I did think that you were bordering there on the reference to the work of the Attorney General as being somewhat improper. Perhaps we could keep within the confines of debate on the Bill.

Sen. F. Hinds: It is quite clear, in our view, that there was bid rigging in NP. The Attorney General told us that he found improper procedures which led him to scuttling that contract and inviting and asking NP to take the thing back out to tender. It was the Attorney General who did that. I only ventured our position, our view, and we wrote the Integrity Commission about it. That was merely an attempt to hide that which he discovered. That is my opinion. He has not told us who was responsible or who were the persons who were responsible for the—[Interruption]

Sen. Maharaj: Mr. President, Standing Order 35(5). He is imputing improper motives to the Attorney General.
Mr. President: You are imputing certain motives to the Attorney General when you say that he hid something. You used that language. Therefore, I ask you to refrain from that language. You cannot impute motives to him. None of us know what is in his mind; as much as you may guess and have wonderings as to what that was, you cannot share that with the House.

Sen. F. Hinds: Okay, Mr. President. The Attorney General appointed himself investigator. He told us that the report from the committee established by the Minister of Energy and Energy Affairs he needed to review it, and he reviewed it. We have not seen it, but he reviewed it. He told us that things went wrong. I am simply saying he did not tell us who was responsible for the things that went wrong, and he did not tell us exactly why they went wrong.

He did not tell us whether he, as Attorney General, was recommending criminal prosecution against those who did wrong, that he told us existed. The reason that contract came into the public domain—and a question was answered in here—was that we held the view there was some improper influence by virtue of the Prime Minister’s stay in the house of the person who was given serious consideration for that NP contract. [Interruption]

Sen. Panday: Mr. President, Standard Order 35(5); he is imputing improper motives on the part of the Prime Minister.

Mr. President: I do think it is imputing improper motives for you to suggest that the actions of the Prime Minister amounted to influence. Therefore you are suggesting that she was acting out of some other motive, other than governing this country as she ought to.

Sen. F. Hinds: Thank you very warmly yet again, Mr. President, for your kind intervention. I was really saying that the Attorney General, in all his deliberations, made absolutely no comment in the satisfaction of public and our concern in the Opposition, that there might have been some influence on the issuance of the contract. Is that satisfactory, Mr. President?

Mr. President: Please proceed.

Sen. F. Hinds: The name “Calder Hart” was bandied about in the last election campaign. Every one of them, including Sen. Emmanuel George, spoke at length, privately and otherwise, about UDeCott.

Sen. George: Mr. President, that is entirely wrong. I have never mentioned Calder Hart or UDeCott in any of my addresses anywhere, privately or publicly. I am not into that at all.
Mr. President: Sen. Hinds, I take it you will honour the explanation given and withdraw the remarks you made about him.

Sen. F. Hinds: I was almost certain that I heard myself, but I am sorry. I stand corrected. I withdraw them promptly, my friend.

Sen. Abdulah: [Inaudible]

Sen. F. Hinds: Mr. President, we are submitting that the same issues are confronting us at the hands of that Government now; the same issues, no different. What this country needs and what we are working towards, hopefully to achieve shortly, is a modern proper system for procurement in Trinidad and Tobago. As I indicated, that is very difficult, when the Government does not espouse any particular policy on the matter. I would like one of them to give us an idea what is the Government’s policy on this matter, but they cannot. I accuse the Government of being hypocritical and incompetent. I wish I could find a word to put both together: “hypo-incompetent”. [Laughter]

Mr. President, their criticisms were very, very loud, as I told you. So loud that they got some of their friends and some of their supporters—let me tell you what an opinion shaper in Trinidad and Tobago thinks about this question of procurement. What we do here is important to the public, because we speak on behalf of the citizens of this country.

A friend of mind told me the day before yesterday, that he was tired of this country, tired of Trinidad and Tobago. He told me he lived for sustained periods in the United States. They have their issues, but they do not trouble him because he feels it is theirs; he does not worry with that. But when he is in Trinidad and Tobago, every morning, every day, it is one bacchanal after the next. He told me that he was tired of this country and was contemplating leaving us again.

I want to share with you what one of the opinion shapers in this country had to say. I am talking about an article written by one, Peter O’Connor, in the Newsday, Section A, Sunday June 05, 2011. This is what an adult, an opinion shaper, offers to the young people of Trinidad and Tobago. When you hear it, you would agree with me that the teachers, the religious leaders and the children in this country would be shocked to know, a man who had to defend himself in 1989 after serious procurement issues. Hear what he had to say, and I quote:

“She may, of course, be postponing a decision.”—he is talking about the Prime Minister. This is the dangerous line that he offers to the children and people of this country to be rejected—“However, the reality is that the
Government and the population ‘need’ Jack at work more than we need an appearance of ethical standards, which are not part of our culture anyway, at this time.”

Peter O’Connor. Do you know the meaning of an “eat a food society”, Mr. President?

**Mr. President:** Keep in mind that we are on procurement legislation.

**Sen. F. Hinds:** Oh, yes, we are talking about procurement. I just procured for you a horrible line, in a horrible article offered to the people of this country, by one of the friends of the Government, a defender of the Government. He wrote another article saying he is watching the Prime Minister’s back; Peter O’Connor. We need Jack, regardless of what everyone else is saying.

[Interruption]

**Mr. President:** I have allowed you some latitude, but we are on procurement.

**Sen. F. Hinds:** We on this side are willing to cooperate with the Government, because we are patriotic, nationalistic and have always been. In the session that is now coming to an end, Government cannot deny that we have given them support when they brought sensible legislation. When they asked us to go and beat it out in joint select committees and to assist them in coming up with a package of legislation best suited for the needs of Trinidad and Tobago, we supported that, we cooperated with them, and we continue to cooperate with them. I demand, before we continue, that this Government make clear what is its policy on procurement going forward, if I might use the language of Sen. Abdulah.

The problem is some organizations, some state enterprises, in fact, I think all, have tender rules, and very often they are not prepared to follow their own tender rules. It happened with Nipdec with the airport. I remember sitting in the other place, when the same Leader of the Opposition, Dr. Keith Rowley, the Member for Diego Martin West, had to treat with the airport issue when they were in government. And I am not dealing with the blaming “ting” today; we are dealing with procurement. The fact is Nipdec was identified as changing its own tender rules, after the award of the contract, when it was demonstrated to them that they did it wrong and got it wrong, and came to Parliament with an amendment to say singular means plural and plural means singular, all to deal with an issue of not following their own tender rules.

We have lived through that in this country. This is what makes the Uff Commission, the $52 million worth of it, so important, because the public is entitled to expect that, at least, very recently, we confronted the same issues. But the same thing happened again with the customs building. This report is designed to deal with it.
We had the Piarco issue, and that is the reason I am troubled when I hear them say that they want to build another airport, they want to “damblay”. [Laughter] I wonder if Hansard could spell that word. [Laughter] It is a Play Whe word. [Laughter] I am not a gambling man, so you must forgive me.

1.10 p.m.

Yes, my friend is reminding me, maybe they have a fetish with airports, and the Uff Commission of Enquiry dealing with the troubles that we had in respect of procurement in Part 6, under the Rubric “Conclusion on Terms of Reference Issues” at paragraph 32 through to 35: Value for Money, High standards of Workmanship, Free and Fair Competition, Access for All, Integrity and Transparency. These are some of the main issues addressed by the Uff Commission and it concluded the report in Part 7 with 91 recommendations.

I am certain that they have not even read them. Because what they did was to get political mileage out of the UDeCott saga, so to speak, and they have offered nothing more. Nothing more!

In that Nipdec situation I told you about, Mr. President, they gave the contract, we say, to their friends without even a proper bid. You would remember—without tender—sorry—and had to obfuscate after to deal with it, and you know the upshot of that? Many went to court and many are still on their way to court, fighting hard to avoid it, but that is what we lived through and you thought we would have learnt something.

The same thing happened to some extent—to a large extent—with the Customs Building here, where officials in UDeCott were alleged to have given the contract to, improperly—not following its own tender rules.

So, I am only making the point that once the systems are weak—And as my friend Sen. Deyalsingh pointed out, strong as they could be—I remember a quotation when I read constitutional law. I cannot remember the quotation but to paraphrase, it said that no constitution can resist the wilds and the determination of those who intend to subvert it. You could put in all the security systems—if I paraphrase again—but it is difficult to entirely prevent the breach by a persistent burglar or thief.

So, Sen. Deyalsingh is right. You require as well, in addition to the laws and the systems and ready jails and so on, and efficient courts and independent investigators—that is why I do not consider the Attorney General’s intervention in the NP thing to be independent. In addition to all of that, Mr. President, it
requires a semblance or more than a semblance of personal integrity on the part of public officials. And that is the reason why, the old people used to say: “If you could thief in the kitchen, you could thief the crown jewels in the bedroom too”. That is why the old people say: “Show me your friends”—whether they are local whether they are high-powered friends, organizing football anywhere in the world—“Show me your friends and I will tell you who you are”. The old people had wisdom you know, Mr. President. And you cannot say that you are running around with criminals and then running around with the police too, it “doh” work that way. You cannot be running with the hare and with the hunters too, you cannot do that.

And that is the difficulty we face today in Trinidad and Tobago. The whole nation is in uproar right now, whether we would split the responsibilities that one man may carry. But it links to the question of procurement. As Sen. Deyalsingh quite forcefully and compellingly argued, that notwithstanding all the procedures, all the laws, it requires some personal integrity.

**Hon. Senator:** That is right.

**Sen. F. Hinds:** Where a man must take a vow, “I am not a thief, and I must see other people’s money and property and leave it alone”. [**Interuption**] Yes, and, Mr. President, I would not call the name, but we have had issues, as Sen. Deyalsingh reminds us, with the Desalcott contract as well, unresolved, and when the Minister of Public Utilities was asked about the procurement procedure he went silent; up to now he has not answered about what was the influence in relation to a man called Bendak.

**1.15 p.m.**

And I would tell you something, Mr. President, I just received—and you know as we speak, the thing is developing you know. I am now in possession—and I have to ask the Minister of Food Production, Land and Marine Affairs, I have to ask the Minister of Public Utilities, an issue is developing around EMBDC’s residential sites. There were 11 of them and they are supposed to follow some tender procedures there too, but we are now being—it has been brought to my attention that somehow or the other WASA, under its interim CEO, Ganga Singh and a woman, I would not call her name, with the initials CD, are now somehow or the other involved in activities taking place in EMBDC that are likely to cost EMBDC $150 million, where they are redoing sites that were already developed and prepared for distribution as residential lots. Right now as we speak. I literally mean that, with no tendering. [**Interuption**]
So it is a matter that we would surely return to. I would have to ask the Minister of Food Production, Land and Marine Affairs and the Minister of Public Utilities whether that is so, what is happening? \[Interruption\] There were 11 sites. When the Minister of Food Production, Land and Marine Affairs came he put an end to the development now they are developing seven sites.

**Sen. Panday:** Where?

**Sen. F. Hinds:** One is Chin Chin, the Chin Chin residential site—“one ah dem”—and contractors from WASA, based on that arrangement between WASA and EMBDC, contractors sent by WASA are now on those lands working, disturbing work that was already done; redoing it, something that the Uff Commission recommended against under the rubric “value for money”. Let me read for you, Mr. President, just a couple—for the benefit of the listening public—of the recommendations—“For the attainment of value for money”:

“Money assigned for public construction projects must not be allowed to be corruptly diverted and thereby stolen from the public.”

Recommendation 13:

“Proposed sites for housing projects should be appropriately surveyed and detailed plans for siting of houses drawn up before contracts are tendered.”

Recommendation 20—let me give you recommendation 24 instead:

“The Cabinet Oversight Committee of the Construction Industry should pursue the objective of creating one or more bespoke forms for contract for general use in Trinidad and Tobago incorporating all necessary special considerations.”

Ninety one of them. Issues regarding free and fair competition, all written here, \[Sen. Hinds holds up document\] which, as I told you, Mr. President, I have a feeling they have never even read, because scandalizing on the platform was enough.

You would recall, Mr. President, in respect of the customs building, a matter that the UDeCott enquiry had to treat with, the evidence came out that they varied their own rules to favour a certain contractor—I could call his name, now dead—one Karamathom. The process was bad. Nothing different to what happened in NP you know, except that in the UDeCott case the Prime Minister at the time, once he heard sufficient information or evidence right in the Parliament announced a commission of enquiry into UDeCott.
Hon. Senator: Not so.

Sen. F. Hinds: Yes, that is the fact. Ramesh Lawrence Maharaj the former MP for Tabaquite got up, spoke certain things and he issued a commission of enquiry. And you would also remember that it was a PNM Member of Parliament who demanded, along with a few others in the society, a commission of enquiry.

So that was the upshot of it. But what is the upshot of the NP contract? No enquiry—an intervention by the Attorney General that is supposed to be the grand finale. He said that he conducted an independent investigation, he found certain things and that is supposed to be the end of it. While one is $40 million and the other might be substantially more than that, in principle, as it relates to procurement, the issues are identical, they are the same. [Interuption] So, are we going forward? You can understand why my friend whom I told you about a while ago is frustrated and fed up. Are we as a nation going forward?

One of their own Ministers, one of the chief celebrants of the concept of integrity—not speaking about the Minister of Finance, he is a decent man and I do not want to make him cry here today. He cries easily when he realizes that those who are around him—oh, it is a painful life. I understand. So he has now abandoned any ambition for future leadership, at least of the party’s. He is probably looking at Executive leadership elsewhere, but we would come to that, Mr. President. We would come to that. Identical situations, one of their own Ministers, a former Senator, Mary King, very meekly and sheepishly walked straight into everything that was wrong about procurement, almost like a fly, the proverbial fly, flying over the bowl of milk and then just simply for no explicable reason drops “poops” inside of it and drowns, and now she is replaced by the very learned Sen. Dr. Tewarie. We welcome you and ask you to be careful, because each organization has an aura, it has an energy, do not get sucked in.

So, Mr. President, when the Minister at the time, the Member of Parliament for Diego Martin West, took issue with that state enterprise, all hell broke loose. I was on the outside watching on as a citizen of this country; I saw how they responded to him. [Interuption] I saw! He gave up his political life at the time, his ministerial life at any rate for that. He stood on principle and we would learn later on that when he realized that they had breached the tender rules he sent them back to do it over properly. That is what we expect and that is the reason why I want to say here publicly today without fear of contradiction, the whole country already knows, but I want to say today, that is one of the many reasons why I have respect, an abiding and enduring respect for my political leader, the hon. Dr. Keith Rowley. [Desk thumping]
Sen. Panday: What about the former? What about the former?
Sen. F. Hinds: And yes, that is right, I say this with the utmost of pride.
Sen. Panday: What about the former.
Sen. Cudjoe: Ask him about his former.

Sen. F. Hinds: It does not matter. [Interruption] It does not matter because when we had the airport fiasco, if one of them had the courage and the strength that that Member for Diego Martin West had demonstrated in UDeCott and otherwise, you may not have found yourself in the position you were in. Not one! Not one! And as I told you it was a PNM Prime Minister who promptly announced a commission of enquiry. That is why I have to be PNM and proud. [Desk thumping]

Sen. Abdulah: Mr. President—
Sen. F. Hinds: I am not giving way and I want to know what the point of order is. Mr. President, I am being distracted. [Interruption]
Mr. President: If there is a point of order, let me know, Sen. Abdulah.
Sen. F. Hinds: What is the point—I want to hear the point of order.
Sen. Abdulah: Mr. President, Sen. Hinds is not being factually correct.
Sen. F. Hinds: What is the point of order? [Crosstalk]
Mr. President: That is a matter for debate, and I would allow Sen. Hinds, rightly or wrongly to continue, in reply, if in fact he happens to be wrong, I am sure it would be pointed out.

Sen. F. Hinds: I am grateful, Mr. President. [Desk thumping] I thank you for your protection. I am amazed at Sen. Abdulah, you know.

As the Minister of Finance is in our company I am pleased, as we talk about procurement, I have noticed that the Royal Bank of Canada has bought out the Royal Bank of Trinidad and Tobago and today we see RBC again. We live in a globalized, very competitive world and in the way of this globalized environment these things happen. It is good that someone can see the wisdom in investing their money in Trinidad and Tobago, but Sen. Abdulah took strong objection to it when it was first mooted a couple years ago, you know.

Mr. President: We are on procurement.
Sen. F. Hinds: We are on procurement, yes. I was just procuring a line to demonstrate—[Interruption] I was just procuring a line to demonstrate the hypocrisy of red Sen. Abdulah, but, Mr. President, I would be guided.
Sen. Panday: 35(5).

Mr. President: Senator!

Sen. Panday: Standing Order 35(5), Mr. President.

Mr. President: Thank you. I am going to have to ask you to withdraw that reference.

Sen. F. Hinds: Red. To red?

Mr. President: Sen. Hinds, you know better than that.

Sen. F. Hinds: Okay. Indeed. Indeed. I should withdraw the word “red”.

Mr. President: Senator, you must withdraw the remarks you made about Sen. Abdulah.

Sen. F. Hinds: That he was hypocritical; I withdraw it, Mr. President.

[Interruption] You see, he whispers to me across the floor he was defending the national interest. What I want to know now that he is on the Government’s payroll, and that is a fact, whether he is still prepared to defend the national interest on this point? But that is a matter we would come to. [Desk thumping]

Mr. President, as you know, as you know, I never enjoy speaking too long on these matters, important as they are.


Sen. F. Hinds: Mr. President, as I wind to my conclusion, I cannot resist but to remind myself and to remind this Senate of the quotation I ran earlier from Mr. Peter O’Connor, and to indicate that this standard that he has set for us, telling us that we need an individual, rather than any semblance or discussion about integrity, which is not part of our culture, it really is a shameful reflection of where we are heading in Trinidad and Tobago. If I had my way, I would have purchased every single Newsday on that day and cast it in the bin and set that bin on fire; this is something that no child, no teachers, no religious leader, no right-thinking citizen of Trinidad and Tobago, should hear much less imbibe as any principle for life thereafter.

Mr. President, with those very few words, I thank you profusely. [Desk thumping]
Sen. Subhas Ramkhelawan: Thank you, Mr. President, for giving me the opportunity to speak on this particular matter, on this particular Motion.

Mr. President, when the matter of procurement comes up, it seems that everyone gets a bit hot under the collar, and the reason for this is because of our history, where, whatever administration has been in government the issue of corruption in terms of procurement has been always near at hand. So, when we go back in history from Tesoro and we move onwards, whether it is to the airport, or move to more current matters as UDeCott and, possibly, other matters such as NP, this question always brings forth the ire of those who might be in Opposition when they point the finger at Government or vice versa, and that is why it is very important that we deal fulsomely with the matter of procurement.

I want first of all to congratulate the current Government for bringing the matter of procurement to the Parliament, in terms of legislation. [Desk thumping] It has been a matter that has been very often swept under the rug. So, when in the 1960s you had legislation with regard to a tenders committee and a tenders proposal, since then we have not had any reform whatsoever, and therefore it is critical and important that reform takes place.

1.30 p.m.

I am pleased that the matter is being dealt with in the parliamentary forum via a joint select committee. I would have thought, Mr. President, that this matter, this particular Motion which really is to save the work of the Joint Select Committee, that it would have been an easy passage, so that we could have carried on the debate when the full report was before us. Now, we have a debate on whether to save the work which will in a sense repeat, I expect, a debate that will come to deal with the matter of procurement when the full report is in place. Of course, I have been on record as speaking to this matter of parliamentary effectiveness and efficiency. We might be losing time on it, but the debate is useful.

I want to bring to your attention, if it needs to be brought to your attention at all, Mr. President, this matter of seeking to save the work from one session to the next. We have been wasting a lot of time, first in the debate, and secondly wasting a lot of time seeking to reset another joint select committee to deal with the same matter after prorogation of one session of Parliament. When we had this private Motion on parliamentary effectiveness and efficiency, one of the points that was raised is that, we need to review the Standing Orders so that this matter of whether we save it from one session to the other will be moot; that the work must be saved and that we carry on in an efficient manner, then two months or three months from now we can continue the work under the same joint select committee.
So that I appeal to you, Mr. President, in the knowledge that you have a fair deal of impact or you would have a fair deal of impact in the matter of Standing Orders, and changing the Standing Orders, because we do have a Motion before us about adjusting and changing the Standing Orders so that we can be more efficient as a Parliament. I want to appeal to you that when this matter comes up, that we look very carefully about the whole issue of how we save work in the Parliament, because it can be a recurring decimal where we actually lose time, and there are so many other things to be dealt with. And when I say so many other things to be dealt with, do not get me wrong, this matter of procurement is exceptionally important. So I find myself drawn into the debate like the fly to the spider, and like the spider, procurement has so many tentacles that we need to address, and address as I said fulsomely.

I want to deal with some of the points that have been made in the debate on this particular Motion. In dealing with those points, let me first congratulate the Joint Select Committee on the work that has been done so far. I find it fascinating and I find that it is getting to the heart of the matter of how we are going to deal with procurement going forward. Having said that, let me speak to some of the issues that have been raised. The first is that procurement is about transparency, it is about disclosure, it is about efficiency, it is about effectiveness, it is about integrity.

I listened to my good friend and colleague, Sen. Browne, when he said that the creation of a procurement regulator may create more problems than it would solve, if I quote him correctly. But I feel that we have had so many problems without having an independent arbiter over the history of our nation, as an independent nation that we need to find a way to break this logjam. We need to find a way to come out of the situation where the population as a whole seems to think that it is all about smart men, to quote Sen. Hinds, “that the whole question of procurement is all about smart men”. And the impression is often created that when one administration changes to the other, that it is an opportunity to pick the pocket of the public; pick the pocket of the public so that the new administration and those who might be in the new administration will then benefit over and beyond patronage, but benefit from contracts that are being given out.

1.35 p.m.

That is the impression that is created, and I hear it over and over, when I speak to citizens of this country. It is a matter of exchange, not change; it is a matter of one replacing the other, because, to quote a phrase, “is we time now.”
The whole nature of procurement, we need to change it in order to change the mindset of our citizenry, that this thing is about who could get the most out of the political administration at the time. It is a serious matter, it is a matter that we must pay greater attention to; and therefore, I support the idea of a procurement legislator or regulator very much. As has been pointed out in the report that is before us from the Joint Select Committee on the whole matter of public procurement, which has pointed to the Contractor General in Jamaica, or the need for that independent arbiter or overseer that will report to the Parliament. So that there will be a direct connect between that regulator and the Parliament, with the hope of—with the expectation that there would be transparency, and there would be disclosure, and that there would be fairness and equity in the treatment of all persons who can qualify to participate or tender for a contract, and therefore, the question of trust in those people is very important.

I recall at every change in administration we have a situation where all the directors of the state enterprises are called in, and have to be told about integrity; and have to be told about governance; and have to be told about fairness; and that is important, but the question is—is it practised as we go along? Or is that we have now come to the kind of society where when administrations change it is about “we time now”, and being able to pass on contracts and benefits to those who are supportive of the regime that is in power?

If that is the case, I submit to you, Mr. President, that something is rotten in the state of Denmark, and if something is rotten in the state of Denmark we need to fix it. And how do we fix it? It is about separating that matter of procurement and ensuring that the separation is of such an order that we can achieve some of the goals that will have to be set, and those goals have to be disclosure and transparency.

When we get to that stage we are going to be a better nation for it, when we get to that stage, where we accept that it is time for us to move away from the cloaks of secrecy with regard to the public’s money, and to a full set of rules which engender transparency and disclosure, that is the time when we would be able to move forward, and take this noose from around our necks; that those of us who are politicians and aspiring politicians will not be viewed by the public in a certain way that denigrates who we are in terms of our own integrity.

And therefore, it is not difficult for me to support this rather simple Motion which seeks to save the work, of this Joint Select Committee so that we can go forward into the next session and look forward to what is coming out of a very good piece of work; so that we get legislation that would reflect what we want in
terms of proper procurement. It is important—because I am a supporter, Mr. President—that procurement must be hinged into the whole matter of constitutional reform itself, just as the matter of electoral campaign reform must be hinged into constitutional reform. And the best place where this matter of constitutional reform could be debated and dissected is in the Parliament, where all the representatives of the people are housed. Not in one party; not in the other, not in a document that comes here and is tabled as it was in early 2010, coming from one grouping, and it should not also be from this current administration putting forward reform without the whole process of consultation with all parties that are involved.

1.40 p.m.

Let me digress a bit, Mr. President, to speak about the battle that went on last week in this Parliament. It was in a way a sophisticated form of “wajang” behaviour if indeed that is parliamentary language. It was the behaviour where parties within this Parliament would have agreed as to the way forward in terms of dealing with the Motion on constitutional reform. What happened? Ambushed! The Parliament itself was ambushed because whatever agreements were made, all of them were broken in just one moment. So, it speaks to the question of not only constitutional reform, but parliamentary effectiveness. I do not know whether drinks were sharing somewhere outside and people had to go to cocktail parties or whatsoever. It was not only an ambush, it was an insult to the Parliament to see the behaviour that took place with regard to that Motion, and the work may be lost. The work that took over four months and the preparation by Members within this Parliament would be lost, and it is disrespectful. But let me get back to the question of procurement.

I want to conclude by saying that I support this Motion and the saving of the work, and we look forward to it coming in the form of draft legislation or a Bill to the Parliament, hopefully in the next session.

I thank you, Mr. President. [Desk thumping]

Mr. President: Hon. Senators, it is now 1.42 p.m. I propose that we take the lunch break at this point and we will resume at 2.42 p.m.

Sen. Panday: Mr. President, should the lunch break today not be about 45 minutes? We have another Bill and we have a guest in the Senate. We have kept the hon. Minister of Finance here for—

Mr. President: Are you suggesting 2.15 p.m.?
Sen. Panday: Yes, please, Mr. President.

Mr. President: 2.30 p.m. The Senate will resume at 2.30 p.m. Minister of Finance, you had a concern?

Hon. Dookeran: I am in agreement with the one hour. It is up to you. [Desk thumping]

Mr. President: We will resume at 2.45 p.m., just to round off the numbers. Thank you.

1.43 p.m.: Sitting suspended.

2.45 p.m.: Sitting resumed.

Mr. President: When we took the break we were on the debate dealing with procurement. The debate will continue and the last speaker, of course, was Sen. Ramkhelawan.

The Parliamentary Secretary in the Ministry of Energy and Energy Affairs (Sen. Kevin Ramnarine): Thank you very much, Mr. President. We have spent a bit more than two hours on what is a very simple Motion. I cannot say that I am surprised that that is the way that things went, but that being the case, so be it.

Mr. President, I want to be very brief because we have a lot of business to conduct later in the day. I just wanted to note that in the year 2001, which was 10 years ago, the then budget presented by the Minister of Finance, Mr. Yetming, was somewhere in the region of $14 billion. Ten years later things have changed, and we now have a budget that is $49 billion in expenditure. This afternoon we are going to supplement that amount by $2.7 billion, and that speaks volumes as to how the economy of Trinidad and Tobago has changed in the last decade. When you have a situation where public expenditure has virtually tripled in a 10-year period, coinciding with a situation where the legislation that governs public procurement has remained stagnant or static, then that in itself, is a recipe for things to go wrong. So it is a great credit to this Government that came into power a little over a year ago, that we sought to bring the issue of public procurement on the front burner of public policy and national attention. [Desk thumping]

Mr. President, in listening to some of the contributions from the other side two things emerged and that is, that Members were of the view that what we were doing is very important and very necessary. Members were also of the view—I think Sen. Dr. Balgobin put it nicely—that what we are dealing with here is a very complex legislative and policy landscape and that is something that the committee, of which I am a part, has recognized very early in its deliberations.
Mr. President, the issue that we are dealing with according to a statistic provided to us by the Joint Consultative Council—they have told us that public procurement constitutes approximately 60 per cent of the gross domestic product. When I looked at similar statistics around the world, it tends to be pretty consistent. The World Economic Forum has indicated that corruption accounts for approximately 5 per cent of gross domestic product in Asia, and it was estimated that in a place like Mexico corruption could account for as much as 9 per cent of GDP. So there is a tremendous corrosive effect that a weak procurement system has on the state of an economy.

In addressing some of the concerns and some of the points raised by the Senators in the debate, Sen. Drayton raised the issue of the need for an independent process which is something that we are addressing at the level of the committee and hopefully, of course, the new committee coming in the second session will continue to address those issues.

Sen. Dr. Balgobin pointed to the potential for the abuse of the system by persons who felt aggrieved, and that is something that also came up at the level of the committee.

In his contribution—and I want to welcome him to the Senate—former Minister of Trade and Industry, Mariano Browne, raised the issue of value for money, and that too is something we are addressing at the level of the committee. When we speak of value for money, we speak specifically of the economy, the effectiveness and the efficiency of the goods and services being procured and the decisions that lead to the procurement of those goods and services. He also addressed the issue of post contract award, which speaks to maintenance cost and other costs required to maintain the assets, and that too is something that we are dealing with at the level of the committee.

We had other contributions and I want to thank Sen. Dr. Armstrong, Sen. Deyalsingh and Sen. Abdulah for their contributions. I thought Sen. Abdulah was particularly good and he reminded me [Desk thumping] of a batsman chipping down the wicket to hit what is a very well-deserved six. So I thank him for his contribution.

As I said, Mr. President, on May 17th when we were here last, I dealt quite a lot with the work of the committee and what we were dealing with. So I would not want to repeat points that were raised so recently. I want to use this opportunity to really thank members of the committee for their contribution over the last seven months. I myself learned quite a lot from people like Sen. Drayton,
Sen. Dr. Balgobin and the other members of the committee. I want to also thank the members of the Parliament staff who have been a tremendous support to the committee. I would also like to thank members of the public, in particular, those groups that made contributions to the committee over that seven-month period. There were some concerns raised about the time frame. We are at a point where we have a draft legislative framework that was prepared by Mrs. Claire Blake and her team on the recommendations and guidance of the committee. So the new committee coming in the Second Session of the Tenth Parliament would not be starting from scratch. They would be inheriting quite an advanced piece of work from which point they could work.

Mr. President, in closing, I want to say that we all agree that this piece of legislation or the work being done by the committee is of great importance. We all agree that we are long overdue for an overhaul of the procurement system in Trinidad and Tobago. We all agree that public moneys need to be spent in an effective manner and in a manner that gives value for how that money is spent. I think there are a lot of areas in which we as a Parliament may seem to disagree while we are in the Chamber, but I want to say in the committee stage my experience has been that there is a great level of cooperation and camaraderie between members at the level of the committee.

So, Mr. President, with those few words and given the amount of time that has been consumed thus far, I beg to move. [Desk thumping]

*Question put and agreed to.*

*Report adopted.*

**FINANCE (SUPPLEMENTARY APPROPRIATION) BILL**

**The Minister of Finance (Hon. Winston Dookeran):** Mr. President, I beg to move,

That a Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the financial year ending 30th September, 2011 of the sum of the issue of which was authorized by the Appropriation Act, 2011, be now read a second time.

Mr. President, this is the Finance Bill. It has been passed in the other place and the details of the provisions in this Bill are indeed listed in the Senate document that was circulated to all Members of the Senate. I would like to, first of all, outline what specifically we have been asked to do and then to raise some issues within what context this is happening.
The Bill provides for the supplementation of the 2011 appropriation in the sum of $2,735,743,695 to fund urgent and critical recurrent and capital expenditure to September 2011.

2.55 p.m.

With your indulgence, Mr. President, I would like to, for the record of Hansard, put the specific provisions on the Hansard document. So I hope Senators will bear with me for just one moment. The increase is earmarked in the following Heads of Expenditure:

Head 01: President, $153,300
Head 02: Auditor General, $2,623,000
Head 03: Judiciary, $13,167,000
Head 04: Industrial Court, $300,000
Head 05: Parliament, $1,762,200
Head 06: Service Commissions, $2,900,000
Head 07: Statutory Authorities’ Service Commission, $161,000
Head 08: Elections and Boundaries Commission, $17,553,000
Head 09: Tax Appeal Board, $676,400
Head 11: Registration, Recognition and Certification Board, $201,500
Head 12: Public Service Appeal Board, $122,000
Head 13: Office of the Prime Minister, $4,500,000
Head 15: Tobago House of Assembly, $108,957,000
Head 17: Personnel Department, $2,000,000
Head 18: Ministry of Finance, $378,658,295
Head 22: Ministry of National Security, $146,016,000
Head 23: Ministry of the Attorney General, $63,973,000
Head 24: Ministry of Legal Affairs, $4,426,000
Head 25: Ministry of Food Production, Land and Marine Affairs, $37,527,000
Head 26: Ministry of Education, $257,776,000
Head 28: Ministry of Health, $250,071,000
Head 30: Ministry of Labour, Small and Micro Enterprise Development, $1,633,000
Head 35: Ministry of Tourism, $3,000,000
Head 37: Integrity Commission, $4,590,000
Head 38: Environmental Commission, $304,500
Head 39: Ministry of Public Utilities, $201,960,000
Head 42: Ministry of Local Government, $91,044,000
Head 43: Ministry of Works and Transport, $327,682,000
Head 46: Ministry of Sport and Youth Affairs, $67,990,000
Head 48: Ministry of Trade and Industry, $4,501,000
Head 54: Ministry of Science, Technology and Tertiary Education, $3,600,000
Head 56: Ministry of the People and Social Development, $455,537,000
Head 58: Ministry of Justice, $12,002,500
Head 59: Ministry of Tobago Development, $3,207,000
Head 60: Ministry of Planning, Economic and Social Restructuring and Gender Affairs, $27,306,000
Head 61: Ministry of Housing and the Environment, $164,784,000
Head 62: Ministry of Community Development, $1,264,000
Head 63: Ministry of Arts and Multiculturalism, $2,759,000
Head 64: Trinidad and Tobago Police Service, $69,056,000

A total amounting to $2,735,743,695.

3.00 p.m.

Mr. President, we are seeking the permission of this honourable Senate to give support to the supplementation that is required for the 2010/2011 year. The increases which I spoke about have been the result of many reorganizations that have taken place, but more specifically have dealt with the expenditure pertaining to personnel emoluments, and a very specific number of $643 million has been
included to facilitate implementation of the new industrial agreements and is spread throughout most of the ministries and departments. This is but the supplementation over what was originally appropriated, resulting really in a total appropriation for this item in our expenditure of $2.2 billion. Resources are also included, under the current transfers to statutory boards and similar bodies, to meet expenditure related to these new industrial relations agreement.

In addition, the five largest heads of expenditure that require supplementary resources are for recurrent expenditure in areas other than personnel expenditure in the following Ministries: the Ministry of the People and Social Development; the Ministry of Finance; the Ministry of Works and Transport; the Ministry of Public Utilities; and the Ministry of Health.

It is interesting to note that the Ministry of the People and Social Development requires an additional $454.8 million to meet payments to social grants, to the end of fiscal 2011, which were increased by the Government early in the calendar year 2011, many months after the 2011 Appropriation Act was in fact approved in September 2010.

In the case of the Ministry of Finance, the additional resources are required primarily to supplement the Infrastructure Development Fund by $300 million. The sum of $50 million of these resources would be utilized to supplement the provision of four special purpose state enterprises, under the purview of the Ministry of Local Government, to undertake infrastructural development projects in the communities.

The sum of $100 million will be used to support the construction of houses by the Housing Development Corporation, and a sum of equal magnitude will be provided to the Ministry of Education for the construction of schools.

The University of Trinidad and Tobago will be provided with an additional $50 million for the construction of its main campus in Tamana.

An additional sum of $41 million is being provided to the Parliament for the relocation to interim facilitates and for continued restoration of the Red House.

Expenditure in excess of $300 million is being transferred into the IDF, which will be funded with the unexpended balances in the fund at the end of fiscal 2010.

With regard to the Ministry of Works and Transport, additional funding is required for the following reasons:
1. to provide deficit financing to the Port Authority in the amount of $63 million;  
   - Public Transport Service Corporation, in the amount of $40 million dollars; and  
   - the Trinidad and Tobago Civil Aviation Authority of the order of $2.6 billion.

2. to meet cost of dry docking of the *Trinidad and Tobago Express* and to subsidize the ferry operations between Trinidad and Tobago, estimated at $31 million;  

3. to meet debt servicing obligations with respect to loans taken to fund the programme for upgrading road efficiency and the driver and vehicle licence authority of approximately $100 million.

In the case of the Ministry of Public Utilities, an additional $175.5 million is required to meet the debt servicing obligation, in respect of the $1.3 billion loan taken to finance the one-year action agenda of the Water and Sewerage Authority as well as funding overdraft facilities and operational expenditure. WASA’s one-year action agenda includes the laying of parallel Navet trunk main; the construction of new water treatment plants and the maintenance of existing water treatment plants; replacement of high leaking mains; pipe replacement; construction of the new booster stations and replacement of badly deteriorating sewerage wastewater mains in Port of Spain and San Fernando.

The Ministry of Health requires $180 million to meet operating cost of the Regional Health Authorities which occurred as a result of the opening up of new wards and services at public hospitals and the commissioning of the Siparia District Health Facility. All the other details are included in the Senate document that has been circulated.

In presenting the 2011 budget, in September 2010, I then announced that total expenditure was $49 billion and total revenue was $41 billion rounded off, yielding an overall deficit of $7.7 billion or 5.48 per cent of the GDP. The adjustments included in the proposed Supplementary Appropriation Bill, combined with the proposed transfer of $445 million to the Heritage and Stabilization Fund, along with the use of $131 million from the unexpected balances in the IDF, at the end of fiscal 2010, will increase expenditure by $3.3 billion. When this increased expenditure is matched against the projected increase in revenue of $2.060 million and analyzed against the backdrop of savings and adjustments within Heads of Expenditure, it results in a projected overall deficit on fiscal operations from $7.7 billion to $8.9 billion or 6.3 per cent of the GDP.
Mr. President, these financial outturns have been the result of the first year of the People’s Partnership Government. It has seen a number of changes that have taken place during the course of this year. The first change was predicated on the desire on the part of the Government, to ensure that the national financial balance sheet is in order.

At the very beginning of the year, we were faced with a situation of deteriorating cash balances of the central government, moving from the high of $17 billion in 2008. By the time we took office in May of 2010, the figure was near to $5 billion. I am pleased to indicate to this honourable Senate that there has been an improvement over the course of this year, and today the cash balances of the country, as indicated by the Comptroller of Accounts, is in the order of near to $9 billion. [Desk thumping]

That was the first order of priority that we had to address, especially in the context of the enormous challenges pertaining to the fiscal balance, which was part of the terrain at the time. Dealing with the matter pertaining to Clico was very important for us and for the country, in order to be able to restore the sense of confidence that we can overcome that enormous challenge within the context of solid financial management.

Just for the record, it is estimated that the Clico situation affected to the extent of 10 per cent of the gross domestic product of Trinidad and Tobago and 17 per cent of the gross domestic product of the Caribbean region. It was, indeed, an enormous challenge facing us at that time.

We will, at some time, discuss in greater detail, the approach to that problem and where we have reached, and I may say a few words on that later, but our first order of business was to put the national balance sheet in order. Faced with outstanding debts to the contractors for work done previously, faced with a number of letters of comfort to the banking community, which had to be converted into loan documents, faced with the wage negotiations that were to commence for a period of three years prior to this Government coming to office, these were some of the fiscal challenges ahead of us.

On all counts, I will say to you, this Government frontally attacked those problems and today I know that we have reached the stage that we can see that those problems are behind us as we embark on a different phase in our economic change. Putting the fiscal balance sheet in order, therefore, was a huge undertaking. This is not to suggest that the job is over. Indeed, there are many aspects still to be dealt with.
With respect to the Clico situation, while we have paid out over $200 million for depositors with under $75,000, and we have been able to secure a sense of safety for the 220,000 depositors of a traditional nature in the company itself, we are still to embark on the financial phase of that payout system. In total, that required an additional support of $13.3 billion, over and above what my hon. friend, Sen. Mariano Browne, in his government, had put in, which was in the order of $5 billion, plus an additional $2 billion for CIB.

I raise these figures if only to suggest to you that situation had to be curtailed. Our letters of comfort, which were on the books were in the order of $7 billion. These were all done for many state enterprises and with the purpose of trying to accelerate the development at that time. Therefore, there was a sense of nervousness at the time, by the financial community, as to whether the new Government would indeed honour what was supposed to have been wasteful expenditure in the minds of the public.

3.15 p.m.

We, of course, took the very firm position that a government must in fact be judged on its ability to honour whatever financial commitments that the previous government had done, and although at times we did that with a heavy heart, and although at times we felt a sense of dismay in so doing, this Government has honoured all the commitments that were made financially by the past regime.

[Desk thumping]

We are still in the process of dealing with the contractors; much has been achieved, but there is still more to be achieved, and in that respect this is for work done previously, this was for work done leading up to 2010. Some had argued then that we were holding back the economy by not paying the contractors faster. Indeed, there was need to deal with that, but in order to deal with that we must ensure that the financial stability of the balance sheet could accommodate it. One year later, we have accelerated the payments, subject, of course, to the new challenge which is the paperwork that is required to verify the claims in some cases. It is ongoing but it is not yet completed.

We then embarked on the major issue of wage negotiations. I repeat, it was wage negotiations for three years previously, 2008, 2009 and 2010. It was an inheritance that we had achieved in wage negotiations. Mr. President, it is unthinkable a government would have left office with three years of industrial agreements outstanding, with no hope of resolving that, having spent the way they had spent in the last few years without dealing with perhaps one of the most
primary requirements of expenditure, which is public expenditure in public emoluments. We were therefore saddled with that. As you know, we embarked on that exercise with a sense of purpose and ensuring that the collective bargaining process was, in fact, adhered to at all points. It was at times a tedious exercise and it is not yet completed, but the bulk of the negotiations did result in the finalization of an arrangement. The arrangement has been looked upon as a 5 per cent arrangement, in truth and in fact, when we look at the totality of the wage arrangement, we will see it has much greater benefits for the workers than the public has been fed with.

Included in that would have been the issues of medical coverage for the families of public servants, included in that would have been better medical benefits, death benefits, et cetera. Included in that, therefore, was a commitment to work towards a more affordable, but a more long-serving pension programme that would have been a unified pension plan that is harmonized and at the same time sustainable. We have already begun work on that and we have already begun work on the reclassification of the jobs in the public service. These are outstanding issues and I say to my colleagues/friends opposite that they had left us with that inheritance to do the work that they should have done in their time, but I am proud to say that we have done it in one year. [Desk thumping]

Mr. President, in order to do that we were very careful of ensuring the sustainability of our revenue situation, and we recognize that in this very volatile world in which we live, in which there are ups and downs with respect to the price of gas and oil, it was necessary for us to be rather prudent in our analysis. We, therefore, introduced what was a tax amnesty in the last budget, and during the course of the year after the Finance Bill was in fact, enacted by Parliament sometime in November, 2010, it came into effect. And I am pleased to announce as I announced in the other Chamber, that as of last week we found that the response to that has been enormous, and we have been able to regain some $1.8 billion in revenue as a result of the tax amnesty. [Desk thumping]

3.20 p.m.

In so doing, Mr. President, we have also been able to give a clean slate with respect to the outstanding obligations that many ministries have had over these years. In terms of the financial out-turn, putting the balance sheet in order was our major task and, I think, the country should feel a sense of comfort. I know today that the finances of Trinidad and Tobago are in a safe place. We have moved it from a state of nervousness to a state of safety during the course of this year.
The second objective in the economic plan and framework that we had developed, which has not been articulated as often as it should, is that we have begun the changing of priorities of expenditure. We had argued and the country had voted for this new mandate to change the order of priorities of expenditure. In that respect, we had to do so without interfering substantially with the existing patterns of expenditure because there was much at stake.

We ensured, in the first instance, that all the support for the social expenditure that was in the previous regime had been maintained; reflected in the GATE Programme; reflected in all the social programmes; we maintained them; reflected in the Community-based Environmental Protection and Enhancement Programme (CEPEP); and reflected in the Unemployment Relief Programme (URP). Somewhere in the order of 18 per cent of this country’s revenue base was retained for that purpose. Stability was one of our concerns. As we fixed the financial balance sheet, we were also very concerned about ensuring that the stability remained intact.

In addition to maintaining all the programmes for social support that were in place—many of which require some kind of pruning—in the first year we kept them as they were and, indeed, increased, in some cases. I believe we had increases with respect to the GATE Programme and with respect to CEPEP.

In addition to that, we changed our priorities by having new resources applied to the Ministry of the People and Social Development. It was a shift that has not been noticed; but it was a shift in priorities and, as I have done here today, I am proposing to this honourable Senate that we increase further the support to the Ministry of the People and Social Development. That is where the bulk of the citizens get access to Government. That is what connects the Government to the people. That is what the mandate of this Government was all about when it came into office and that is the mandate that we are honouring as we move on in this process of governance.

That process will continue. In so doing, we will attempt to include certain changes with respect to the value for money that the hon. Sen. Mariano Browne spoke about. I am sorry he did not speak about that loud enough when he was in the government himself. [Desk thumping] We will try to ensure value for money on that issue as we go along, and expansion of it. I will say a few words on that later.

The third area in terms of the economic plan ahead of us had to deal with the question of the financial stability of the system. Coming on the heels of the systemic risk to which I made reference, it was important to reassure this nation and to reassure ourselves that there will be stability in the financial sector.
Earlier, we invited an international team to look at the risk facing the financial sector, to identify its vulnerabilities and to propose remedial measures. This was an international team that came under the auspices, at our invitation, of the IMF and they looked at the situation. After a detailed analysis sometime, I believe, in December 2010, they were of the position that our financial situation remained very much intact and pointed out certain areas in which we should improve with respect to our regulatory aspects of financial management.

I say this if only to indicate to this honourable Senate that we were putting a solid foundation; a foundation based on the balance sheet of the country; a foundation based on changing the priorities of expenditure and on ensuring that there will be a durable financial system in the aftermath of the troubles that we had experienced as a result of the global financial crisis and, indeed, the impact of that crisis as reflected in Trinidad and Tobago and the region.

We are doing all that in a period when Caribbean economies are in a very fragile state and there are major challenges facing our sister economies in the region, both in terms of the financial indicators with respect to issues of balance of payments and the issues of fiscal deficit. So we are well aware that the environment around us where we do a lot of trade is not as supportive as it has been in the past. We were well aware that the world economy had gone into a kind of decline and for some time it appeared to be quite uncertain. In that sense, we also had to factor those risks into our analysis. In so doing, Mr. President, we were laying a foundation in rainy times, with the full knowledge that, when the sun came out, that foundation would be even more solid than it was in rainy times.

The fourth aspect of our economic plan and strategy had to do with the setting of the conditions for the resumption of economic growth. The resumption of economic growth is, therefore, where we are headed; economic growth in a certain context; but economic growth had to be resumed. We had come from a short period of decline in economic growth. Previous to that, we were fortunate to have had many years of positive economic growth; but we had come from a deep decline in economic growth. We had come into a situation where fiscal deficit was beginning to re-emerge, but we were fortunate that, notwithstanding the problems that we had inherited, our foreign reserves position remained steady.

In that respect, we took into consideration the fact that Trinidad and Tobago, having come into this situation at this time, had to build the pillars for resilience; not only resilience, but to build the pillars to bring about the transformation that
we have talked about and to which we have for a long time alluded, both in the world of professionals and in the world of academics, that we must move into the post hydrocarbon economy.

Setting the stage for that was what we were concerned about. There is some belief, and sometimes when I hear the Opposition talk, I think they believe that one can move from one position to the next just like that; instantly. The first thing you have to do is to change the trends in the economy and it is by changing the trends that you will be able to move to the next position. That is what we are trying to do.

The evidence is before us now that many of those trends have begun to change. The most recent report done by the Central Bank has indicated areas of that change and changing the trends was really what we are all about. In resumption of growth, therefore, we had two objectives. The first objective was to try to engineer enough activity in the construction sector and, in so doing, allocate substantial funds for that purpose in order to encourage the development of the construction industry. But this time the construction industry will increase, not the heights of our buildings, but the welfare of our people. That is the change that has begun to take place. We have allocated substantial resources for that. We have allocated substantial resources for water development, health care and education.

In addition to that, we began to see the benefits of the workings of this new, well-thought-out, carefully articulated strategy for economic change. I am not about to say that we are beginning to reap the rewards. It will be some time before this nation will really reap the rewards of this kind of hard work and this kind of careful work, but we are beginning to see some signs by which we can feel a sense of confidence.

Recently, the stock market report suggested that, for the first time in many months, we have seen an increase in activity. By itself, it may not be an increase in income, but it is a barometer of increase in confidence. We have seen, Mr. President, an increase of 7 per cent in mortgage housing in the economy within the last four or six months. We have seen an increase in the collection of taxes from the non-energy sector. To me that is a very significant figure.

When I looked at the figures that we have before us now, of the expected increase in our revenue, the oil revenue would have increased by about 5 per cent in light of international developments; but we have seen that the non-energy sector would have increased their taxation income by about 15 per cent and, to me, that is a sign of the trend of the rebuilding of the non-energy sector in
Trinidad and Tobago. That is why I said that the strategy was aimed at changing the trends to be able to create a sense of building resilience in the economy towards a greater, more economic space. There are many more indicators of which I will speak.

The fourth area, I said, is that the platform for growth has been laid. This year, we have been able to change around the architecture, so to speak, of the economic programme and we are beginning to see some signs that they are, indeed, working. I know and I feel it, notwithstanding what Senators opposite would say, and I have sensed that there is hope that it will not succeed; that there was a feeling we could not do that in one year. I am pleased to say, after one year in the People’s Partnership Government, we stand, our feet firmly on the ground, ready to go and we are now in forward gear in Trinidad and Tobago. [Desk thumping]

It is within this context, therefore, that the proposals before us are now being presented to you. It was an increase. Many thought we would never have achieved our revenue projections. Indeed, we were able to do that. Admittedly, we have had some benefits in the recent increase in the price of oil and we have revised estimates that predicated our budget projections. We had projected a $65 per barrel for oil when we did our budget in September 2010. Now, in light of developments, it still remains a concern, yet there has been a substantial increase. We have now changed our projections to $75 per barrel for oil.

We, however, have not changed our projections with respect to gas because the evidence before us is that while there have been some increases in this area, the overall trend for the rest of this fiscal year is too uncertain to change it from the $2.75 per mmbtu. We have kept that, so we have been somewhat conservative in our new projections. Even at that, we are able now to project a better revenue position than we have had. There are challenges ahead and the challenges ahead can be better dealt with, with the foundation that we have laid.

Mr. President, in presenting this Bill, I hope we can see the proposals before us in the context of the economic strategy plan, a very well-articulated one, one that has been working in a sequential way; one that is dealing with the country’s problems and one, in the end, that will satisfy the requirements for growth and inclusiveness of that growth, which is really where we are headed in terms of our economic plan.

3.35 p.m.

In all particular areas, Mr. President, we have had tremendous strides, slight changes in trends but there is now the expectation that we can move on.
I hope that this honourable House would approve these estimates as, perhaps, estimates that they themselves would not have expected us to have achieved in the one year. But I hope that they will be able to join with the Government and with the rest of the community in building more confidence for the future, as we embark on this new challenge ahead of us to bring about real change, real economic development, real prosperity for the people of Trinidad and Tobago. Thank you. [Desk thumping] Mr. President, I beg to move.

Question proposed.

**Sen. Mariano Browne:** Thank you, Mr. President, I was a little too quick out of the blocks there. It is always good to look at things a second time around, especially if you are on the other side. Sometimes you see things that you did not see before and you certainly sometimes hear things that you have not heard before, even if the interpretation might, shall we say, slip a bit.

The role of a Minister of Finance is a very difficult one. He is the financial controller, he is the man who must balance the priorities, he is the one who, in a sense, must give advice that sometimes politicians do not particularly want to hear and, in a sense, sometimes must also tell the country some difficult truths, and, at the same time, must also inspire confidence and engender if we want a longer term perspective in terms of what our opportunities are and where we should go. So, it is with that in mind that a Minister of Finance must always be very careful what he says, and how he says it when he gets into office because sometimes he may create issues and may create difficulties which did not exist. That is something, I think, that our current Minister of Finance certainly has had to learn.

When he first came into office, some of the comments were about the information that he received. I think he doubted his own technical team, in terms of where we were with regard to the contributions which were made to the Heritage and Stabilization Fund, with regard to the question about our borrowing levels, with regard to our cash balances some of which I have heard repeated today, but with a very much more positive spin in terms of where we are going and probably where we have come from.

But if I am not mistaken, and the record would indicate, and I think the Minister is very clear on what he has said, he has projected a revenue figure in his original budget of approximately $41 billion, and which we will achieve or get a little surplus, I believe by another $1.8 billion, which is in terms of the tax amnesty, and another $2.1 billion by way of the extra prices which have generated an increase in oil which will carry us to, approximately, just about $44 billion.
Nonetheless, when we add up our total expenditure $49 million plus our projected expenditure a total of which comes back up to another $3.3 billion, puts us at $52.3 billion, somewhere thereabout so there a deficit of about $8.9 billion.

So, the Minister of Finance will now find himself in the position where he is going to preside over the biggest budget deficit the country has ever seen. [Desk thumping] I think we must start off on that point. So when we talk about running down of cash balances—and just in case—I think the Minister said it as well. Just in case he had not read the report of the staff consultation—but I think he did report, he mentioned it. He mentioned the staff consultation.

3.40 p.m.

By the way, there was an Article IV consultation in 2004, 2008 and 2009 and it is standard practice that we have an Article IV consultation every year, so that the visit and the views of experts were always solicited, and have always been solicited by the Ministry of Finance and by this Government to guide us as we move forward. So having done so on this particular occasion, it is simply in keeping with good practice which has been followed at all times before.

Just in case we had forgotten, perhaps, it would be good to read, I think, the first paragraph on page 3, “Recent Developments of the Article IV Consultation” which is public knowledge and published on the IMF website, and, I think, published elsewhere:

“The economic slowdown as a result of a global crisis has been severe, and…”

This is, perhaps, the most important part:

“…the recovery has not yet taken hold.”

That is the most important point. So just in case we forget, and since we are talking about expenditure and expenditure profiles, it is very important to see what we did in the very recent past when this global crisis hit Trinidad and Tobago. What exactly were the difficulties? Well, we were faced with the difficulties which is a short and sharp shortfall in our revenue; very short. And, in fact, at the end of 2009—I am reading on Appendix 21; “Central Government Fiscal Operations of the Facing the Issues Turning the Economy Around,” which is the Review of the Economy which is published as part of the budget documents presentation, what do the numbers tell us? Well the numbers tell us that we had a deficit in 2008/2009—completely to be expected—in the order of $7 billion, and that we had another deficit in 2010 in the order of $4 billion.
Now, deficits have to be financed; money has to come from somewhere. So when the Minister says that cash balances have run down—cash balances—well inasmuch as this Parliament votes a revenue budget, and you can only spend in terms of the revenue budget those balances which are available to you and the revenue that you collect, you can, of course, supplement those revenues by way of short-term public borrowings. We call that the Treasury Bill issue where we, in a sense, supplement the differences in our cash flow—the difference between the revenue collections and the revenue that we know we will get and the expenditures that we have today. So that we supplement those either by way of borrowing from the Central Bank within certain limits as well as in Treasury Bills; borrowing from the public.

Now, you could only have cash balances to the extent to which you have had borrowings, which you have added to those cash balances or, alternatively, because you have had savings in the past. So when we are talking about running down cash balances, just understand it very clearly, that those balances that the Minister of Finance is referring to are savings that were built up over time, and they needed to be run down when we were in a situation where the country had faced a tremendous existential crisis. That is how those balances were run down.

[Desk thumping] The government at the time said very clearly, it would manage its expenditure profile in order to ensure that the economy continued on an even footing, so it would give it time so that it could adjust. That is where those cash balances went.

However, when the Minister of Finance comes in and complains to the national community, in the midst of a whole set of other things which come up—that those balances had disappeared, the cash was running down—your bankers would be worried. There would be a crisis of confidence; there would be difficulties, especially when you also say that you are not treating with investors, not policyholders, with investors, in what is, perhaps, one of our biggest, if not, the biggest, if you want, failure in the region ever of a financial institution. So that there would be a crisis of confidence, and as yet notwithstanding everything that has been said, what is the plan for this moving forward? What precisely are we going to do?

We know that we have agreed that we would pay the small policyholders, those with claims of less than $75,000. I think the view is that, in a sense, we put it in the context of the deposit insurance, so it has a sort of policy reference point, and that is important moving forward. That is a good policy reference point. But, at the same time, given all that had gone before and given all the efforts that have
been made to ensure the stability and confidence in the financial system, because without stability and confidence in the financial system, there will be no investment, and the previous government understood that. That is the reason it took a very disciplined approach to dealing with the issue of CL Financial and those issues [Desk thumping] and, by the same token, a very disciplined issue in terms of how it dealt with its cash position. I want to be very clear on that, because the rhetoric comes across as though cash balances had been run down on some nefarious or spurious activity. They were not! Let us be very clear about that too. These budgets, which you are very much aware of, have to do with some expenditure programmes and expenditure plans and priorities were reasonably well established.

The expenditure in 2009 and by September 2010 on the basis of the numbers which are contained in this is $44.7 billion, literally bang on, two years in a row. In other words, to achieve a certain level of stability, to maintain a certain level of economic operations in the country so that the effect of the recession, the global recession that was taking place, which in the words of the IMF “was deep and severe and had resulted in a 27 per cent fall in gross domestic product”; that is what we were treating with. Nonetheless, we have an even keel in Government’s expenditure so the economy never felt the full impact, and it is also reflected in terms of what our unemployment numbers are.

Compare the unemployment numbers of Trinidad and Tobago—at the end of 2008, 3.9 per cent; at the end of 2009, about 6 per cent; and at the end of 2010, approximately the same but going up a bit. Compare that with the numbers of the larger countries in Europe which are themselves going through adjustment programmes, compare if you want with the worst, PIGS—Portugal, Italy, Greece and Spain. We are talking about unemployment levels in the region of 13 to 20-something per cent. That is what we are dealing with. What is the case of Trinidad and Tobago; 6 per cent? How does that compare with the United States of America which this year has started to trend down from 10 per cent, and at the end of last month with an expansion of 54,000 jobs is still at what; 9.29 per cent? So that when we talk about running down cash balances, that has to be interpreted in the context of a specific economic condition which the country faced. Understand that!

But how then is the profile that the Minister of Finance attempting to paste today or to paint today different? Well the difference is one of degree, not of amount; well of amount too. At 8.9 per cent, it is substantially different from the deficit of September 10, an election year, when one would have thought that a
government that was anxious to retain office would have, in a sense, put its foot on the accelerator, yet the expenditure profile for 2009/2010 is virtually the same, $45.7 billion, as distinct from the expenditure profile for this year when we are at $52.3 billion or $8.9 billion deficit or, alternatively, a 6.3 per cent deficit in terms of GDP numbers, and that I might add is also the biggest percentage deficit the country has ever seen. [Desk thumping]

So we are talking about establishing the pre-considerations for growth. Well, the pre-considerations for growth, I guess, are about survival, so let us just start off on the position that we need to survive, and in that I will have to say that the current Government and the previous government certainly agreed. So we are not going to have any difficulties with that, but I see that we are also going to find ourselves—I think the Minister of Finance is also projecting it from what I heard, in terms of making a transfer to the Heritage and Stabilization Fund. So, now is a time that is something that we also need to redress, and that is not to detract from the other points that I am going to make and say that it is illogical for us to find ourselves in a deficit position, which is where we have been for the last three years, but making transfers to the Heritage and Stabilization Fund which, effectively, is a savings mechanism, and it is illogical for us to find ourselves in a situation where we are going to be making savings when you are in deficit. It is fundamentally logical, because your critical issue at that stage of the game is to survive; fundamental issue, but it does say that there is need for some correction in the law. We agree on that?

Hon. Dookeran: I will answer you.

Sen. M. Browne: Okay. Well, I know how the formula works, so I know how we arrived at the number, but I am saying that if you are overall in deficit, making transfers to the Heritage and Stabilization Fund is a moot point. So, let us move on. We are talking not mainly about stabilization, but we are talking about setting pre-conditions for growth. We are talking about expenditure in certain specific areas of the economy.

Well, I had a little look and I agree there were a couple major ministries which account for the majority of the money. In this particular case, the highest is the Ministry of the People and Social Development at $455 million, which I think would bring its total budget just to about $3.8 billion to $3.9 billion, which makes it just about the same amount of money that is spent or more money that is spent on education—more money is spent, on the Ministry of the People and Social Development than is now spent on education,—and approximately the same amount that is spent on health and/or national security. But the interesting thing
about this is, these are transfers and the substantial portion of the difficulty that I remember being made by the Minister of Finance in his attempts that he was saying to address part of the issue of sustainability would be the issues of subsidies and transfers, which previously accounted for approximately 40 per cent of the national budget. Well, it must now be more than 40 per cent. So the issue of sustainability is a key issue moving forward, but more than that, it also brings us face-to-face with the issue of election promises.

One of the biggest climbdowns of the Minister of Finance in the existing Government was a climbdown from the issue of the pension and pensions that would have been paid mandatorily to every citizen once they attained the age of 60. I think that was a wise decision, because that certainly would not have been sustainable nor affordable. It could not have been, because the cost of that decision, when we had done our homework in the Ministry of Finance at the time, would have been approximately $9 billion per annum, approximately. Let us just say $8 billion—cut down the number to $8 billion—without taking into consideration the knock-on impact on the public service and all those other persons for whom this would have now become the minimum pension. So it was a promise that could not have been sustained, because the current transfer or the transfer as at 2010 for senior citizens grant was approximately $2 billion at that time.

By having made that campaign promise, and even if we had to climb down from it, it has inexorably led, if you want, to a balloon in some of the social expenditures, not the least of which is taking place under the Ministry of the People and Social Development, and that also has knock-on impact insofar as it sets the tone for the minimum pensions that have to be paid to civil servants and other people who fall within that particular category. So that it has the impact of increasing the numbers for personal emoluments and the provisions that have to be made.

3.55 p.m.

Now, try as I might—I know that the Minister indicated that part of the supplementary budget is also about development expenditure—I could not find too many instances of development expenditure. In fact, I found approximately $150 million. If we include the $300 million that is meant to go towards the IBF, we probably would find about $400 million of this $2.7 billion in development expenditure, so approximately 15 per cent. The majority of this is about the purchases of goods and services and a lot of the transfers are in fact transfers for emoluments. In other words, an unsustainable level of personnel expenditure, that is what is included here, but that is not what it says, that is not how it is presented and the best example of that remains the Ministry of Community Development.
We talked about the expansion of the GATE programme and everything else and so on, but the actual budgetary requirement for the Ministry of Science, Technology and Tertiary Education is all of $3.6 million out of $2.7 billion, that cannot have been any expansion, so that is not an adequate explanation. The realities we are talking about: the Ministry of the People and Social Development, Ministry of Finance, Ministry of National Security, the Office of the Attorney General, Ministry of Education, Ministry of Health, Ministry of Public Utilities, Ministry of Works and Transport and the Ministry of Housing and the Environment; if we include all of those, that accounts for approximately 86 per cent of the total increase here, and the majority of this is not for development expenditure.

The one major item that probably is development expenditure is under the Ministry of National Security, which is the purchase of the four helicopters, that is the single biggest item—the purchase of the four helicopters. But if I am not mistaken, we had spent a lot of time negotiating loans to buy these things—at fairly good rates of interest from what I remember—so the only way that we could be paying for them is either, one—we had not so much reneged on the loan—we told them we do not need the money any more, or we would have told them we do not want it or we are not going to go ahead with it, and that is the only way that we could be spending this $146 million here, because at the end of the day the acquisition of the helicopters has to be financed. So I understand why we have to add it here, but my question is, what happened to the loans that we had negotiated to put this in position? [Interruption]

Oh, yes, those were also part of the loans that we had put into position for the OPVs, so I do not know if in cancelling one, we cancelled everything. [Interruption] The loans are still going to come through? [Crosstalk] No, the OPVs got cancelled, but I do not know if all the loans got cancelled too, because this would have been part of the other. The OPVs in a sense were floating platforms on which the helicopters would land. But anyhow, loans were put into position for this, so the reason is if we are not doing this, or if we are spending money or making an additional allocation which is increasing our deficit, we are not borrowing. Interesting! Okay, there must be a reason for that.

The point I would like to make on that particular score—and you indicated that you did not throw everything out, but it is interesting that some of the things that you threw out are costing us additional money, and that is the only reason, for example, we could explain. I know the hon. Attorney General has a penchant for the number 4. Some people like numbers: 1, 2, 3, maybe 4 is a magic number—4
legal opinions, 4 this, 4 that. I can see from the very substantial changes that are taking place in the Attorney General’s budget, that we certainly have a lot of legal costs which we are undertaking in the course of this year, a lot of legal costs, not the least of which, of course, is arbitration; arbitration costs for a contract which we put aside, where we said that it did not meet our requirements. Well, I am not an attorney, but I happen to have some familiarity with that particular project and I think we are going to find ourselves, ultimately, with a short-term decision that has long-term costs for which the country, in your words, in my words, in everybody else’s words, for which there will be no value for money. It will be expenditure, that is what it will be.

4.00 p.m.

The Ministry of the People and Social Development—when one looks at this particular budget and the significant changes that are taking place in it, it is difficult not to come to the conclusion that we are not merely fulfilling campaign promises past, but we are campaigning, if you want, moving forward in the future. I do not think there is very much else that could explain this, because the fundamental issue with the Ministry of the People and Social Development, and you said it gently, is that we need to have some sort of review of some of these programmes. There may be overlap.

One of the issues of social development and one of the issues in terms of assisting people or helping people move up the ladder, is how that assistance is demonstrated. We seem to have, in that particular Ministry, a methodology which requires a lot of cameras to be around. The business of social development is really one in which we have to teach a man to fish, rather than give him a fish for the day. It is not at all clear that the policy and the policy issues that are to be addressed in the Ministry of the People and Social Development are, in fact, being tackled. It cannot be done in the press. It cannot be done in the fashion in which we are doing it here. It is one thing to have won the election, it is completely another thing to buy loyalty.

In the issue of public utilities the single biggest expense there seems to be the debt servicing on a bond. The Water and Sewerage Authority is a long-term issue, the issue of winning water. There were a number of plans and programmes that were put in position to move forward; some of those have been cancelled as well. I understand that a significant issue was, and I remember reading it in the newspaper shortly or just the other day, that there was a substantial saving in the laying of the Navet trunk main. One of the substantial savings may have been because the pipes had been bought already for use somewhere else. [Desk
But that is another matter, and I am sure somebody coming after me will be able to speak more comprehensively on that particular matter, [Desk thumping] so I will not deal with that.

Mr. President, if you bear with me, I just want to look at another issue—well, some other issues with regard to debt servicing. As I look through it again, the majority of these things are transfers: personal expenditure, current transfers and subsidies. The current transfers and subsidies invariably go to another state enterprise or somebody else, where it basically then gets expended by way of public emoluments again. One of the hidden costs in that election campaign—and it is not hidden anymore, it is coming out—was the effect on our personnel emolument structure.

I heard the Minister of Finance talk about making agreements with regard to insurance for our public servants. If I am not mistaken, those insurances had been built into previous negotiations, so that the only thing we could have done in this negotiation was probably increase the coverage, not the principal. The principal had already been established, so it is not new. All we are doing is increasing the coverage; it is nothing that is new.

Similarly, when we are talking about nothing that is new and setting the platform for what we are doing moving forward—forgive me, let me just look for the number again. Well, I cannot find the number. One of the fundamental issues is the issue of confidence. The Minister also spoke of the issue of the $7 billion in letters of comfort and guarantees. If I am not mistaken, and again I go back to “Facing the Issues, Turning the Economy Around, the Review of the Economy”, we talk about public sector debt. If I am not mistaken, public sector debt as a percentage did rise between the period 2008/2009. One of the reasons is that the figure which is used for public sector debt also includes all guaranteed debt. In other words, it is already there; yes, contingent liabilities, here it is. We have already taken cognizance of those contingent liabilities, $21 billion. Contingent liabilities is $21 billion.

So that the gross public sector debt at 38 per cent, includes that $21 billion; it is already there. So the only reason the banking sector would get confused about your commitment to these letters of comfort, would be because of what you said. You got them frightened, [Desk thumping] and you got part of the international community frightened too. A lot of work had to be done to repair that damage, and I commend you that you have repaired the damage, but I must enjoin you, as we move forward, to be more careful and more balanced in your public utterances. [Desk thumping]
We have to be very careful when we talk about nervousness and uncertainty. That is one of the reasons we could never understand what Alan Greenspan used to say, or for that matter what Ben Bernanke was saying. You have to be very careful. When he talked about “irrational exuberance”, everybody wondered what it meant. He meant that there was a bubble developing, and “I did not want to burst it and I do not know how to treat with it, but I have to find a way to deal with it,” but he never said that. He said something completely different. The reality is that there was a bubble. The bubble did, in fact, burst in 2008. The effect of that bubble affected all of us, and that is part of our difficulty. It did not affect Clico though; Clico is a different matter.

Mr. President, that is why we need to be careful about what we say and how we treat with issues which affect the national economy. Confidence is a very fragile thing, and those of us who are married understand it well. [Laughter] If you come home late twice and you cannot explain where you went properly, you have a problem of confidence. If you say you have a problem with cash balances, guess how the bankers think? “I am not getting paid.” “What am I going to do to get my money?” “We have to convert this.”

**Hon. Dookeran:** It is in the books.

**Sen. M. Browne:** It is in the books, I know; it is already accounted for. So telling them that we are going to deal with them for the $7 billion, we have already dealt with it.

**Hon. Dookeran:** I will explain that too.

**Sen. M. Browne:** You mean you will explain some of it.

I want to go back to the International Monetary Fund consultation. This is in paragraph 2. I am not far away, I am not gone. I dealt with paragraph 1, I am on paragraph 2:

“Despite ample buffers including large fiscal space and strong international reserves, the policy response to the crisis has been constrained. The overall fiscal balance turned sharply negative in 2008/2009,”—that is where the cash balances went—“despite a real decline in expenditure, as revenue fell by one third reflecting lower energy prices and weaker activity.”

So that is what took place. This is a very important point:

“The deficit (excluding CLICO costs) improved to 3 per cent of GDP…”
Notwithstanding the difficulties, notwithstanding the fact that it was an election year, you managed the deficit conservatively. You did not go out and spend extra money. We brought it down; that is what we did. But the cost of the Clico intervention has to be accounted for, and I did not see anything in this supplementary budget that tells me how it is being accounted for. And by your own admission, I know that $5.4 million of funds that we advanced—we may not have spent all of it, but funds were advanced to support the intervention, and another $1.9 billion would probably be sitting in the Central Bank’s balance sheet, for which we ultimately have to pay, if we have not paid for it as yet. That means, at some stage of the game, we have another $7.4 billion to bring to account.

I think the number you called was about $13 billion, so we have another $5 billion, which does put us in a bit of a pickle moving forward, but it is a pickle we have to face, one way or the other. So the final decision also remains about what is the final scope of the plan. I am happy to see that Sen. The Hon. Vasant Bharath and yourself are sitting close together, so you have the opportunity to consult with one another, because I am not certain what the final plan is from either—from the Government, sorry.

There are a number of issues. I am not certain that I understand what is being said with respect to setting a platform of growth. I do not see any expenditure that has been put into position that one would call—the word is not “expansionary”, but “capacity creating”. That is a good word? [Hon. Dookeran nods head] I am not seeing the evidence of capacity creation. I am seeing the evidence of the maintenance of expenditure or, in fact, an increasing expenditure and, to that extent, I guess it has provided some level, if you want, of stimulus to the economy. But in the sense of real activity, in the sense of activity taking place in what we consider to be the capital market, I am not seeing it.

I take the evidence that you have said. I take the evidence in terms of increase in mortgages. That is not compensated, or the corollary of that is an increase in housing starts; that we are not seeing. So by definition, if there is an increase in mortgages, it very simply means that people have decided, “Well, look, I am going to finance the acquisition of X.” Maybe that does represent some level of increase in confidence, but I am not seeing the housing starts which would support that particular idea. The real idea is when somebody basically clears ground, moves ahead and says, “I am building here;” for me, that is the evidence.

As we all know, dark clouds do not stay around forever; the breeze would blow them away. But we do not want breeze here; we want serious activity, where real entrepreneurs make decisions about us moving forward. We want to hear
about new plans; we want to hear about new businesses. We also want to hear about small business, but we also want to hear about big ones, because big ones are the ones that are going to make a difference to how the economy moves forward.

So when you are talking about our post hydrocarbon economy—that is to use your term—then we need to hear what is the real plan. Apart from the seven industries which have been identified as part of the Vision 2020, I have heard nothing that tells me we are addressing that particular point. If there is any lesson we needed to learn, that lesson has been well and truly brought home by the events of 2008. We know what can happen to us; we have experienced it. In fact, that is what led to a general sense of panic and a general unease with what people considered to be expenditure on big buildings. That is what led to the unease. The feeling that we were spending money that would not be income generating, but we had fixed assets to show for it.

On the other side of the fence, one is happy to learn that when we are moving from our current premises in the Parliament, we will be moving to just one of those buildings, so perhaps it was expenditure well spent in that sense, [Desk thumping] otherwise you would have had no alternative.

So growth will come, and economic activity has started to change, if you will, if only because the level of expenditure in the system has increased. So Government has put some level of stimulus by, in fact, agreeing to spend. This year we are spending $7 billion more than we spent last year; that alone is some level of stimulus. But by the same token, it is self-sustaining stimulus that we are looking for; not stimulus in a sense that will pass through the economy; not something that is going to leave little behind. What we want is something that is going to be lasting, something that is sustaining, and, at the end of the day, we have to talk about exports.

In that regard, when we look at this supplementation—and I was looking for the Ministry of Trade and Industry—I have a little, if you want, interest in that particular area. I was trying to see exactly what the Ministry of Trade and Industry would account for, and that in a sense told me a little about the priorities. $4.5 million and the answer in real terms—that is like the $3.6 million in the Ministry of Science and Technology—that is no increase.

4.15 p.m.

So, Mr. President, when we talk about the critical issues, and we talk about nervousness and uncertainty, when we talk about changing priorities of expenditure, when we talk about, you cannot move from point A to B just like that, I am not certain where we are really moving to. I am certain that the rhetoric
is strong, the talk is good, and we might even believe what you are saying, but the reality is, what are we doing? Where are the changes? How is it going to help us in moving forward? And remember you said, you know what is required, so we expect you to bring a different level of thinking and a much greater clarity in terms of what the future has in store for us, and that is what the country would like to hear.

We want to move away from the rhetoric, we want to move away from “who wasted the money”, we want to move away from “how much money was spent”, because quite frankly, if we come to a question of how much money was spent—[ Interruption] I think you are taking the cake on that one.

And when we look at the Ministry of Health—which is one of our priorities, so I am happy to see that you are getting more money, I was very happy for that—but the distribution of those funds between the various Regional Health Authorities does leave some cause for concern. In fact, in the disposition of resources, the largest expenditures are in areas where there is the lowest head count, and in areas in which there is the highest head count, which is the North West Regional Health Authority—

**Sen. Baptiste-Cornelis:** You said the area where there is the highest number of people?

**Sen. M. Browne:** Yes.

**Sen. Baptiste-Cornelis:** And you said that the North West is the area—okay, I will fix that, do not worry.

**Sen. M. Browne:** Thank you. You will correct that. But having said that in any event, the joint select committee which is headed I think by Sen. Baptiste-Mc Knight has already—no? Well, there was a recent committee discussion on the operational plan which raised a whole series of issues with regard to deficiencies, so I hope that some of the additional expenditure would go towards clearing those deficiencies, because we have seen—[ Interruption]

**Sen. Baptiste-Cornelis:** All the crap you left behind.

**Sen. M. Browne:**—I do not think that is a parliamentary word but we can speak about that a little later.

So, when we are talking about the changes in expenditure along those lines, it is clear that there are a number of areas which need to be addressed.
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So, Mr. President, when we look at the budget or the supplemental budget, the only two things that stand out for me, one is its size—how much you are talking about—and the second one, is the quantum of the deficit. In terms of its ability to shape and change our future, in terms of its ability to generate additional confidence in the system, in terms of it presenting a platform for future growth, that is not evident, that is not clear.

With respect to the increase in the level of foreign reserves—well you inherited a fairly substantial level of foreign reserves, I am quite happy for that—$8.5 billion, and I think that the net order of increase is in the order of $9.2 billion, just about $.700 million, well again that has to do with our prices. But I note, and this is in closing, when we are looking at and when we are talking about the level of indebtedness, and the concerns which the Minister had about the total level of indebtedness, as measured by the public debt to GDP ratio, which is contained in—I think it is table 21—not 21—well contained in what you call it, the Review of the Economy.

4.20 p.m.

When we looked at it, we are talking about the single biggest increase in debt projections and I am using the numbers which are projected on page 7 of the IMF consultation, where in 2009 the public debt to GDP ratio moved from 34.4 per cent to 39.8 per cent at the end of 2010—if I am not mistaken I think the Minister of Finance in his budget speech used a number of 49.1—and at the end of 2011 we would end up with a public debt to GDP ratio in the sum of 50.9 per cent.

In other words, a substantial deterioration between what you inherited and where you are carrying us to, and I note that the projections are modest because the advice of the IMF, of course, is for a moderate fiscal stance and if that is so then it means that the expenditures which we are experiencing in this year definitely cannot be sustained moving forward. They cannot be, not if you are talking about public debt to GDP ratios to 52 per cent, 53 per cent, which are very marginal increases. If they are marginal increases, those can only take place if there is a substantial increase in terms of energy revenues or, alternatively, if we cut our expenditures.

So, I am happy to hear all the positive things that have been said. I do not see the evidence of those positives and I certainly see many more questions than answers that the Minister is providing us with regard to our future.

Thank you, Mr. President.
Sen. Subhas Ramkhelawan: Thank you, Mr. President, for giving me this opportunity to speak on this Finance (Supplementary Appropriation) Bill, 2011.

Let me start by saying that I feel very honoured to speak in the company of my learned friend, the Minister of Finance and my colleague, Sen. Mariano Browne. Indeed, two men who seem to know a bit about the economy and our financial situation. I want to stress that the theme of my contribution today will be something that our elders have always said and it has to do with clothing “Don’t hang your hat where you can’t reach,” and what I learnt in banking, “Always have some clothes on your back.” I am not going to join in any discussion on the garment industry, but I just wanted to put it into perspective that that is what I intend to speak to today.

Now, both my learned friends Sen. Mariano Browne and Minister Dookeran, they are built like fast bowlers, but their contributions reminded me of my two favourite spinners Muralitharan and Warne; one bowling off breaks and one bowling leg breaks. It is not my intention to participate in any cricketing match between these two, but to focus very clearly on where we are in terms of our economy, the monetary situation, the fiscal situation and to say a few words on the capital markets. But beyond that, I want to go a bit beyond the descriptive and get to some of the prescriptions that we need in terms of engendering economic growth.

Let me start, Mr. President, by explaining that when those of wisdom in the older years said, “Don’t hang your hat where you can’t reach”, what they meant was to ensure that what you are spending you have enough in terms of savings and enough in terms of revenues to be generated over time to ensure that you could manage that level of expenditure. My concern is that we cannot. If we continue the way that we are going we cannot maintain the level of expenditure and not find ourselves in serious trouble. I intend to demonstrate that if we continue as we are going and we add the planned expenditure in terms of Clico bonds by another $10.7 billion we are going to go into debt to GDP in the vicinity of 61 or 62 per cent, which is considered to be the threshold before we start to find ourselves in trouble.

But, let me speak now to the question of growth, because the Minister of Finance in his part 3 and part 4 of his presentation spoke to financial stabilization on the one hand and growth imperatives on the next hand which was the fourth driver. Still as I listened to him I wondered where were these growth imperatives going to come from. So, let us look at the economy and what has happened to us over the past year and a half. In the previous year in the 2009/2010 fiscal year we
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[SEN. RAMKHELAWAN]

had negative growth in the context of 3.5 per cent, the economy fell by 3.5 per cent, so the level of wealth that we were building up was actually falling away in 2009. And in 2010 we had negative growth in the fourth quarter, coming up to the fourth quarter, of negative .6 per cent, which means that the growth drivers that we are talking about or the growth initiatives are actually going in the wrong direction and I have not heard anything that will cause me to think that we are going to change direction, because for you to get growth you need to have initiatives that will take you there. [Desk thumping] What is it that we are putting into the pot that will cause us to have an appreciation in wealth in this economy?

As we look at these factors, I think some stark realities hit us. Our two main drivers of growth in the last 10 years would have been, not so much oil but more gas, and the reason that we experienced that growth was because we were actually growing the volume of our gas output for sales. As it stands now, we are in a period of statist, there is no growth in gas output, and therefore we are essentially price takers waiting, hoping with bated breath that gas prices would suddenly rise to new levels and take us to a position that we may have been in 2008 and 2007.

I do not see that happening, and even if that happens, even if that happens, what does it mean? It means that we are still there sitting in the middle of the river waiting for some lucky breeze to blow us in one direction or the other. We are not taking command of our destiny. That is at the heart of the concern which I have for where we are at this point in time in the economy. When we look at what is the composition we would have seen over the past several years that the energy sector would have contributed 45 per cent, 46 per cent and in the latter years, maybe 35 per cent, 36 per cent. One third of the wealth creation is coming directly from energy, but I would argue much more of it is dependent on energy because of the indirect factors of distribution and other areas which would be dependent upon what is happening in that oil and gas sector.

Very often, Mr. President, we have spoken about comparatives and some of the comparatives—one of the comparatives we like to make in many areas, whether it be in e-Government or otherwise, or economic growth has been this success story halfway across the globe, which is Singapore. I would like for the benefit of the Minister to put a bit of history, he being an academic in a greater sense than an executive; I would like to put to him that in 1966 Singapore and Trinidad were just about at the same level in terms of GDP, maybe about US $1 billion versus $800. Today, Singapore is 10 times in terms of its GDP. It is about $220 billion as against our $22 billion. I am not saying that simply for academic purposes. I am saying it to paint a context as to some of the things that we would
need to do in terms of pursuing growth drivers for our economy to take us from where we are now in statist to a position where we would be in a situation of dynamic growth, but growth that we would have engendered in terms of where we want to go and how we want to get there.

One other factor I would like to point to in terms of the economy, is that when we look at some of our comparatives, whether it be Singapore or Mauritius or some other benchmarks that we may want to use, one thing stands out, and I do not think there would be any arguments about this. It is that your manufacturing sector needs to be kicking and screaming and working very hard in order for your economy to grow. Because, when we take energy, energy might be 45 per cent of the economy, but it is about 3 or 4 per cent in terms of employment generated in the country. When we take manufacturing, manufacturing might be 5 to 6 per cent of the economy, but it is 8 or 9 per cent of the employment that is created. Work the maths and you would figure out what I am saying in terms of manufacturing. Therefore, it is clear and cogent, at least to me, that you need to build and expand the manufacturing sector, and I would say even build a new manufacturing sector and the question is how will that manufacturing sector come about? And the answer is, that we need to get a whole cadre of new materials that will dynamize and get this manufacturing sector to grow.

My colleague, Sen. Mariano Browne, spoke to it in terms of increasing exports. If we were to increase exports where would that come from? Where would the value added come from? You are not going to find oil tomorrow, and if you found oil tomorrow and you found more gas tomorrow you could not monetize it for another 10 years because you have to go through from exploration to commercialization to building the pipelines, et cetera, et cetera. But in fact, our oil production is falling. If my memory serves me right, we have now fallen below the 100,000 barrels per day from five years ago or six years ago where we might have been 120,000 barrels per day. So, let us see if we can craft the problem, because if we can structure the problem we can find a solution.

I want to stick with the Minister’s growth initiatives and drivers. I have heard none. In the budget there was talk about a new ammonia plant. I have heard nothing more about this ammonia plant. In the budget we have spoken about a new tax regime in the energy sector and I believe that has gone into play; in the budget we have heard about five new growth poles in order to engender growth. Well, I think I could tell the Minister quite frankly that I have not seen any growth poles. Where are those growth poles when you talk about the south-west and you talk about all the various areas? Nothing has happened. There has been no
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initiative to drive out those growth poles. So when we talk about financial stabilization on the one hand—I am not even sure that we have financial stabilization, because what we are doing is that we are burrowing ourselves deeper and deeper into the hole.

Let many me talk a bit—if we dissect the economy there are three discernible drivers of the economy from the perspective of monetary economics: one is the consumer who makes up 60 per cent of the economy; the other is the private sector, and the third is the public sector, and we are looking to see where and for what reason there will be new capital investments in terms of these sectors.

4.35 p.m.

I will come to that in a minute in terms of numbers. The reality is that, in the private sector there has been a decline in investment; year on year, it has fallen away. And in the consumer sector there has been as well, if not a decline, a flattening, and therefore, the one remaining driver to drive the economy is the public sector. But what has happened? When you look at the public sector, where is the capital expenditure? Where is the investment? We have heard about $7.7 billion or $7 billion in terms of a road from San Fernando to Point Fortin. That is the major factor in the PSIP, by the way; that is supposed to be the major factor, but nothing has happened even now as at the half year.

So when you would expect that in terms of the growth drivers, the initiatives the public sector would be spending, because there is a deficit in terms of the private sector and there is a flattening in terms of the consumer sector that has not happened. Why has it not happened? I am sure the Minister in his winding up would want to explain that. But what we see from the Central Bank report, is that for the first half of the fiscal year, what we have had is a deficit of—I think it was about $200 million—when it should have been more like about $3.5 to $4 billion—and the key reason for that is that the public sector has not gotten the wheels going in terms of investment and capital investment. And that is the reason we are in stasis today. My hon. friend, the Minister of Finance has spoken to the gears, that we are in forward gear, but in terms of a driving lesson, I want to tell him that we are in neutral, because the facts and the figures are pointing to no drivers in the economy to move the economy forward.

Now, I want to spend a little bit more time on this discussion about the manufacturing sector and to be somewhat prescriptive on what I believe needs to be done in order to build out a new manufacturing sector. And bear with me, Mr. President, because I have said this before, but it is worthy of repetition. It is that
we have spoken many times about diversification away from the energy sector, but the answer to our growth might really lie in what we have already accomplished as a nation in terms of the energy sector. I believe firmly that that is where our answer is and that is the shortest path to our return to prosperity and return to economic growth. I will come to the Minister of Agriculture in a bit, but I want to stay with this matter of energy and what we need to do with it.

Mr. President, we produce about 12 per cent of the methanol in the world, and we are the largest exporter of methanol and sometimes we feel that that is sufficient for us to boast about and stop right there. We produce about 4.5 per cent of the ammonia in the world. We might be second or third depending on how are we ranking ourselves now in terms of export. That is a good thing and it is also a very bad thing. It is a good thing, because over the years we have been able as a nation to find ways to monetize the natural gas that we have been able to access. And that is a good thing. But we have reached a stage—we have now come to a point where we have to build a bridge, where we have to cross the river. And it is not that across the bridge there is no more sorrow, but that across the bridge, if we build this bridge, we are going to be able to build a whole new manufacturing sector.

4.40 p.m.

My friend, Sen. Browne, has been very descriptive in his approach, speaking about the areas of concern, but he did ask the question about where the growth initiatives are going to come from this, and I would like to help, as far as that is concerned, in putting some suggestions on the table.

So we have done all this work, we have done all this work, and we are now proud of our achievements, but we are still caught and trapped in what late Lloyd Best used to call “the plantation economy of a different sort”, in that, we continue to produce commodities with external capital, and we have not been able to add value to those commodities on the ground in Trinidad and Tobago. So we have a full external sector: we bring external sector, we extract our gas because we cannot use all our gas here; we monetize it by converting it to LNG, but when we convert it to LNG, the net value to us is about half of what it is if we use natural gas here in Trinidad and Tobago.

It is simple economics, Mr. President. I see you look a little bit perplexed, but let me see if I could break it down for you. It is that when we take natural gas out of the ground, and we have to pay a processing fee to take that natural gas and convert it into LNG, liquefied natural gas, which then is in a form that is
transportable to sell abroad, and then we have to ship it, at the end of the day if Henry Hub is $4, the net back value is about $2 or $2.20 for us. And that is why the Minister uses $2.75 and so on, because he is hoping that natural gas prices will get up to about $5.50, so that he can get his $2.75 budgeted price. Right now the average is about $2.23 if you take Henry Hub. There are some fortuitous happenings around the world—fortuitous for us, but not for around the world.—where we can ship to Japan and we can ship to other areas, and get an added benefit because of the higher need there, and higher prices that will be paid.

I want to come back to building this bridge, because this is the one thing that is of greatest concern to me. We need to get from this commoditized stage to value added on the ground. And how will we do that? We will do it by converting ammonia into melamine, and melamine—despite some misuse—is not really used to strengthen the quality of milk, it is a misuse. Melamine is used to make chalkboards, whiteboards, laminates, and other processes out of ammonia could lead to adhesives and paints.

Methanol, for which we produce a much larger stock, can be used to get us to plastics, and Mr. President, you and I know, and the entire citizenry knows that there are so many varied uses of plastics, and if we could get to plastics, we set the tone, we can spawn a whole new series of manufacturing enterprises in Trinidad and Tobago for export. That is the point that I want to make, because I am not hearing prescriptions, and even beyond prescriptions, I am not hearing the execution formula to get us there. Until we get to that stage, we are setting ourselves up in a situation where we are going to have a deficit, the highest—according to former Minister Browne—that we have ever experienced of $8.9 billion.

4.45 p.m.

I am going to tell the Minister that he is not going to achieve that deficit. Strange as it would sound, he is not going to achieve that. His capital expenditure programme over the next three or four months to the end of the fiscal year, I want to see him spend that money. [Desk thumping] I want to see him spend that $7 billion. That is not going to happen. That is a pipe dream, and it means that we delay the process of kick-starting the economy. So I agree with you—I might be in agreement with you when you say you have reached some stage of financial stabilization, but I am certainly not in agreement with you, that you have the formula now to take us out of this morass into a new wave of economic growth.

Sen. Hinds: Well put! [Desk thumping]
Sen. S. Ramkhelawan: Now, even so I am still worried. I am still worried that we have had three years of deficits. We have been fortunate last year that the extent of the deficit was not as high because of oil prices. We are fortunate this year that while the oil price was budgeted at $65, the average price for the year based on West Texas International, is about $93 or $94. I am not speaking about Brent; I am talking about West Texas International. We have been told before that for every dollar increase above the budget, that generates for us about TT $100 million for every US $1 increase. So we are above the average based on my estimate by about $28 per barrel, which is about TT $2.8 billion.

Of course, we are below the average in terms of gas, where we are told that for every US cent that we fall short in gas, we lose about TT $30 million. So we might be short on the gas side based on Henry Hub by about $1.5 billion, but I expect we will be doing better because of the prices that obtained with regard to Japan and so on.

So, Mr. President, I was talking about that bridge. What do we need to do to move from the state that we are in now which is producing a healthy amount of commodities, to get to the stage of producing the raw material for end-user manufacturing, plastic, polyethylene, polypropylene? Well, simply, we need to build plants or partner with people who will build plants that will take our existing methanol and new methanol supply to bring us to this production of plastic.

I want to assure you, Mr. Minister, that once we get to that stage, all the concerns that you have about our private sector, all the concerns that you may have quietly about the private sector not being able to innovate, you are going to see innovation. Because you have now broken down the problem into a certain part where essentially the capital that is required for end-user manufacturing, whether it is US $10 million or US $20 million, is within the scope of the local private sector or within the scope of the private sector to enter into joint venture agreements to make whatever in terms of plastic, automobile parts, bottles—whatever it is, you look around this room and you will see.

You have a job to do through your Ministry of Trade because when we get to that stage the amount of plastics that you are going to have coming at you—it is not for consumption in Trinidad and Tobago, it is for manufacturing exports—but what are you going to do when you get to that stage? We have spoken for the past 20 years about being the gateway to Latin America or the gateway to the Americas. The fact is, we may be the gateway, but we do not have the key. The gate is locked. Why is the gate locked? Because we as a nation have not moved one iota to get in place the various trade agreements that will give us proper
access to Latin America. We have done it with the US, we have done it with Canada, we have done it with Caricom and we have not done it with Latin America.

So, my friend, Sen. Browne, had his wonderful conferences and seminars here and so on, but I do not think he got anything out of it apart from a wonderful dinner because we have not seen any of those trade agreements that we are talking about. So, Mr. Minister, if you want to know what is the key to unlock that gate, there are about three things that you have to do. One is the trade agreements with Latin America. Probably the only one you have of any workable value is Costa Rica. You have nothing else in Central America. I hear talk about a partial scope agreement with Panama, and I would like when you are winding up if you can give us some update on that. But the rest of Latin America are some—I think we have about three or four agreements that are decrepit, to say the least, and do not unlock the door to Latin America. Beyond that, you need to have double taxation agreements with Latin America of which you have none. So gateway—but you have become like the minion outside of the fortress because you do not have the key to the gateway.

We as a nation need to move along that path, so that when he speaks the next time we would have gone past the realm of imagination to the realm of innovation. Because innovation is not about inventing this or inventing that, it is about finding new ways to solve existing problems, and at the macro facilitation level the Government needs to get up, get going, get these trade agreements going and get these double taxation agreements going. Why do we need double taxation agreements? We need them because we want to encourage investment from Latin America and encourage investments into Latin America. Nobody wants to pay tax twice, and that is the whole focus of double taxation agreements. I will come to another matter when I speak to the capital markets because we have spent a lot of time talking about the capital markets, and the Minister would have—and I believe erroneously so—spoken about the growth in activity in the stock market.

At this point in time, I want to advise him that if the definition of growth in activity is appreciation in the value of stock—well, first of all, that is a wrong definition. There is some appreciation in the value of stock in the market, but there is a deterioration in the level of activity that is taking place in the market. From 2009 to 2010, the value of trades in the local market fell from $1.7 billion, to $843 million if my memory serves me right—half. So, I believe, hon. Minister, the information that you are getting might be a bit skewed in terms of what you need to do to build a capital market and the industry associated with it. But let me leave that for the time being and go back to this bridge.
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The estimates are—to build a world scale plant you need to find somebody who is willing to invest $1.5 billion to $2 billion in this country. I believe that it is time that we very seriously look at how we are going to do that and when we do, you have my commitment that I will find some ways to help and participate. But beyond that, once you cross that, it is then you open up the plastics industry. It is at that point in time you open up the plastics industry. There is work to be done. There is a lot of work that needs to be done, but it is also the shortest path to economic growth. Because if you continue with the same old tried and tested formula for which we are all grateful, which is about exploration, finding more gas and oil to ship, that is an eight-to-ten-year lead time. If you take your existing natural gas supplies, convert to methanol, use existing methanol, get to plastics, that is a three-to-four-year time frame.

Your choice! Decide what you want to do. You can do both, but you cannot only do one, which is, ways to find gas and oil. If you do that, you set us on a path where you cannot continue to borrow at the rate that you will be borrowing; you cannot continue to hang your hat where you cannot reach; and you cannot continue with a deficit situation that is upward of 6 per cent of GDP. Unless you are prepared to make that move, you will find that we will be treading some very murky and rough waters as we go along. It is not something that we can treat in isolation. It is not something that we can say, okay, the economy is going to drift. We have social issues. We have a crime situation. We have a situation where even though the former Minister in the Ministry of Finance spoke about employment at 6 per cent, the question is: how much of that is sustainable? Because the public sector is bloated and CEPEP is make-work. As he rightly said, you need to teach a man to fish. Right now, we are handing out fish every single day without any possibility of those persons being able to fish.

Now, I do not think that there will be any disagreement between both your sides in collaborating as to how to teach that man to fish. But just make sure that 10 years and 15 years from now, the people who are in CEPEP will not come back to you and say, “Now is time for us to have a pension. We need a pension because we have been here 10/15 years.” Find a system that graduates our people and give them something that they will hold on to, our citizens can hold on to, in terms of growth in benefits as far as their lives as concerned.

So, I share with you my thoughts in terms of that area which is the energy area; it is not necessary to speak about diversification into technology areas, into knowledge areas. The low hanging fruit—as you like to say—is right in front of you, nearest to the church. The low-hanging fruit is right there, let us make it happen. If you disagree with me, tell me why it cannot happen. Tell me what is your next best alternative.
I want to turn now to—this aspect would be external drivers, manufacturing, and you are building a new manufacturing sector for export, but there are two areas in which locally we need domestic drivers, we need to press, and I come to my favourite area which is agriculture.

The Minister of Food Production, Land and Marine Affairs is caught like a “manicou” in a flashlight. He is frozen. He is frozen in that flashlight. He has spoken all the nice speak. He has all the jargon. He is a man very well dressed, but now, the time to roll up the sleeves and get 50,000 acres of land into production is critical. What are the challenges? Let us hear what are the challenges. Is it that you cannot lease out the land? You cannot find people to farm the land? You have 50,000 acres of land and we are being fooled as a people about things like access. Well, Caroni (1975) Limited and its predecessor farmed most of that land. They did, in the dry season, they brought out cane. So this question of accessibility, I am a little bit stomped; maybe I am simplistic, maybe I am naive, but this is not about going through the swamp; this is not about, you know, 600 or 700 miles down the road in the interior that we cannot access; this is land that has already been farmed and accessed.

5.00 p.m.

Now, we might say that agriculture at this point in time only contributes about 6 per cent—oh sorry, 0.6 per cent—less than 1 per cent—to GDP. But you know what, in terms of employment, the capital to employment ratios are far different in terms of what you can do and how much employment you can generate. The statistics are here as to how many people you employ with 0.6 per cent in agriculture; the labour statistics are here. The question is—and what is clear in terms of the labour statistics is that with 0.6 per cent, agriculture contribution to GDP, you are employing 23,000 people; with 45 per cent in the energy sector, you are employing 18,000 or 19,000 people.

So the story is really there, and I think that from the advice that I have received, that apart from the question of utilizing those lands, what we are seeing—and I heard the Minister of Food Production, Land and Marine Affairs speak so eloquently, and I must say he is a very eloquent man. He spoke so eloquently about the challenges and the disasters that are taking place around the world. He spoke about farming in Texas and in China and he spoke about the need for food security.

So that I think we are pushing on an open door when we speak to the Minister of Food Production, Land and Marine Affairs, let us get this thing going, that is the next sector that will give us value added and create an economic driver that we are talking about, or that we are not talking about, because I did not hear the
Minister of Finance speak about that as an economic driver and the impact on sustainable employment, and you can pare back on some of these non-value-added make-work programmes that you have.

The third area, I have already touched upon. The third area is construction. In terms of construction, about 10 per cent of our GDP is in the area of construction—in fact, more—but it employs 16 or 17 per cent of our population—construction, inclusive of water and electricity, employing 97,000 people. But if you want to get a kick in construction and employment, you need to make the capital expenditure, and you need to make the investment, and therefore, you need to accelerate the Public Sector Investment Programme—whether it be the road or whatsoever.

We can have arguments about what is the best infrastructure to invest in, but what we cannot argue is that if we do not invest in that infrastructure, there is not going to be a kick in the construction sector. You will get a kick in the construction sector if you build out that manufacturing sector for exports that I spoke about, Mr. President, downstream, when you get to the end-user of manufacturing.

These are the three areas that I want to suggest to you because I did not want to stop at the prescriptive. I wanted to take the, should I say, I wanted to take the baton from my colleague Sen. Mariano Browne and take the matter forward as to what is this fourth area that you spoke about, through you, Mr. President, the Minister of Finance spoke about in terms of driving out economic growth?

5.05 p.m.

There are other things I can talk about and I will touch on very quickly, as I spoke at the beginning of my contribution, and it is the question—let me leave monetary policy and let me leave fiscal matters, which we have spoken about already, and let me speak to the other side of the investment equation, the facilitator for the other side of the investment equation, and that is the capital market.

I have already pointed out to my friend, the hon. Minister of Finance, that the statistics that he would have been pointing to in terms of stock market growth, may actually be quite misleading, but there are other areas of capital market infrastructure that would be crying out for attention.

In the year 2002, the then government appointed a Cabinet committee to look at the financial services sector and what needed then to be done to build out the capital markets and to improve the financial services sector—[Interruption]
Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes. [Sen. F. Hinds]

Question put and agreed to.

Sen. S. Ramkhelawan: Thank you to my colleagues in the Senate. I was speaking to the matter of capital markets and giving a bit of history, in terms of its development. If we do not get the capital market infrastructure right, we will not be able to redirect the funds, even the surplus funds, that we have in our system. I must say that we do have a surfeit of funds in the system looking for a home, looking for an investment on which they can generate value and the amounts are not insignificant.

When you look at the banking system, the banking system has over $70 billion in deposits. About 25 per cent of that, roughly, is being held as reserves, either primary reserves or secondary or latent reserves, in the Central Bank and my friend, the hon. Minister of Finance would probably know much more about that than I would. There is an overhang of liquidity in the system, too much money, far too much, in terms of the supply of money, but no bankable projects in which to invest and so—we spoke on the monetary side—people were not borrowing. They were borrowing less than they were borrowing a year ago, both in terms of businesses and in terms of the consumer. So, these funds are there. The question is finding bankable projects and finding the correct channels through which to invest.

With about $18 billion sitting somewhere in reserves unable to earn any kind of income, we have a surfeit of funds in the banking system and we have the same problem in the longer-term institutional players. Insurance funds would be about $20 billion and only 20 per cent of that can go into foreign assets and a lot of it is finding itself back into the banking system.

Pension funds are the same, about $20 billion—assets looking for a home. They are already over-invested in the existing equities in the local market and they have only allowed 20 per cent of those assets to go abroad. If you read the equation, just about TT $4 million can go into foreign assets and the remaining 16 in the pension fund sector must stay here. The key is, in terms of building an infrastructure, you need to build an infrastructure where these funds can be redirected into value-added projects, and that is not happening.
Insurance, pensions and the credit unions, $8 billion, and you could speak about all of them. The infrastructure is not there for the proper regulation going forward. The infrastructure is not there and has not been there. We have an Insurance Act of 1981. We started revisiting the insurance legislation in 2003 or 2004. It is 2011, and you do not have a piece of legislation or a Bill to come to this Parliament.

With respect to pension, we have been talking about separating the private sector pensions. Right now, the Insurance Act covers pensions and insurance, and we have been talking about building out a separate pension legislation. Still to happen. I am advised—I have seen the policy document with regard to pensions, but we are nowhere near. We are nowhere near the placing of the Pension Bill.

I want to draw the attention of my friend, the Minister of Finance, to this question of capital markets and securities and make two further points on that. One is, in the budget mention was made about divestment of equity assets owned by the State, the state enterprises, the restructuring and the dismantling of NEL to make investments by investors more in line with what they would want to invest in. By that I mean in the NEL story you have some energy, you have some telecommunications and you have some flour, and people might want to invest in flour, or they might want to invest in energy, or they might want to invest in telecommunications, but they might not want to invest in all. The Minister in his budget spoke about the dismantling of NEL. That is yet to happen. The divestment, we are awaiting.

These are parts of the growth initiative, if taken seriously and pursued, could really drive the economy, building the infrastructure to bring the funding from this side to invest in these various assets. That has not happened, so that industry is in stasis. Apart from the banking sector, nothing is really happening. I want to raise this matter about building out the capital markets and putting the legislative infrastructure in place, and if we can do that over the next year, we create a modern infrastructure for capital markets.

Related to that, the policy of this administration has changed considerably from the policy of the previous administration. The previous administration held that it wanted to retain control of the state enterprises and that no divestment was in the air, no restructuring of NEL. This Government has a stated policy of divestment and restructuring. But this Government also has a policy of being some sort of regional capital market. I want to tell the Minister that the draft legislation, the securities legislation that you have, will not allow you to be the regional capital market, because that is a lock box about not allowing this market
for flow-through of investments. It is a closed architecture piece of legislation, which is borrowed from the Canadians. I started by talking about the Singaporeans. Go and look at their piece of legislation, which is about attracting funds from all over and placing them and being the intermediary. If you want to be regional capital market, that is what you have to do. You might have to “relook” that piece of legislation, securities legislation, drawn up as far back as 2004/2005 and has not yet seen the light of day, in terms of passage in this document. These are some of the areas that I believe—

Finally, hon. Minister, in terms of creating the infrastructure for economic growth and moving funding into the investment arena, I believe, very strongly, that there is need for us as a small country to establish an overall monetary authority, rather than having separate regulatory authorities looking at, one, credit unions; two, securities; looking at—right now insurance and pensions fall under the Central Bank. You do not need to go and recreate a monetary authority. All you need to do is what you have already been doing, put the credit unions under the Central Bank with regard to their investment and lending framework and take the Securities and Exchange Commission and put it under the Central Bank. You would have a greater pool of resources that is steeped in regulatory oversight to be able to do the work with the proper measures that you have put in place.

In conclusion—I have spoken. I have taken the discussion of the Minister, which, to me, was rather academic and did not say what he was going to do, in terms of beyond the prescriptive into an execution framework, and I have said to him: Let us look at these economic drivers. I would be happy to be proven wrong and you come up with a superior mousetrap. I would be the most happy man in this Senate. But what I am unhappy about is there is no context and there is no formula at this point in time, to drive economic growth at a fast pace and you need to put that in.

I have said that, in terms of the monetary side, there is a surfeit of funds and you need to put in place the infrastructure that will tap into those funds. We have a low interest rate environment, we need to find, over the next several years, bankable projects that local investment can participate in. And the bridge to doing that, to cross that river, is to find a way to take methanol and move it to plastics and to take ammonia and move it into those derivative products that can be used here in adhesives and paints, and so on. The cycle will be shorter than the old paradigm of looking for gas only. I am not saying that it should be exclusive, I am saying that they are not mutually exclusive, they can work together, so that you have something that would generate for you some medium-term, value-added—
short-to-medium-term, because once you start getting into that, you get into construction now—of some plant, and in two years’ time construction of end-user manufacturing plant, and then let us wait leisurely and see what our partners looking for oil and gas will find and that is out in the seven-to-ten-year gap. That is at the core of the suggestions that I put forward to you. Thirdly, which you just spoke about, putting in the infrastructure for the capital markets and we are taking too long to do that.

So, those are the comments that I have to make. I am sure I did not spend too much time on his $2.7 billion increase in expenditure, or his $8.9 billion deficit, because he cannot continue with that deficit. So, let us look at the way forward. Let us look at building. Let us look at growing. Let us look at extending the number of sustainable jobs that we can build in this country, for the benefit of all our citizens in the country. I thank you, Mr. President.

5.20 p.m.

The Minister of Planning, Economic and Social Restructuring and Gender Affairs (Sen. The Hon. Dr. Bhoendradatt Tewarie): [Desk thumping]
Thank you very much, Mr. President, Sen. Hinds, Hon. Members. I start by expressing my appreciation for the contribution of former Minister, Sen. Mariano Browne [Desk thumping] and for the contribution of Sen. Ramkhelewan, in response to the thoughtful presentation of the hon. Minister of Finance present here in this House this afternoon, on this Finance (Supplementation and Variation of Appropriation) Bill. And I would like to add my two cents worth, so to speak, by making a small contribution.

I appreciate the sentiments expressed by Sen. Ramkhelewan in which he talked about prescriptions for an export-led manufacturing sector coming out of the energy sector. I appreciate his points about agriculture, construction, and his ideas about the capital markets.

I also appreciated when Sen. Mariano Browne talked about the fact that what we must be talking about is an increase of revenues, a reduction in expenditure and a generation of new income through initiatives within the economy. I also appreciated the civility with which they both engaged the issues, and I think that that is important.

I had the occasion to say when I entered this House on the first day that I thought the tone of the House was very positive. I feel it is important to conduct business in a certain way, and I want to say that I do appreciate their contributions and the tone of their contributions. You can have different points of view, but they
can be expressed with a certain amount of mutual respect and regard, and
certainly with a tone of civility, because when the population looks at us in this
House and in the other place, they look upon us really as leaders and the things
we do affect the way they think and the way they behave.

Having said that though, I thought that Sen. Ramkhelewan was a little hard on
my colleague, the hon. Minister of Food Production, Land and Marine Affairs.
And I thought that he was a little uncharitable to my hon. Minister of Finance, but
I thought he made his points in good measure, so I will accept it on those terms.
But I do want to mention some of the things that the hon. Minister of Finance
said.

Imagine yourself coming into a Government—I was not there at the time, but
imagine yourself coming into a Government, and you are the Minister of Finance
and whatever the picture on the page, so to speak, about the state of accounts in
the country; you find yourself in a situation in which you have a big bill from
contractors; you have unsettled negotiations with a host of trade unions in the
country; you have letters of comfort that people in the banking sector are asking
for comfort about; you have a global and local financial crisis; and you have a
commitment to expenditure for which this Government now finds itself in
arbitration internationally.

Facing that kind of situation you have a very, very difficult challenge really in
trying to chart a course for the country when, as we well known in Government,
the trajectory for the next year is set in motion in the year before. I think it is
important to appreciate these things in the process of governance and in
understanding the extent to which there is no exact dovetailing, or any kind of
synergies, between the political cycles and how it evolves with the election
process, and the trajectory of government as it is set in motion from
administration to administration.

5.25 p.m.

Therefore, in that kind of context, I think that any assessment of the
performance of the Government over the last year, notwithstanding challenges
and difficulties, will tell us that the Government has done well as a government of
the country. [Desk thumping] The fact that our discussion here today could be, in
the words of Sen. Mariano Browne, about increase in revenues, cuts in expenditure and
generation of new income and possible self-sustaining initiatives within the economy;
and that Sen. Ramkhelewan could be suggesting the ways that we could quicken the
progress of growth by action, tells you that something has happened within a year.
Although you might say, from the point of view you are speaking, that you are expressing some anxiety that things are not happening fast enough, I think it would be not unreasonable to come to the conclusion that it is possible to speak about these things now because a lot of the problems and issues and challenges are now within manageable proportions and have been brought under control. [Desk thumping]

The Bill today talks about the $2,735,743,695 more, which is required to support the programme of the Government of the Republic of Trinidad and Tobago up to the end of September 2011. This is another thing. What is happening in this Supplementary Appropriation Bill is that basically the sentiment of Senators, who have spoken so far very ably, is really to have a budget debate, and I am sure that the Minister of Finance will provide opportunity for that in September. Remember, this is just a supplementary Bill as we go to the end of the year.

Sen. Hinds: We are having a supplementary debate. [Laughter]

Sen. The Hon. Dr. B. Tewarie: I appreciate that, Sen. Hinds, and I am sure we will hear you. So we need to appreciate that and, basically, he says that this will provide supplementary funding to 39 institutions of government, including the government ministries, and will come from the Consolidated Fund and it will support this money Bill execution in the PSIP and will fund recurrent expenditure as well, which has increased.

The reasons for the supplementary appropriation and where the money will go and for what purposes are outlined in two categories: recurrent personnel expenditure, which Sen. Browne spoke about and said that perhaps in focusing on that we were not focusing on the right things; but the Bill was left for us to bring to fruition and culmination really. It was something waiting for us when we came in, and had the negotiations not been settled, we would still be arguing perhaps and having situations in the street and perhaps we would not be as calm as we are here today.

Sen. Hinds: And the OWTU would not have been singing.

Sen. The Hon. Dr. B. Tewarie: It was solved. So other than personnel expenditure is one category that the Minister outlines in the Bill, and this is further clarified in terms of recurrent and PSIP requirements and there is an explanation under each Head to indicate the purpose for which the money is to be used.

I wonder if I might deal with some of the issues.

Mr. President: Minister of Planning, Economic and Social Restructuring and Gender Affairs, I propose to take a break at this time and we will resume at six o’clock, when you will continue speaking.
Sen. The Hon. Dr. B. Tewarie: Okay, thank you very much.

5.30 p.m.: Sitting suspended.

6.00 p.m.: Sitting resumed.

Mr. President: Before we took the break, the Minister of Planning, Economic and Social Restructuring and Gender Affairs was on his feet and, by my calculation, he has another 34 minutes to speak.

Sen. The Hon. Dr. B. Tewarie: Thank you very much, Mr. President. When we broke for tea, Mr. President and hon. Senators, I was just making the point that Sen. Mariano Browne, besides talking about the three issues that I mentioned—increase of revenues, cut in expenditure and the generation of new income through new initiatives—also spoke about things that stood out for him in terms of the supplementary appropriation presentation by the hon. Minister of Finance.

One of the things he mentioned was the issue of the quantum of deficit. Now, he talked about the size of the deficit, but he also talked about the quantum of the deficit and one of the things about the Parliament is that everything is a record. There is a record of everything that you say and hon. Sen. Browne was, in fact, a minister of finance in this country—the Government of Trinidad and Tobago on the other side—and when he spoke in the last budget that he presented, this is what he said about the issue of deficit. He said—I am quoting from the Hansard, Tuesday, September 22, 2009:

“For fiscal 2010 the projected deficit is $7.7 billion or 5 per cent of GDP.”

And once he outlined that, he justified it with the following, and I quote:

“Lest we forget, there are few countries in the world today that do not have public sector deficits. The IMF staff estimates the fiscal deficits of the advanced economies for 2009 at 10.4 per cent and project 8.7 per cent in 2010. The Trinidad and Tobago...for 2009, is 6.3 per cent...”

And he continued, indicating that it was going to fall. The figure 6.3 per cent is exactly what we have now in the deficit situation that the Minister of Finance is presenting here, although it involves, because it is a budget, a larger quantum, $8.9 billion. What is happening here is not really unusual and, as the Minister mentioned, it has really to do with the wage increase and attendant benefits. In this particular case, meeting the salaries of public servants in the system, who have got a percentage hike in their rate of pay and these things, of course, have to be met.
The other issue besides the size and quantum of the deficit was the issue of no platform for growth. This is something that Sen. Ramkhelawon also addressed, which is the issue of how you get growth going in an economy. Of course, this is a major challenge for any country and this is a major challenge for the Government.

If I continue to read from Sen. Browne’s presentation of September 22, 2009, you will see that he himself acknowledged a decline and he himself acknowledged that there was a deteriorating situation in terms of the economy and, to be fair, it was, in fact, as he said today, because of the financial crisis that had an impact and, of course, our own local situation here in Trinidad and Tobago.

So, basically, the Minister of Finance has presented a straightforward and transparent Bill coming to Parliament to indicate what is needed and why, in order to conduct the business of the Government of the Republic of Trinidad and Tobago.

The issues that Sen. Ramkhelawon raised; the issue of the manufacturing sector and export manufacturing is certainly something we are proceeding with in Trinidad and Tobago. I have only recently assumed the office of Minister of Planning, Economic and Social Restructuring and Gender Affairs; but one of the first things that I did was to meet with the manufacturing sector. It was at their request. They initiated it, it is true; but I understood the importance of the sector because of precisely the issues Sen. Ramkhelawon raised: one, the number of jobs they create; and, two, their contribution to the GDP.

We had some discussions and they made some commitments and the idea is to try to work and collaborate with the private sector to set targets for investments for the more competitive industries that have the capacity for exports; and, through the Competitiveness and Innovation Council, we have basically set a target of doubling the non-energy exports over the next two years. This will be accompanied by company strategy as we call for investments and upgrade and as we target markets. Sen. Ramkhelawon is right; the trade agreements are important.

The Panama Agreement is important because you are talking about an economy that is growing by nearly 9 per cent annually and a place which we have direct flights to and from and, therefore, it is an opportune moment to engage in something like that. He mentioned Costa Rica. That is also important. That is an agreement that has been there for some time and Costa Rica is a buoyant economy driven by tourism and by IT-based industries, is a pretty well-educated country and it does present opportunities for us.
I think it is important to understand, even though some of our initiatives generate a lot of criticisms. For instance, the travelling strategy of the Government often comes under tremendous scrutiny and there are a number of negative comments associated with that. So, you go to Brazil, which is one of the BRICs, and you try to develop a strategy that could lead to a one-on-one, that is a bilateral engagement with an economy like this that is so buoyant; so important to the hemisphere and the world and so significant in the comity of nations in terms of its own influence in the southern part of this hemisphere on issues that have to do with the world, and that is criticized.

6.10 p.m.

And as well, initiatives have been taken in the United States, in the United Kingdom and pretty soon—within a week, I think, on June 13th, next week Monday, we are going to have a business forum here linked to the Commonwealth. The whole idea behind that is to attract discussion, collaboration, engagement in order to increase private sector investment in the country.

Now the PSIP is one thing and Government expenditure is important. In a small economy public sector expenditure is very important for the construction industry, it is very important for project development, it is very important for the impact that it has on the population as we address them in sectors. But at the same time—and I think Sen. Browne and Sen. Ramkhelawan would agree with me—what we need here is to begin to get the private sector energized.

We need individuals to think about how they can graduate out of poverty and dependency, and into sustainable livelihoods as they enter the economic and financial system. We need individuals who are in business to think about expansion and growth and development. The larger local businesses—which are really not so large, they need to begin to think in terms of exports. You are absolutely right about that because they cannot survive on the economies that we have here, in terms of the numbers. They are too small—1.3 million here, 6 million in the Caribbean; we have to go wider Caribbean. That is why, again, engagement with countries like the DR (Dominican Republic)—that country is going to be represented here at the business forum, they are also in Cariforum. We take the message and we are very cognizant of that, and aware that private sector investment is important. The opening up of trade through bilateral and multilateral agreements is also important because that is how you get your exports going. It is by reciprocation that you engage the business of trade expansion between two countries or several countries. We are aware of that and we are pushing that.
But the other thing is international investments and we are talking about international investments outside of the energy sector. I know Sen. Ramkhelawan talked about energy sector based manufacturing and there is nothing wrong with that. Should we be approached on things like that, certainly, that is something that we will pursue. But the issue of diversification also demands that we go in other sectors. He talked about the 4 per cent employment in the energy sector despite the significant revenues that it brings into the country. He is right that we cannot wait on the price of oil or the price of gas to rise. I mean, we know that the production of oil is down; we know that the price of gas has been pretty stable, fluctuating very, very little. [Crosstalk] You would say low?

**Sen. Browne:** Flat.

**Sen. Deyalsingh:** Flat.

**Sen. The Hon. Dr. B. Tewarie:** Flat? All right. But basically we also know from the Ryder Report that we really should be thinking of an exit strategy into a new economy. If they tell you 10-15 years, it would be smart to get out of that by eight or nine years. So that if you have another six years after that, fine; so much that is fine. But if you do not have it, should something happen, you have to have a strategy of diversification that takes you in another direction. I think that it is important to recognize that we are moving in that direction. The Government has not been here for ten years; the Government has been here for one year and it takes time to get things done. It takes time to attract investments.

6.15 p.m.

Sen. Browne would know that you talk for two years maybe, and then you might get somebody to put something down in tangible form. There are all the things that they have to organize. If it is an international firm, the first thing they think about are their international markets, and how they can lock in that. Without the market you are making no investment.

The second thing is that they want the best conditions in Trinidad and Tobago, and that is a negotiation. There are terms and conditions, it is true; there are laws, there are rules, but it is always a negotiation, because every industry comes into the country, and they have a shopping list, and it is up to you to look after the best interest of the country as you do that.

So the international investments that are outwardly focused, but can generate high-paying jobs in the value chain are an important part of our strategy. We are pursuing that even as we pursue the public sector spending, which we feel is
critical for the generation of confidence in the economy. So it is not that things are not happening, it is just that so many things need to be attended to at once, and that is part of the issue that we are dealing with.

There is something that I want to address that is not directly related to this, but it is very important for the nature of our society. I started out here by talking about the business of civility and the way we engage each other, but one of the things about the society is that the society is very fractious in nature. We quarrel about everything; we argue about everything; and we point fingers at people all the time for all kinds of things without evidence. One of the things that we need to begin to understand is that if you have a society of 1.3 million people, and you want that society to progress; you want to achieve the promise of prosperity for all; and you want to have people rise out of poverty and gain their economic and financial wherewithal and independence in the system, it is necessary for the society to cohere around important strategies for its own growth and development in a global economy. A fractious society is unable to achieve at the level that is required in today’s modern world.

The societies, you talk about Singapore—Sen. Ramkhelawan talked about Singapore; that is a very coherent society. The reason it is coherent is that they have had authoritarian systems in the society for 30 years. So if you are going to have your democracy here—you are going to have the engagement and you are going to have civil discourse—it would be possible to create the coherence for the kind of development that we need, but if we are going to have constant and perpetual fractiousness and engagement of a kind that is very, very destructive as well as self-destructive, my own feeling is that that is a mitigating factor against development in a society such as this.

A man called Lawrence Harrison, living in Honduras, wrote a beautiful book about 10 years ago having to do with, basically, the creative potential of human capital, but 30 or 35 years ago he wrote a book called *Underdevelopment is a State of Mind*, and the way you see the world—your disposition to the world; the way you behave; the attitudes you have towards the whole business of moving a society forward; the way you engage each other; and the way you relate to each other; the mindset of a country is an important aspect of development. Development is not about economics and finance alone. If that were the case, you would have a lot of successful countries, because of the mere asset base that they have, but development is much more than that. Development is about a state of mind.
PROCEDURAL MOTION

The Minister of State in the Ministry of National Security (Sen. The Hon. Subhas Panday): Hon. Senator, thank you very much. Mr. President, in accordance with Standing Order 9(8), I beg to move that the Senate continue to sit until the completion of the matter, the Finance (Supplementary Appropriation) Bill, 2011. Thank you very much.

*Question put and agreed to.*

FINANCE (SUPPLEMENTARY APPROPRIATION) BILL

Sen. The Hon. Dr. B. Tewarie: Thank you very much, Mr. President. So I would just close that point which really is that development is more than economics and finance, and that the mindset of a people; the disposition of a people; the way they see the world; the way they see the problems; and the way they address them together is an important aspect of the development process. So we might want to attract investment from outside; we may want to create an entrepreneurial culture here; we may want to drive the existing sectors into competitiveness and innovation, but a lot depends on the capacity, the disposition and attitudes of the people in the various sectors, and what they bring to the business of the development paradigm.

Now, I do not want to be long. I am sure that there are many speakers who will speak to the issues in this particular debate and, therefore, I do want to say something about my own ministry, which is the Ministry of Planning, Economic and Social Restructuring and Gender Affairs. This particular Ministry has been assigned an additional amount of $27,306,000, and just over $5 million of it is going for personnel expenditure having to do with operational cost, because of the wage increases that I mentioned, but just over $22 million of it—$22,105,000—is required to meet outstanding payments of salaries and training expenses for census field staff in connection with the 2011 population and housing census. The $5 million is easy to understand, it represents a 5 per cent increase in the payroll cost for the public servants which is self-explanatory but, perhaps, I can use this window of opportunity presented by this Bill to say a little about the population and housing census exercise.

Two things that the Ministry of Planning, Economic and Social Restructuring and Gender Affairs is responsible for are national statistics and population. They sound very vague, but the population and housing census exercise involves both. So what is this about? Who is involved? Where has it been conducted? When was it conducted? How was it conducted and why? Moreover, what will the exercise yield and what should we expect? Well, this is an important exercise, Mr. President, and I just want to say a few words about it.
As most citizens will know and, certainly, as hon. Senators will know, the last set of census data that we have in Trinidad and Tobago for this country was in 2000; the year 2000. So a new census enumeration exercise was initiated on January 09, 2011 and ended on May 31, 2011. That is just a few days ago. Now, that was in process by the last administration, I want to acknowledge, and because of the election, I mean, the whole process had to be stopped, but it was something that we continued, and with an obligation that we felt that it was important to continue and we did that.

What we are doing in Trinidad and Tobago—and this is important to note—is part of a region-wide effort. For instance, a regional coordination committee exists, and this was established by Caricom, and their job is to coordinate and harmonize a regional approach to census taking for the current period in all Caricom countries. Now, that is important for the region as well, because it means that we can have fairly accurate statistics of the human population in most of the Caribbean; in all.

The recently executed census has achieved a completion rate of 90 per cent. What we are looking at now is, how we are going to complete the exercise. The people who have to be paid will be paid by the end of June. I checked on that to ensure. Cheques are being done now to ensure—what happens is that one person may take a job, but may not complete it, and somebody else would be put in, so there are lots of things that have to be done to make sure that people are properly paid for what they did, because you may have more than one person doing the same project in the same place, et cetera. So this is being done now.

It might also interest you to know, Mr. President, that the newest statistics office in Caricom has, in fact, been established in Tobago, and Sen. Cudjoe may be interested in that. So we now have a Tobago Statistics Division which will be responsible for the specific statistics that relate to Tobago; the population there, the environment there, et cetera. Now, that is an important thing because Tobago, as you know, is a small island, and if you can do a project there that is pretty efficient, and that is well done, it can almost become a pilot for anywhere else in the world, and you can learn from it. It is always important when you have a project, and you have something that is reasonably, easily manageable to do as efficiently and as effectively as you can, so it becomes almost a prototype for other things that you want do.

The other issue I want to raise is the issue of the importance of statistics in planning, and in the whole development process. I do not have to explain to a body like this about the vital importance of statistics in planning for the nation. A significant part of my former job as Pro-Vice Chancellor for Planning and
Development at UWI involved institutional research and assessment of statistical information to support planning execution and decision-making at UWI. You can just imagine how vital statistically derived information is for planning for Trinidad and Tobago and in making decisions going forward.

Now, the agency responsible for statistics in the country is the CSO, the Central Statistical Office, everybody knows it, of course, as the CSO, and this institution was established in 1952, but on the basis of the Statistics Act of 1982 it can take any census or survey for the collection, computation and analysis and publication of statistical information on social and economic conditions of the people of Trinidad and Tobago. They do a number of things: household surveys, establishment surveys, et cetera. The one point I want to make is that there was an editorial sometime ago, perhaps, about a week and a half ago, in which they mentioned that the budgetary survey was being done on the basis of very, very old formulae and, therefore, they were inappropriate to the time and inadequate to our situation, and if, in fact, the premise behind the editorial was correct, they would have been correct. I do want to say that is not the situation now. This was, in fact, what you might say, recalibrated; it is being done now, and the work was done in 2008 and 2009, so the next time we go out to do a household budgetary survey it would be based on a new basket of goods and a new configuration and, therefore, the indicators would be much more relevant to our situation than they would have been on the basis of the last configuration of a basket of goods. I wanted to say that because, I think, it is important to clear the air. The work is being done.

Now, why do I say these things? These two things are very important for the country. If we are talking about development; if we are talking about investment; if we are talking about strategies for growth; if we are talking about sustainability; if we are talking about competitiveness; innovation and diversification; all these things depend on human capital which is your population—everything depends on the human imagination, and the population is the most important thing that you can have in any country. It is the people who live there that make all the difference in the life, the quality of life, and the future of the country, and statistical information about the people, that information is critical.

We need to have statistical information in this country that will allow us to track the prenatal conditions of mothers that would make it very clear about the various stages in the life cycle of a human being. Our lifespan in Trinidad and Tobago—I am being loose here—is about 70 years.
But let us say we were able to track a human being from the age of preconception to the age of 80, we could then have a strategy that was serious that had to do with human development. Now, it is not that we do not have elements of that now and it is not that nothing has been done in the past, but we need to have that kind of accuracy and precision of data that will allow us to track this. So, for instance, we know, based on the figures, that about 17 per cent of our population is poor and within the commitment of the Government is a commitment that we would go for a reduction of poverty on a systematic basis every year.

So it is possible on the basis of that, looking at your 17 per cent population to say, look if you said 1 per cent it would be 13,000 people; if you said 2 per cent it would be 26,000, and so on. When you divide by four to get households you can determine the number of households, and therefore, if you know that there is urban poverty and there is rural poverty and they are different—rural poverty tends to be spread out; urban poverty tends to be clustered—it is possible to develop strategies with a profile of the human population that on a family by family basis can address the problem of poverty eradication in this country.

So if you have a household of four and one is a pensioner, there is a way of taking care of that. If in the family of four, one is a single mother, unskilled, there is a way, a solution for that. If there is someone in the household who is 23 years old and a dropout from high school and unable to use a skill to engage the economy, there is a solution strategy that can address that. And if there is an 11-year-old in the household, you know that if you educate that child properly, he or she will be out of poverty by the time he or she makes it through the high school system by either entering the economy or entering the tertiary system and therefore, expanding his or her opportunities for opportunity in the economic and financial system.

The statistical basis of population data and the profile of human beings within the system are critical, and this is one of the things I want to really put some time, effort and energy into, in order to build that basis on which we can develop strategy for development in the country. It is one thing to say that you are going to bring investment, it is another thing to say that you are going to get entrepreneurs, it is another thing to say that these are the sectors we want to develop people in, but you have got to match the people and their potential and their imaginative possibilities to the opportunities that you create economically and financially.

Mr. President, I said that I would not go on much further, much longer, I just wanted to close on those things to emphasize the human side of our entire development for us and strategy and economic focus; and secondly, to underscore
the fact that the statistical basis of decision-making is absolutely critical for any
country that wants to make it in the 21st Century. You cannot make policy in a
haphazard way, and therefore, we need to get that statistical database correct and
we are doing that, we have now entered into an agreement after a study has been
done for the transformation of the Central Statistical Office, to give it the kind of
capabilities, not only to do what it is doing now but to do that better.

Secondly, to determine whether all the things that it is doing now it should be
doing, and maybe discard some of the things that it is doing that is not really
useful or valuable at this time, to focus on the things that it needs to do to bring
the country into the 21st Century, in terms of some of the issues that I raised here.
Once we do that and we have a menu of things that we want to achieve, to do that
as well as we can according to best practice in the world. And with that, Mr.
President, I thank hon. Senators for giving me the opportunity and for listening to
me. Thank you. [Desk thumping]

**Sen. Dr. Lester Henry:** Thank you, Mr. President. I initially intended to do
somewhat of a longer contribution, but some of my points were mentioned by

**6.35 p.m.**

Mr. President, maybe I should start—because I did have a note here, in
reference to the Central Statistical Office and some of the problems—maybe I
should just get that out of the way, as the hon. Minister of Planning, Economic
and Social Restructuring and Gender Affairs went to great lengths to convince us,
and correctly so, of the urgency and the need to have proper data. Of course, as an
academic I would fully understand that. But I also want to draw the attention of
the Minister, if he could address it now or at some time, to the problem existing
currently at the CSO, which we mentioned during the debate on the CSO Bill and
the fact that we have data for the second quarter of 2010 and nothing else after,
for unemployment and some trade data from September and so on.

So the statistics are very much way behind schedule, even for our normal
basis. We normally get more up-to-date statistics. There is some problem existing
within the CSO that needs to be addressed, whether it is an employment or labour
issue or whatever. We need to get that sorted out, so the whole country would
know what is going on, and you would not be accused, as you have been in the
other place, of hiding the data. I hope that is not true.

**Sen. Dr. Tewarie:** They are under-resourced and the census—
Sen. Dr. L. Henry: You see, as a Government you would be accused, by people saying the numbers are not in your favour, so that is why you are hiding them. That is a critical point that we must get addressed for our sake.

Let me, Mr. President, get into the substance. As I said, I would skim over some of what I had intended to go into somewhat more detail on. In dealing with my good friend, the hon. Minister of Finance, who is absent for the moment—in dealing with what was presented by the Minister of Finance, I remember back in September, and again in late November or so, when we had some finance related Bill, I actually warned and said, “Listen, these things that you have in the budget, that are supposed to initiate and spur growth, really do not have a ghost of a chance of materializing”, and instead of referring to oil and gas as a curse on our economy, this was the same oil and gas that was going to come back to save you, when the prices go up. I said it; it is in the Hansard. I put it on the record that you would come back to this same House and talk about astute economic management.

On May 05, in response to a question raised by my colleague, hon. Sen. Hinds, I followed up, when the Minister came to address it, with a supplemental question. I asked the Minister what was the basis for his enthusiastic expectation of positive economic growth of 2.5 per cent. Now the 2.5 per cent is the number in the S & P report that was done on the country back in February. So it is the same 2.5 per cent he is quoting.

More or less, in his response to me, he said basically: We have had better oil prices and slightly, not too much in the gas. That was basically what he raised as the issue for the increased optimism about growth prospects. By his own admission, basically he attributed none of the economic growth to any of the programmes, the varied growth programmes that were supposed to be initiated during the course of this year, to bring the economy back into some kind of more positive growth, which is interesting by the way; because when the budget was read in September last year, the projection for 2010 was a positive economic growth. I hope Members opposite on the Government side could remember that.

The figures turned out to be at the end initially, a minus 1 per cent economic growth, and the latest publication from Central Bank moderated somewhat, and said it was minus .6 per cent negative growth. That is the figure quoted in the Financial Stability Report released last week.

So, in fact, at the time of the budget, there were projections for positive economic growth, which the Minister fully admitted to, but by the end of the year we had negative economic growth. The last quarter was particularly dreadful in terms of overall economic growth. In fact, the stability reports a 3.8 per cent contraction in
the final quarter of 2010. Again, the outline was that a good part of it was because of some maintenance taking place in the energy sector, that some companies had shut down operations, so there was not as much activity. But we could be honest, on this side, and say, “Well, maybe it was not your lack of policy or lack of initiative,” or maybe we would not accuse you of mismanagement, which we could very well do, but, at the end of the day, it happened in your watch, the negative contraction. Whatever else you were supposed to be putting in place could not counteract it. Again we come to 2011, and we see the emergence of some semblance of positive growth, again, primarily based on the increases in energy prices, which, of course, you have no control over.

As my colleague on the Independent Bench, Sen. Ramkhelawan, pointed out, what about the infrastructure, the opening of the new economic spaces, the implementing of growth, the foreign investments that were supposed to materialize, and the free trade zones? I know the Minister also made a big deal about solar energy, the incentives to bring in more—the tax incentives on which we on our side raised the issue that it would be a Caricom issue, because there were countries like Barbados in the region who are into producing some solar thing, and that to eliminate the tariff you would need to go to Caricom to discuss that with them. So the economic space, the development of Tobago, a lot of these things were touted to be the engine of this growth that was supposed to take place, while the actual fact is that the growth became negative soon after the budget.

I remember in the presentation saying: Well, if you are presenting a budget at the time when we are projecting 2.5 per cent growth for the year, in September 2010, and you turn the economy around, it means exactly that you are going the wrong way. I remember pointing that out, and, in fact, we ended up going the wrong way by the end of the year. When the Minister talks about economic growth, we have to be careful and we would like him to present more specifics as to how this growth is actually going to come about.

I keep saying that you cannot jawbone your way to economic growth. You have to have actual policies that make a difference. You cannot just stand and demand and proclaim and beat your chest. Growth by intimidation, is that what you are trying? It just does not work that way. You have to actually engage in serious policy and implement projects that will spur the economic growth, not just talk about them, and say that you are putting something on a platform. Sooner enough, that just becomes empty rhetoric, when we do not see anything happening.
Mr. President, I will move on from that now and talk about the issue that my colleague on this side, Sen. Browne, raised in terms of the cash balances. He dealt with it pretty well, but I will just add a few things: that the Minister made a big deal about the declining cash balances at $17 billion, to $9 billion, to $5 billion, and actually was boasting about it being back up to $9 billion, which, as a former Governor of the Central Bank, you really should not be making a big deal about that, as my colleague tried to point out. Because, among other reasons that were already outlined, cash balances are just one account that the Government keeps, and to look at that, to kind of arbitrarily pick that account and say it went up or down on any snapshot, really is not a serious way to analyze the state of our finances.

The Minister should know that what might be more sensible is to look at the net indebtedness of the central government to the Central Bank, which would mean you look at all the different accounts, not just one account that you find convenient. This is basically what I am saying the Minister was doing. The cash balances account fluctuates on a regular basis. It changes on a daily basis, sometimes a weekly basis; it is whenever you take your snapshot, so that in itself does not tell you very much.

On a topic that my colleague raised as well, in terms of the biggest budget in nominal terms that the country has ever seen, that is what we are going to expand here tonight, from $49 billion to $52 point something billion, this, at the same time when the Minister talked about fiscal responsibility, prudence and so on, and gave the impression that he has been a fiscal conservative all of his career. He talked about prudence, stability and fiscal responsibility, language like that, yet presiding over this massive budget and this massive budget deficit, which many people would find a bit counterintuitive, because if your revenue is better, and so on and so on, your budget deficit should get smaller, from your initial projections. We come now, and it is actually bigger. So while we are listening to the conservative, cautious sounding rhetoric, the actual fact is that we are increasing spending.

This massive budget sits there. I would say it is like trying to sneak an elephant into a kindergarten, without the kids knowing. This big thing is here. You cannot hide it. You must not try what, in some other parts of the world, is referred to as “normalizing madness”; something that is so obvious, that you just proclaim the opposite and expect people to believe it, because it is so ridiculous. That is what we call “normalizing madness”.

Mr. President, just a couple of things I want to touch on to emphasize the point that I am making. The Minister might be sounding all these cautious notes, but when it comes to actual policy and implementation, we are getting a different picture.
6.50 p.m.

Now, I want to touch on one particular issue first, and then I will go to one of the more contentious one—the Clico matter. The recent bond that was floated to finance the operation at WASA—I would not get into the details of the project, I will leave that to other people, while I will just stick on the point of the financing of that bond. Now, the $1.3 billion bond was basically given to Citibank to handle, and they came in at an interest rate of 6.95 per cent—and if the Minister is here or if anybody else wants to challenge my numbers, please feel free to do so, I will stand corrected. When at the time the market rate—if it had gone through the normal processes at the Central Bank, using Central Bank auction—the market rate would have been around 6.25, a difference of 70 basis points. Now, just on that alone over a period of 20 years, this is going to cost taxpayers $182 million extra in interest payments, if the bond had gone through the normal—as opposed to if the bond had gone through the normal channels. This is it, and I stand to be corrected, if anyone has better information.

Not only that, to add insult to injury, there is a sinking fund associated with the bond, Mr. President, a $300 million sinking fund. And why I say that is extremely important and why I referred to it as adding insult to injury, is that the Minister himself boasted about our A rating as a country. It is right here in the S&P Report—A for foreign; A+ for local. In fact, he takes some of the credit himself for maintaining it if not initially—well, he did not achieve it initially but at least he could take some of the credit that it was maintained, and he boasted about it. Now, when you have such a rating you do not need to engage in a sinking fund. So, of the $1.3 billion that was borrowed, $1 billion is available to be used. The $300 million supposedly, is to go into some fund—this sinking fund—that would yield a rate of return such that they would pay off the face value of the bond at maturity. So this $300 million is supposed to generate or morph into $1.3 billion over the 20-year period and you pay off the face value of the bond. But again, it is a bit embarrassing for a country to have an A rating and then being told you have to take out a sinking fund. That is for people with bad credit. It does not make any sense. And, like I said, anything I say, I am always open to listen to any challenges or otherwise; if I am misinformed, inform me.

So this $300 million is going to be put aside and, of course, we have to pay interest on the full $1.3 billion. So, the effective rate of what we are getting is worse than the $182 million in extra payments. Now, if you doubt me, and say,
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[SEN. DR. HENRY]

“Well, okay, we got 6.95 from Citibank; a recent Nipdec bond for $700 million was floated, and the interest was 6.25, and it was oversubscribed. So, there is no shortage of liquidity that could justify paying a higher rate. The Nipdec $700 million bond for 19 years obtained at an interest rate of 6.25.

So, if you want to raise money—and based on the open market I think the bond was oversubscribed by a factor of more than 200 per cent, I think they actually had subscriptions of over $1 billion, I think, for the $700 million, so there is no shortage of liquidity that could justify paying a higher rate. So then what is that? Now, at the same time we are talking about fiscal responsibility and fiscal prudence.

6.55 p.m.

Now, I would leave that there for now and await any response forthcoming. I would turn to the Clico matter. My colleague, Sen. Browne raised the issue and he said, “Well, what is the plan?” Because you know everyone is waiting with bated breath—I think many people on that side as well—to hear exactly what is the plan other than the little 20 year, one-year payments and so on, because I have asked this question from day one to the Minister and he has always dodged answering the question. How are you going to finance the 20 one-year bonds? What kind of financial mechanism could allow you to do that? And he has never provided an answer. I have to conclude after a while that he had none and my best information is that they still do not have any answer to the question.

Now, the latest plan and I would put it out there in the public domain—while I am happy to hear that the chairman of Clico announced that they rejected the plan by—what is his name?—Roy Dan or Dan Roy, whoever the smart man was, who said he had some $3 billion to buy over Clico and some solution and it was rejected out of hand and rightly so. So that was not bad, they recognized a trap, but what is the new plan? Now, hear this, this new plan now, because the banks, as we said from day one, are only willing to provide 60 cents on the dollar for the entire 20 years. Our calculation, private calculation, the commercial bankers, everyone said 60, 61 cents, no more, but for the first 10 years 80 cents on the dollar is fine. We could do that. The last 10 years would be about 40 cents, so when you average over the 20 years you would get about 60, 61 cents on the dollar.

Now, here comes the Minister of Finance and his team and trying to get 80 cents on the dollar over 20 years. That is the plan, to get the banks to pay 80 cents on the dollar over 20 years to score political points, and what are they planning to do? This is recent stuff, you would not have seen this in the press yet. [Laughter] What are they planning
to do? Give the banks incentives so that they would pay this to the people holding these bonds. Go and tell the banks, “Look, you, come up with some scheme, tell me what you want.” And part of this latest hare-brained scheme is to make the bonds reservable at the Central Bank. Make the bonds reservable at the Central Bank, of course without any consultation with the Central Bank at all, they float this idea. And then, part of that is that the existing reserve requirement must stay at 17 per cent for some fixed number of years—five, 10 years, some large number of years—which effectively rules out the reserve requirement as a tool of monetary policy for that period.

Now, I do not understand how anyone could expect a Central Bank to agree to that and how a former Governor of the Central Bank could be part of this plan. Let me be nice and call it a plan not something worse. Not only that, the plan would inject a tremendous amount of liquidity in the environment in which we have excess liquidity in a tremendous way. So, putting these things as reserves at the Central Bank entails quite a bit of haphazard thinking and, probably, a lot of haphazard results. Now, that is why I could say with confidence, there was no answer to my question and up to yesterday—Friday, yesterday—they were still discussing it, the people in the banks.

This is Trinidad and Tobago; I still have a few friends and this is what we are doing. So, now you are going to try to put this—what I call hare-brained scheme—in place, make this thing reservable, demand that the Central Bank keep the reserve requirement unchanged for a number of years and you would then go to the public and say, “Well, look, look, we are geniuses: look we are giving you 80 cents on every dollar when those people in the Opposition said we could never do it.” That is basically what the plan is, and at the same time, as I said, talking about prudential spending, fiscal responsibility and good governance and all kinds of nice flowery language and this is the best you could come up with.

So, in other words, as I said, it is a kind of normalizing madness. You do not take away a major policy tool from the Central Bank and force the Central Bank to absorb these bonds and hold them as reserves. Where would that be allowed to happen? Maybe you all have some scheme or something planned. I see the Minister is not running for leadership of the COP anymore, maybe he has plans to go back by the Central Bank. [Laughter] Maybe he is thinking long. Well, not too long, it is only one year again you have to wait, just one more year, that year would pass like the last year and it passed very quickly. “You ent even get warm on the seat yet.” [Laughter]

So, this was one of the issues that I certainly wanted to raise and, again, it is not prudentially the right way to go so I am stating it upfront. So, if you think you had a secret plan that was so ingenious and so on, I am putting it on the record, that plan is
not a very well-thought-out plan. Let me be nice. Okay? So, what I am saying is that we see one thing being said in lofty language and style, but then what we see are other things.

I would just quickly touch on other points before I wrap up. Now, when we were talking about procurement and so on in the earlier debate and some people made reference to it, let us look at what happened with one of the main pillars of the growth strategy that was supposed to be in place, the infrastructure development, the highway to Point Fortin from San Fernando. Here you have the Government sinking $300 million into this project, announcing the start of the project without securing the requisite funding, which we all were made to believe, at least, if it was not publicly stated, that was supposed to come from the IDB. [ Interruption ] Yes, the infrastructure development would lead to the jobs and so on, and spur on economic growth. No problem, we could buy that, but what happens? The Government through its very energetic and highly controversial Minister secures a contractor before the financing, without any procurement procedure and then goes to the IDB and says, “Look, we want the money to”—of course you get “blank”. It does not work that way. You cannot do that. [ Interruption ] Yes, you cannot do that.

So, after turning sod and mamaguying people, it is going nowhere, because the financing, apparently, just is not there, it was not budgeted, the money was supposed to be obtained from the IDB. But I see the Minister announcing yesterday, I think, a loan from the IDB and I am not sure what precisely was negotiated. I did not get the details of what it was supposed to be for, but he said that was part of a new strategy for putting the economy on a growth path or something to that effect, in the Guardian today. Now, I do not understand. How could that be part of a new strategy? I mean, we have been borrowing from the IDB for 40 years, so I am waiting to see what is new about it. Maybe he could explain that in his winding up later.

Now, there are a couple of other things which Sen. Ramkhelewan mentioned in his own unique style, but I think it is very important in terms of the financial stability now and I would just reiterate to some extent. The regulatory environment that led to the Clico debacle, the HCU and so on, we have not properly rectified those things. We need to get updated regulatory procedures in place to prevent those things from happening, because look at the shock and the problems it caused the previous government and is causing your Government massive headaches and you run the risk with the bail out, of course, of creating a serious moral hazard if you do not put things in place.
Even in the S&P Report of February, they mentioned the potential moral hazard of bailing out the HCU and the CL depositors. I know people like to hear when it comes from a foreign source. So, what are we doing? I sat here in this Senate for almost a year and we have hardly seen any financial regulatory reform coming. We know there was an Insurance Act building up, there is supposed to be legislation to deal with the credit unions, because the HCU was supposed to be a credit union and so on.

The Minister talked about the International Risk Committee back in September, we have not seen anything in that—any forward movement on that, maybe they decided to scrap the idea since I pointed out to them that there are problems with it and maybe he listened to me and decided it was not such a good idea after all. We need to have timely reports of critical financial institutions laid before the Parliament. I wish the Minister could state why the Central Bank annual report has not been brought before the Parliament yet. That would be a nice thing to know.

Also, the Minister mentioned the tax amnesty raising $1.8 billion. All very well and good, but it would be better if we have an idea of what was foregone with the amnesty. You cannot just have a fete and say your revenue was $50 billion. What did you put out? Or let us say $50,000, just to be realistic, what did you give up? You cannot just take revenue, what was foregone in terms of the amnesty? If we did not impose the amnesty, what? So the net revenue would make more sense. We are adults here, we would understand the difference between gross and net, so what did you give up in order to get that?

As a couple of Senators pointed out again, a lot of what we are approving here today or are supposed to approve—that is what you have come with—is relatively non-productive spending, adding to the budget.

7.10 p.m.

I will just close by stating, we understand the basics of running an economy and we understand the difference between rhetoric and reality. So when you make lofty projections and your actions and your numbers do not match those, you are not fooling us, okay. Give us proper explanations and real policies and, you know, we will give you credit where credit is due. But do not preach one thing and fool the population while your actions are completely opposite.

I thank you, Mr. President.
Supplementary Appropriation Bill

Sen. Corinne Baptiste-Mc Knight: Mr. President, I thank you for the opportunity to intervene in this debate. It was my intention to go straight to the items mentioned here, but I feel compelled just to mention, that sitting here and listening to a discussion about our CSO, the statistical department, had me a little rattled, because I seem to recall that 50 years ago when we became independent we had what was considered the best statistical department in the British Commonwealth. And now, 50 years later we have a problem with our statistics and we seemed quite unfazed by this degeneration. I find this quite pathetic.

Now, I am hearing we are going into plastics. I seem to recall that some 30-odd years ago—it had to be more than 30 years ago, because it was Dr. Eric Williams, and he is dead 30 years now—there was talk about using the gas to go downstream into plastics. And I am wondering in the 21st Century are we going forward or are we going backward or are we happy to stand still? But I will just leave that. It is distressing enough just to mention it. And given the hour and the fact that we are likely to be here until two in the morning, I would just like to ask some questions about these Heads that are requiring money. I note that some of them are requiring additions for recurrent expenditure.

Now, Head 38, and I am glad that the Minister will be here so that could—he can probably reply to this. I am wondering whether WASA needs $151 million more. Now, this is not $151,000—$151 million for recurrent expenditure. Is this as a result of under-budgeting or under-funding? Because I understand that ministries hardly get all that they asked for, but a shortfall of $150-plus million is a serious problem. And it is not the only place where there is obviously a problem with either budget or release, or appropriation. I notice in Head 43 we have the same problem, and it talks about dry docking for the TT Express.

Now clearly, at the time the budget was being prepared last year somebody in that Ministry must have known that the TT Express had to go into dry dock. And if they could not explain that to the Comptroller of Accounts, I think there is need for some action there.

7.15 p.m.

Since I am on Head 43, I want to ask: I can understand that with respect to the senior citizen facility, that there would be a difficulty in anticipating properly, the demand on the part of senior citizens. In fact, once you are 65, and you have a little time on your hands, and you do not have to pay, you could jump on the ferry and go to Tobago, so it would be difficult for them to anticipate the demand. But I am aware that a month or so ago the Prime Minister announced a gift to seniors...
60 and over of free transport, and I am wondering if this also applies to the ferry. Does this additional appropriation take this increased demand into consideration? Now I am asking this on the assumption that this was not a spur of the moment decision by the Prime Minister, that this was policy; that seniors 60 and over would now be travelling free. Well, I do not suppose that it will affect the bus service as dramatically, as it would affect the ferry service. So I am asking whether we should look forward to another request for an appropriation with respect to senior citizen travel by boat.

Let me go back to Head 42. I see that a request is being made for operational cost for CISL. Now is this part of the RuDeCott/PSAEL/CISL triumvirate? [Interruption]

**Hon. Senator:** Yes!

**Sen. C. Baptiste-Mc Knight:** Now this being so, you have three regional bodies that are basically supposed to be doing the same thing, cut off from the Ministry, so that they would be effective and efficient. Is any thought being given to rationalizing the operation of these bodies so that there is one central administrative agency, rather than having three sets of money being paid and coming back for appropriations? Just a thought.

I want to move on to Head 46, this is the Ministry of Sport, and I am asking whether it is normal procedure to provide resources in one fiscal period for payments that fall due in the next fiscal period. Now I understand that in October it is difficult to get everything in order being the first month of the new fiscal period. So that if it is that this payment is due in very early October, I am prepared to understand, but I would like to have that clarified.

Then on to Head 56, Ministry of the People. Now, I can understand the request for additional Senior Citizens Grant. However, I do not seem to recall any authority for increased social assistance and disability grants. Now I am not saying that an increase was not helpful, that I am not happy that these people got an increase—get me right. What I am asking is, what is the authority for this because the Senior Citizens Grant came to Parliament. I am not aware that these came to Parliament, and if they have not come to Parliament, I cannot see how Parliament can be asked to give more money for it without having approved the increases. So please, a little help.

Now, Head 59. I have a problem with this Head, because I want to know to date on these two projects: how much money has been spent. What has been done? Because when one adds to an appropriation under the development programme, this is not money that is going to come back to the Consolidated Fund if it is not
spent within the period. It stays there. So if the money already appropriated has not been spent and there is no possibility of it all being spent, plus this extra $2 million, before the end of this year, I can see absolutely no need to appropriate additional funding here. So I would like somebody to give me an answer to this, among my other questions.

7.20 p.m.

My final question is on Head 61. Now, I have heard of this new arrangement whereby TTMF will pay moneys to HDC, and I am asking: what is the time frame for the finalization of this arrangement? Further, what arrangements are contemplated to ensure the continuing viability of the TTMF, when the source of its funding and existence is being removed?

Mr. President, I know that my vote really does not make a difference on this, but I would like to have some answers to this, otherwise we know what is going to happen. We are going to have an abstention on this side.

Thank you. [Desk thumping]

The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath): Thank you, Mr. President. I really do not intend to keep the Senate too long this evening. It has been a very long day for all of us and I know that there are several other people to speak after me. But I wanted to rise, really, just to say a few words so that I can correct some of the fallacious remarks that have been made, and also to shed some light on some other remarks and comments that were made earlier in the debate.

The Minister of Finance stated that you cannot go from A to B just like that, and I think he was somewhat criticized for making that statement. But the fact is, we know that depending on how smooth the road is from A to B, it will depend on how quick you will get to B from A, and depending on the potholes and the pitfalls along the way, as to how—[Interruption]

Sen. Browne: Agricultural access roads.

Sen. The Hon. V. Bharath: Yes, indeed. Agricultural access roads as well—how quickly you can get in and out of the farm as Sen. Browne is just reminding me. So everything really is an issue of relativity, and it comes down to where you start from essentially as to how quickly you could mobilize to get to your end point. It reminded me of—well, I thought that it was quite funny—when Einstein attempted to redefine his theory of relativity and he gave as an example of relativity that if you were to put your hand on a hot ring burner for one minute it
would feel like an hour, but if you had a pretty girl sitting on your lap for an hour if would feel like a minute. So everything comes down to the whole issue of relativity and where you actually start from, and what is your context. I think Sen. Browne was talking context. But I want to place just for the record, why we are here and what allows us actually to be here.

In fact, the Constitution of Trinidad and Tobago—I think we all would know that—allows via section 113(3) for us to come back to Parliament and I quote:

“If in respect of any financial year it is found—

(a) that the amount appropriated by the Appropriation Act for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by the Act; or

(b) that any moneys have been expended for any purpose in excess of the amount appropriated for the purpose by the Appropriation Act or for a purpose for which no amount has been appropriated by the Act,

a supplementary estimate showing the sums required or spent shall be laid before the House of Representatives and the heads of any such expenditure shall be included in a Supplementary Appropriation Bill.”

The reason I read that, Mr. President, is to show that this is not an unusual issue. In fact, many previous governments have come back to the Parliament during the course of the fiscal year to be in a position to raise more funds to be able to continue the work that they were doing.

In fact, the last government in 2009, I think it was came back to the Parliament on two separate occasions. I think it was in May that they came back and got $3.49 billion and in September, $3.9 billion.

But let me take this opportunity, Mr. President, to first of all congratulate the Minister of Finance who would have come in at a very difficult time on May 24, 2010 and I think has done a remarkable job in putting a steady hand on the economy of Trinidad and Tobago, [Desk thumping] leading us through and shepherding us through some extremely difficult, turbulent and traumatic times.

When the Minister of Finance would have gotten into office, the issue came down to a situation where the previous government had denied for a very long time that this country had gone into a recession. They had denied that they had mismanaged the economy. They had denied that there was a misappropriation of funds. They denied that a number of projects that they had embarked upon had not been productive investments as far as the people of Trinidad and Tobago were concerned.
I remember distinctly, Mr. President, in the budget debate of last year, the now Leader of the Opposition’s words were and I quote:

“…De money done. We are now talking about raising revenue by taxation, ‘chirrup’ chirrup’, household by household, land and building taxes, cigarette and rum taxes, as revenue raising measures.”

Those were the words at the last budget of the now Leader of the Opposition. He was referring to the fact that so much money had been expended unproductively by his government on capital expenditure that did not bear any revenue for the country, that they had to then go very hurriedly and impose what then became the infamous property tax. That was what Dr. Rowley was referring to at the time. But you see, at that point in time, one year ago, we had inflation running in Trinidad and Tobago at 17 per cent. Seventeen per cent in May of last year. There was no attempt to diversify the economy into areas that would have created the kind of revenue streams that we were looking for.

The Governor of the Central Bank at the time said that there were 45 per cent of the elderly in Trinidad and Tobago who were unable to meet their daily commitments. That is what the Governor of the Central Bank said. When Sen. Browne spoke earlier on about our domestic debt—you see, the then government was very good at continuing to say that our domestic debt levels or our debt levels in Trinidad and Tobago were at 38 per cent, when in fact it was not 38 per cent. Because as he alluded to today, there was something called contingent liabilities and letters of comfort, and when you looked at the amounts of contingent liabilities as he admitted today which was $21 billion and the letters of comfort which was $19 billion, that actually added another $40 billion to our debt levels. Essentially, what happened was, when he talked about run down cash balances, the cash balances of the country were being run down not in providing water for the citizens of Trinidad and Tobago; it was not used in providing schools for the children of Trinidad and Tobago—I remember there was one case where the children of a school in south had to sell doubles and red mango to be able to buy chalk for the school. That is how bad it got—it did not go into infrastructure like building more roads, it went into as he said, tall buildings. That is how the cash balances of this country were run down. [Interruption]

Hon. Senator: No, Sir.

Sen. The Hon. V. Bharath: That was how the cash balances were run down. I talked about open market operations. We had $21 million in open market operations. Open market operations for the uninitiated means, Mr. President, it is when Central Bank has to put Treasury Bills out to be able to soak up liquidity in the marketplace so that inflationary spiral does not get out of control. That is where the debt of the country
continued to rise, and those are the debts now, that we as a Government, are saddled with. These are not one-time and one-off debts that we could just write off. These are debts that the country is now saddled with, that as a Government, we have to fund out of our existing expenditure.

So instead of diverting moneys to areas that we were talking—I am not suggesting for a moment, that we ought not to be involving ourselves in productive investments. But a lot of our daily recurrent expenditure has to go into servicing debts and commitments that were created by the PNM government. That is a fact. There is no denying that. The record will speak for itself. When one looks over the eight-year period, it was $300 billion that was spent. I remember working it out at the time that the debt we created as at last year, worked out to be $54,000 for every single man, woman and child in Trinidad and Tobago, in perpetuity, until it is paid off. Fifty-four thousand dollars is what we saddled our children with, with regard to the mountain of debt that we had created in Trinidad and Tobago.

So when we talk about moneys being not utilized in productive investment and more money should be put to it, we have to service a number of commitments on a daily, weekly and monthly basis that the Minister of Finance has to be trying to ensure that he is in a position to satisfy all of those commitments on a regular basis. The Brian Lara Stadium is one of them. It started off at approximately $200 million. It is still not completed. We do not know when it is going to be completed. It is running at over a billion dollars. We are having to fund that white elephant, that God knows who is ever going to use it. It was supposed to have been completed in 2007; 2011 it is still being built, and we are having to fund it.

Every so often the Minister of the Sport and Youth Affairs has to come to the Cabinet to get more money to continue with the Brian Lara Stadium—$1.2 billion. I remember—I do not know if Sen. Browne was in the Parliament that day—very clearly asking a question of the then Minister of Sport and Youth Affairs and I said, “Could you tell me what the final cost of the Brian Lara Stadium is going to be?” He stood up and said, “No, I am not able to tell you.” I said, “Could you tell me when it will be completed?” This was 2008, and he said, “No, I am not able to tell you.” There you are, spending vast amounts of public funds and you are not, as the Minister in charge, able to say how much the final cost is going to be and when it is actually going to be completed. We have the same thing.

The Minister of Health, my colleague, is sitting next to me here. She had to come to Cabinet a few months ago to get further funds for the Scarborough Hospital. Again another eyesore, again another incompleted project by the then government that has created a tax essentially on the Treasury and on the people of Trinidad and Tobago, that
need not have been the case if it had been completed on time and completed during the course. The waterfront project. We are saddled with a bill for the next 20 years for the waterfront project. When in fact we were told that the waterfront project cost $1.8 billion, the final cost is actually going to cost the taxpayers of this country $4.4 billion. Four point four billion dollars is what the waterfront project is going to cost.

I am not saying it is not a nice building. I am not saying it has not been done well. I am saying that there were other priorities in the country, and the country would not have minded to have had all these beautiful things if we could have fixed the most basic of things upfront and not saddled them with the debts that their children and their grandchildren will have to pay.

Sen. Browne was involved in the Summit of the Americas and in CHOGM, $1.5 billion. Ask him: what has this country seen as far as returns are concerned for that? Those are funds that could have been spent today in other forms of productive investment and the list goes on.

7.35 p.m.

Mr. President, I would not bore the country with it because everybody knows exactly what the expenses were: the NAPA, and the PNM and the Prime Minister’s Residence in Chancery Lane, and e TecK and Alutrint and ESSAR Steel, and $19 million for a 45-minute extravaganza at the launching of, I think it was either the CHOGM or Summit of the Americas, I am not sure which, but that was how money was spent at that point in time. And therefore, when the Minister of Finance and when this Government would have come into office, we would then have had to take stock and assess, and Sen. Mariano Browne is very well versed in this type of corporate—this is essentially a corporate turn-on.

When you walk into an organization, you do not just come in and start to buy new assets and invest in more plant and equipment and hire more people, you take an assessment of where you are. You assess, you open up the books and in many cases, Mr. President, this is not a simple thing of looking at a balance sheet and seeing where you are because there are so many off-balance-sheet commitments that we in this country have, that we find out on a daily basis, that just hit us like a ton of bricks, and where the Minister may have had moneys set aside for something, all of a sudden we find that we have another commitment that we must make, and therefore funds have to be funnelled elsewhere.

So I am not for a moment making any excuses for the position where the Government is because, bearing in mind what the Minister of Finance inherited when he came into Government, I think he has done a wonderful job. [Desk thumping]
You know, and it is—I do not want to go along this road for too much longer, Mr. President, but I just want to say something because it is very important, and Sen. Mariano Browne talked about credibility and he is right. Credibility and trust are extremely important when one wants to engender confidence in an economy. Confidence is probably 85 per cent of ensuring an economy grows anywhere in the world. Without that confidence, regardless of how skilled the human factors are; regardless of how many assets there are in the economy, if you do not have confidence, if people do not have confidence in the economy, they will take their moneys and they will go elsewhere. I just wanted to touch on why there was a significant issue of confidence in Trinidad and Tobago.

Despite all of the issues I just talked about; despite all of the UdeCott fiasco and the people involved and so on; listen to this! This is a headline that says and I quote:

“DON’T RULE HART OUT”

And despite all of the issues involving the UDeCott matter—

“IN A MOVE likely to trigger renewed outrage over the Government’s handling of allegations of corruption at UDeCott, Prime Minister Patrick Manning yesterday told parliamentarians they should not rule out the possibility of UDeCott executive chairman Calder Hart becoming a member of the Integrity Commission.” [Laughter]

How could any right-thinking person looking in from the outside, Mr. President, read an article like this and have any confidence at all about investing in Trinidad and Tobago? And that is why when one looks at the time, every single international index that measured Trinidad and Tobago and its capabilities had declined significantly. The human development indicator had gone from 41 to 59 in seven years—from 2001 to 2008; corruption perception index had gone from 31 to 82; the business development index had gone from 35 to 74 and the growth and competitive index had gone from 38 to 84—all in that seven-to-eight-year period. And yes, despite the fact that our GDP had gone from—I would except from 2002 to—it may have tripled, our GDP might have gone up three times in that period of time, but yet still, every single economic index, every single index that would have portrayed growth or otherwise went the other way, and yes, of course, it is up to us now. We have now assumed the mantle to be able to—and the people of Trinidad and Tobago have put us here to be able to correct—not just to correct the situation but also to put Trinidad and Tobago on a path of growth and stability that will ultimately improve their lives.
Mr. President, it was also a time where, as the Minister of Finance said, we came in also with large liabilities outstanding, for example, the whole issue of taxation. Although the Minister did not mention it, the amount of taxation owing to the Government of Trinidad and Tobago is in the order of close to $13 billion and he has done an extremely good job to have collected $1.8 billion already, and the amnesty has now been extended for another few months and we hope, clearly, to raise it over $2 billion; again moneys that have been outstanding for many years that could have come into the coffers of the Treasury and would have assisted in developing the economy.

I want to just touch on a point that Sen. Dr. Henry made with regard to the financing of WASA. I know you said the financing package was 6.95, but funds were available at 6.25 and that the Government could have saved potentially $170 million, had they been able to access it at 6.25. I want to inform you that the rate that we paid was actually 5.65. [Desk thumping] So, essentially, it is actually a saving of about $160 million, as opposed to having given up $160 million. We renegotiated that loan, a loan, I want to let you know, the PNM had negotiated at 6.95. We renegotiated it at 5.65. I just want to, at the outset, talk about that. [Desk thumping]

Sen. George: Good point.

Sen. The Hon. V. Bharath: I want to just speak a little of the agricultural sector. Clearly, obviously, I have been involved in the sector now for some 12 months, and to give an idea of what we have been doing, I really do not want to talk too much about the promises that have been made in the past, from the Mamoral Dam to all—a host of promises: that they would give incentives to farmers, they would put access roads in ponds. None of it ever materialized, but it makes good reading. The promises were made every single year, with great regularity and a very straight face, I must say. Every time they came to Parliament, it was amazing how they would continue to say the same things year after year, about what they would do and how they would accelerate the distribution of state lands, but none of the promises ever took place. I always say, essentially by spitting farmers, which is clear, whether it was a policy or not, the fact is, the end result was that farmers were essentially being spit, but by spiting farmers, essentially they were spiting the population, because the higher the price of food the more the population and the consumer would hurt as a direct result.

I want to also let you know that, as I said, when we came into Government the inflation rate, which everyone knows is primarily driven by the price of food, was
running at 17 per cent. I am happy to let this honourable Senate know that the Central Bank Governor announced last week that inflation is now down to 6.4 per cent.

**Sen. George:** “Eh heh?”  *[Desk thumping]*

**Sen. The Hon. V. Bharath:** And he also alluded to the fact that the primary driver in the drop in inflation was the fact that food prices had decreased considerably. *[Desk thumping]*

Sen. Ramkhelawan talked about opening up lands for production of more food. I want to, first of all, thank you for the comment and to also let you know that it was only last week that we identified—I went out, myself, with a team from the Ministry, from the Lands and Surveys Department and the Land and Water Department, my permanent secretary and deputy permanent secretary and several senior members of staff, as well as land management people from across the country, and we have now identified 3,000 acres of land in the first instance that would be advertised within the next month for farmers to access to actually plant food in Trinidad and Tobago. *[Interruption] I beg your pardon? What size? To determine that, it would depend on the crops that we want to—what we are likely to do is to zone the kinds of crops that we would grow in certain areas, depending on a list of crops that we have decided, the Ministry, would best serve our food security needs. So, we have identified a list of 10 crops and we are going to ensure that we give special incentives for growing those crops and we would make sure that we bring at least, in the first instance, within a very short space of time, I would say, hopefully within a month, the initial 3,000 acres of land to be able to do that. *[Desk thumping]*

In addition to that, we have—I do not think there could be any doubt in anybody’s mind that the agricultural sector generally has been really promoted to the top of the Government’s agenda. As far as the media is concerned, you would see, Mr. President, that the media has given active and wide coverage to the work that the agricultural sector has been doing. They have been following us around and covering all of the activities that we have been involved in.

We have started giving out the Caroni two-acre plots and that will also generate—talk about economic activity. We have given out now 1,500 already of the Caroni two-acre plots. Many of you would have seen that we had, on several days, a supplement in the newspapers, in every newspaper, advertising those people’s names who have not applied for their two-acre plots and there are many of them. I would say well over 2,000 people have not applied for their two-acre plots. Many of them—some of them have died. Some of them may have emigrated. Some of them are not interested. Some
of them may not be aware that they can apply for it still, but, over the last two weeks we have put out supplements in every newspaper identifying all of those people, to try to get them to come in and accept their plots, so that they can develop them. Again, that will create economic activity in the country if we can get more people coming back, but there are challenges. We all know that there are challenges. A lot of those lands and a lot of those two-acre lots are geographically remote from where people live and then the whole issue of praedial larceny comes into play. We are looking at developing a praedial larceny response that will actually work and would not just be lip service.

We have put down over 300 irrigation retention ponds this year. It is the first time in the history of this country that so many ponds have actually gone in as far as irrigation is concerned. We have put down five major pumps on the banks of the Caroni River. Some of these pumps are capable of pumping 12,000 gallons of water per minute, out of the river and into the fields.

We have a new incentive package for our farmers. We have opened up the land tenure issue so that farmers are no longer tied to a situation where, if they are not regularized they cannot access the incentives that the Ministry offers or they cannot go to the ADB and get a loan. Now they can, because there are many people in Trinidad and Tobago who may be legitimately on lands but illegally on lands. Let me explain what that means. There are many people, for example, who would have had at least for 30 years on a piece of agricultural land, the lease has now expired, they have been cultivating the land for 30 years, they have an option to apply for an extension, they make the application and the State just has not gotten around to renewing the lease, but they are on the lands and they are planting, so they have a legitimate right to be there, but essentially they are illegally there, but it is just they do not have the piece of paper and there are a number of these people. There are people, for example, whose forefathers would have left them lands, but because the State has not regularized them they are unable to access ADB loans or they are unable to access the incentives at the Ministry. We have opened up all of that now. Again, hopefully, that should bring thousands of acres of barren, uncultivated land back into the system again, so that we can grow more food.

Mr. President, we are painfully aware that there is an impending food crisis in Trinidad and Tobago. There is an impending food crisis across the world. Many, many countries today have taken conscious decisions not to export food out of their countries and they are holding it and essentially hoarding it for themselves, because of the major changes in climate which have decimated a number of crops, whether it is drought or whether it is flooding or bush fire.
A number of countries now have burgeoning middle classes who are requiring more food. The population is exploding across the world. I was at a conference this morning, where the empirical evidence shows that, if the population continues to multiply as it is now, by the year 2050, there would be 9 billion people on the planet and we have to find nutritious, healthy food for all of these people. As the price of oil and gas continue to escalate, what happens is more lands get taken out of agriculture and go into the production of alternative forms of fuel like ethanol and so on. Those are some of the things that we have been doing.

There are a couple of issues that I really want to talk about this evening and it is really the reason I have risen to speak; one relates to the megafarms. I want to address a situation or a comment that was made by Dr. Rowley in the other place, where he talked about the whole concept of the megafarm and he spoke in particular about the one at Chaguaramas. He said, and I quote:

“Before they came into office, the PNM resorted to the idea...”

This is the debate of last week on this same matter in the other place.

“Before they came into office, the PNM resorted to the idea of growing more food by farming in what we called the megafarms; trying to use technology to get the kind of productivity that one has to get in the current climate if agriculture is to move from the level of pedestrian to go at a pace the country needs...but if those farms were used to produce and teach local people how to produce using those technologies, I do not know that”—the government—“should”—have—“any big argument about it.

But the Government took political positions on them. In the face of the need to expand our food supply, it is being run by naked political positions and from day 1 they came into office and one expected that we would see the PSIP and other activities generating economic growth in the agricultural sector, what do we see? Abandonment of the existing megafarms because the PNM was doing it.

One of the best of those farms was in Chaguaramas, in Tucker Valley, on some of the best lands available in the country. What did the Government do? Abandon it. Virtually abandoned it!...

What is the replacement? Nothing. And then out of the blue, while they abandoned the Chaguaramas megafarm; next thing we see is an announcement from the Government that it has created two new megafarms—one somewhere in central and one in Mon Jaloux...
As far as the Government is concerned Chaguaramas is not their constituency and they can abandon it and close it down.”

Those were the words of the Member for Diego Martin West—Is it?

Sen. George: Yes.

Sen. The Hon. V. Bharath:—and hon. Leader of the Opposition.

Mr. President, I just want to alert this honourable Senate to what the situation is with Chaguaramas. When we came into office we found that the Chaguaramas megafarm, for want of a better terminology, sat under the Ministry of Housing and the Environment, under the then auspices of former Sen. The Hon. Dick-Forde. This is a megafarm producing, not much but—I remember one of Sen. Browne’s colleague came into—I think it was the Minister of Tourism—Parliament with on long cucumber like this. [Interruption]

Hon. Senator: Two, two.

Sen. The Hon. V. Bharath: Was it? Two long cucumbers like that and boasted of the production from the Chaguaramas megafarm.

Sen. Karim: Well, if that is all “dey” doing.

Sen. The Hon. V. Bharath: These are the facts of the Chaguaramas megafarm. The Chaguaramas megafarm was allocated, to date $25,514,621. That is what they were allocated.

7.55 p.m.

The sale of produce that they have been able to first of all grow and sell since they started is $2,548,000, Mr. President, that is a deficit of the $23 million. This year, the Chaguaramas megafarm applied for a further subvention of $31 million that would have made all told $56 million, and still it would have only brought in sales of $2 million had we not stopped that particular matter in its tracks. [Desk thumping] This is exactly symptomatic and symbolic of the point I was making earlier about reckless spending.

We decided—the Cabinet of Trinidad and Tobago decided that a megafarm or any farm, anything related to the production of food would best be brought under the Ministry of Food Production, Land and Marine Affairs, [Desk thumping] where it would be better looked after and there would be far more focus on the activities of the farm. Cabinet took a decision two months ago that this transfer would take place, moving it from the Ministry of Housing and the Environment across to the Ministry of Food Production, Land and Marine Affairs; that is what is happening now, that transition is now taking place.
And also to let you know, Mr. President, contrary to what Dr. Rowley said about the farm being closed down, it is far from the truth. We are returning to seed production, because as he rightly said it is some of the best soil in Trinidad and Tobago. I remember there was a time when it was being mooted that that would be used as a golf course, under the previous regime. But it is now being returned to what it is best suited for which is the production of seedlings and seeds in Trinidad and Tobago, that would then be fed to the rest of the country and to the rest of the farmers. So they would now have A class seeds available in all of the food crops that we want to encourage in Trinidad and Tobago.

In addition to that, we are now also giving it to either a private/public sector organization, again as a large farm of 100 acres. So we have one part of it that is going to be commercially run as far the production of fruits and vegetables, and the other part of it, Mr. President, will be utilized for the production of high quality seeds and seedlings for the farmers of Trinidad and Tobago. [Desk thumping] So we are not closing it down at all and when Dr. Rowley said we suddenly opened two in central somewhere, I do not know what the insinuations were with regard to that, but we will certainly open two in central and Mon Jaloux.

The fact, Mr. President, is that there are 15 more of these farms that we will open within the next 12 months, and I just want to quickly run through them: Exchange, Couva, Mon Jaloux, Orange Grove, Cunupia, Caroni, Edinburgh, Jerningham Junction, Picton Three, Picton Four, Picton One, Picton Two, Picton Five, La Gloria and Mora Valley. Three of them I want to tell you—I want to alert the country that we now have leases signed for three of them. In fact, when we came into office in May of last year none of these were anywhere close to having the facilities. Although $100 million was spent on putting what was called facilities to the gate of these farms which included water and access roads—$100 million was spent—there was nothing or virtually nothing to show for it. Three of them have now had leases signed and they will all be starting to plant within the next two weeks. So it is the [Desk thumping] furthest thing from the truth that we have closed down all of these farms.

The other thing I wanted to address because it falls again under my Ministry, Mr. President, and it is something although it was raised earlier, it relates to the EMBD. Certain accusations were made earlier today by Sen. Hinds—as he is not here; he has not been here this afternoon—where he claimed that certain works were being done by the EMBD under the auspices of WASA and other agencies. Well, let me tell you, that is quite correct.
Supplementary Appropriation Bill

Tuesday June 07, 2011

[SEN. THE HON. V. BHARATH]

8.00 p.m.

Mr. President, I will not dispute for a moment that when we came into office, one of the organizations that fell under this particular Ministry, the Ministry of Food Production, Land and Marine Affairs, was the Estate Management Business Development Company (EMBDC). It was possibly, in my experience, one of the worst run organizations I have ever come across. The level of corruption and fraud that was involved at the EMBD, I do not think anyone can even start to imagine.

The then Chairman and Chief Executive Officer, who has fled the country, took out a Clico policy in his own name for $55 million and he was allowed to do it. We have factual information and documentation where contractors were short paid and the moneys went to officers of the EMBD. All those matters will be brought to this Senate in due course. We are doing a forensic audit at the EMBD currently.

About two months ago, in April, I called the EMBD and asked them what was the current status on the housing lots that were supposed to have been given out to ex-Caroni (1975) Limited workers. Mr. President, if I can just remind this honourable Senate; as part of the VSEP package, each Caroni worker, in addition to the two acres that were allotted to him or her, an allotment was made of one lot of residential land.

That promise and that commitment were made back in 2003, but the matter with the agricultural lands went to court and was stuck in court. We took it out in September/October of last year and started the distribution. I called in the EMBD and asked them for a status report on the EMBD housing lots. This is the report.

In April 2011, which was when they were called in by myself, 10 sites were identified by them to be delivered by August 2011. In other words, I had a commitment from them that we would deliver on 10 of these sites and it was going to work out to be about 4,000 housing lots that we would be able to give out to these long-suffering Caroni employees.

Mr. President, when I called them in, they told me that in most cases all the works had been completed on these sites and that they were almost ready to be given out. The only thing that was stopping the allocation to these workers was the fact that they needed to be signed off by some of the regional corporations.

I then sent out a team to see what the status of this generally was. This is it. Works were previously carried out by the EMBD contractors prior to 2010 and also redone in 2010. In other words, works were given out from 2003 and 2010 and in 2010 some of the works were redone.
A total of $429,129,627.68 was spent by the EMBD on these works. No approvals had been granted by the regulatory agencies. The works carried out did not comply with required standards. It was agreed that all stakeholders, WASA, T&TEC and the EMBD would do an assessment of what was required to deliver the sites in accordance with required standards.

The EMBD requested the contractors, who had previously conducted the works, to be on site whilst the assessment by the stakeholders was being carried out. I insisted on that because I wanted to ensure that if we were going to hold anyone culpable that they were there to see for themselves the status of the works that they had done.

Findings at this time, that is last month, include, as far as WASA is concerned, major leaks found on the mains leading to and within the sites. Pipeline infrastructure had not been done and some of it had to be replaced. Main valves were never installed. Service connections to lots were leaking or damaged and had to be replaced. No curb valves were installed on many of the connections to individual lots. In many cases, poly tubing for service connections to individual lots had never been put in. Inferior or inappropriate materials were used in infrastructural works. Manhole covers for sewer mains were never installed. That is the WASA report.

The T&TEC report: pull boxes need to be repaired or reconstructed; danger tells were not installed and were now required to be installed. Street lights were not ever put in and those that were, needed to be replaced and reinstalled. Repaired street pedestals needed to be put it.

Then the EMBD’s report said that drainage was to be reconstructed in accordance with regional corporation standards; main drains to be installed in Felicity and Reform. This is their report.

It is clear that there was no supervision of the works carried out by the contractors previously employed by the EMBD. Moneys were paid ($429 million) for works which were never done or not completed according to required standards.

Accordingly, it was agreed by EMBD that WASA and T&TEC would be provided with funding to complete the works on the sites according to required standards, by the regulatory agencies, for completion by August 2011.

WASA has identified the cost of these works to be completed on the sites according to WASA’s requirements at approximately $100 million. Thus far,
EMBD has provided WASA with $25 million to commence required works. T&TEC is still reviewing its costs at this time. That is—

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

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes. [Hon. S. Panday]

Question put and agreed to.

Sen. The Hon. V. Bharath: Thank you, Mr. President. Thank you to my colleagues. I appreciate it very much. That is the situation with regard to the EMBD. I come back to the point I was making earlier. It is so difficult, in the first year of an organization’s history or of a government’s tenure to be able to correct everything; to change policy direction from what you inherited and to start setting your own tone in one year is almost impossible. That is why I say that what the Minister of Finance has accomplished in that time can only be described as nothing short of being remarkable. [Desk thumping]

Let me say also, Mr. President, that, yes, it will take time. Yes, the onus is on us, but when one considers some of the achievements that we have made in the last 12 months alone; that we have required more funding for and that we have come to this honourable House for, it makes me very proud, Mr. President—and I have said this before. When I read this [Holds up newspaper]—all of us have been involved in this document that was a pull-out in several of the newspapers with the strikingly beautiful face of our Prime Minister at the back as you can see. [Desk thumping] It really carries a tag line that is symbolic of what we represent. An era of caring has begun.

When one looks at the things that we have accomplished in the last 12 months, as the Minister of Finance himself said, you look at some of the areas where we have directed our spending, the Ministry of the People and Social Development, for example, this is really where you get to the heart of the matter; this is really where you impact positively on people’s lives.

When I was the Member for St. Augustine—you would not believe this if I told you, but my office staff would be able to attest to this—a lot of old people who would come, naturally, to complain that they could not get old age pension. Many of them had passed 65 and were then 67 and 68—Sen. Beckles-Robinson would have experienced this as well, as she mentioned this at some point in time—and they would go to the welfare office—it has nothing to do with discrimination with regard to race or anything; it has to do with institutional discrimination.
Supplementary Appropriation Bill

Tuesday June 07, 2011

What has happened with many of our public servants—and I am not saying they are all like this; I am saying that there are a few bad apples in the barrel. They have become immune to the person sitting on the other side of the desk. They have become immune to that person being a human being and they treat that person almost like a number; another number.

The number of elderly people who would have to be sent back and forth; go back, come back this day; we do not service people from St. Augustine on a Thursday; your day is on Tuesday and so forth and eventually what would happen is that these people would give up because, on many occasions, they cannot afford to continue to go. On several occasions, they require a member of the family to go with them and that person gets fed up; has to take time off work and so on. That is why it is so important that we deal with those who are socially disadvantaged in a manner that they feel good about themselves; in a manner that makes them feel we care and that our raison d'ȇtre, our only reason for being in government is to improve the quality of their lives. When one looks at the areas we have targeted, one sees it is geared towards improving the quality of people’s lives. [Desk thumping]

The increase in old age pension has affected positively a total of over 52,000, close to 53,000 persons. The sum of $455 million is now being allocated to the Ministry of the People and Social Development to continue that work and I have seen note after note come to Cabinet where we are sending money to orphanages that have been derelict and not looked after and the children not looked after for many, many years; young people who have very few options in life unless we as a government can step in and help them.

We have increased the minimum wage and that has put more money in people’s pockets to put food on their tables. We have established the Children’s Life Fund; all of these where funds are going to be directed and diverted. We have given 20,000 laptops to school children; again to improve the quality of their lives and their knowledge.

Sen. The Hon. Dr. Tewarie talked about increasing our children’s knowledge to get them out of poverty, so that they can fend for themselves and no longer be dependent on society.

Within the first month of coming into office, Mr. President, you will remember that our farmers suffered massive flooding and for the first time in the history of this country, they were compensated within 30 days. [Desk thumping] Everything that we have done and are doing—when Minister George put in the Navet trunk line, he affected positively the lives of over 300,000 persons. Let me say it was put in at a price of $117-odd million when the original proposal was over $300 million. [Desk thumping]
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[SEN. THE HON. V. BHARATH]

When one looks at the works being done in the Ministry of Works and Transport, children are now going to be allowed to go to school free of charge once they are in school uniforms. The elderly is travelling free. We have completed miles of road that allow people to come into Port of Spain without having to stop at traffic lights every five minutes. It has improved the quality of their lives. Sen. Hinds wanted to say something.

**Sen. Hinds:** I am most grateful, but I could not resist asking the hon. Minister, before you retain your seat after your contribution, whether in light of the reports that you had from WASA in respect of the EMBD development, and since the contractors were made to be there as the assessment was being done, as you just told us, whether you just arranged or EMBD is taking legal action against the contractors to recover for the poor job done, a matter that was addressed again by the Uff Commission. Would you tell us briefly, if you may, what process was used?

8.15 p.m.

**Sen. The Hon. V. Bharath:** Mr. President, I do not have much time left; just short to say that when you were sitting in the public gallery, Sen. Hinds, I did mention that a forensic audit of the EMBD is going to be conducted very shortly. They would determine the course of action with regard to the contractors. [Interruption]

**Sen. Hinds:** Please, my friend.

**Sen. The Hon. V. Bharath:** No, no, no. I only have a couple of minutes left. So, Mr. President, I have highlighted for you the good work that this Government has embarked upon in a very short space of time. I grant you—as will everyone—there is much more to be done, there is a lot more work to be done, but we are committed, we are committed to the people of Trinidad and Tobago.

Mr. President, we have been blessed in Trinidad and Tobago with so many resources. We have been blessed, you know. Many, many years ago I did my thesis, when I did my master’s degree in some—the thesis was called Hostage to Crude. It really talked about the curse of having a single natural resource. Essentially what happens—[Crosstalk]

**Sen. Deyalsingh:** Dutch disease.

**Sen. The Hon. V. Bharath:** Yes. Essentially what happens is that a country suffers something called Dutch disease, where you put all your resources into one area and the rest of the economy suffers. For far too long, Mr. President, we have done that. We have siphoned all of our resources into one area of the economy and we have neglected our human resources, we have neglected everything else. I know Sen. Ramkhelawan is
as he said, very passionate about the agricultural sector. But we have so many talents [Crosstalk] in this country, with so much of love for life and for country by most people, I do not think there is any one of us who is here, who would want to live anywhere else. We want to create a country and a society where those outside also would want to live here because they can afford to live in Trinidad and Tobago. They could live in a society where they feel part of society and they feel comfortable about their surroundings.

So, we have boundless faith in our destiny in this Government, Mr. President. We are a compassionate, we are a caring Government and we have ushered in, I believe, a new openness and transparency as far as governance is concerned that ultimately improves people’s life.

We offer a promise of equitable development, transparency and inspired governance to the people of Trinidad and Tobago. We have a determination, Mr. President, on this side. We have a determination. To be honest, I see some hope in some of them when I sit across the room on a Tuesday with them. I see some hope that there might be a difference between them and their predecessors. But we will see as time goes by.

We have a determination that we will deliver that promise to Trinidad and Tobago, one of equitable development, transparency and inspired governance that will conquer all of the ills that have afflicted this country during past regimes. Mr. President, I thank you very much. [Desk thumping]

Sen. Terrence Deyalsingh: Thank you, Mr. President, for allowing me the opportunity to intervene. [Crosstalk] I do not know if it went unnoticed, but I was heartily thumping the desk on this side when Sen. Bharath was making his contribution. The reason for that is that he sounded like a true Minister of Finance. Your grasp of detail was impeccable, your thesis on the subject was marvellous and I vote for you as Minister of Finance.

I hope Sen. Dr. Tewarie is going to recoil with the same horror that he recoiled when Sen. Bharath spoke about the $400 million at EMBD, because what Sen. Bharath neglected to inform the population about is that one of the partners in the firm contracted by the PNM—that he claimed had all this corruption, that supervised the work at EMBD—is now the chairman of EMBD. So that chairman is now going to investigate himself what he did a year ago but, however—[Interruption]—well, he is on the board. However, allegations of corruption are easy to make. It is easy to say this was corrupt; that was corrupt.
8.20 p.m.

I was in the public gallery, maybe about three weeks ago on a Tuesday, when the Public Accounts (Enterprises) Committee was sitting, and the members of the board of the EMBD were here, Members of the committee were across there, and the same claims of corruption that were made were made by this present board. They were saying that EMBD was being run like a supermarket and all sorts of claims of corruption, but what that committee found on that day was that KPMG, an internationally recognized firm, signed off on the accounts on EMBD. How would KPMG, adhering to IAS, international accounting standards, sign off on the accounts of EMBD if there was corruption? [Crosstalk] They had absolutely no difficulty in signing off on the accounts of EMBD. [Crosstalk] They have a reputation to maintain, to protect. Why would they sign off on EMBD if there was corruption? Simple question; no answer!

However, Mr. President, we are going to be—you see, this is the beautiful thing about debate—

**Sen. Bharath:** Senator, may I?

**Sen. T. Deyalsingh:** No, no, no. I will give you a chance just now. I will give you a chance just now.

**Hon. Senator:** Are you afraid?

**Sen. T. Deyalsingh:** Relax!

**Hon. Senator:** Are you afraid?

**Sen. T. Deyalsingh:** Relax; relax. Sen. Bharath started off his contribution by saying that the PNM wasted $300 billion.

**Sen. Hinds:** That is rubbish again!

**Sen. T. Deyalsingh:** I would admit $300 billion was spent, but what Sen. Bharath does not come clean with is—what was it spent on? He quoted $2 billion on the waterfront project; approximately $2 billion—

**Sen. Bharath:** It is $4.4 billion.

**Sen. T. Deyalsingh:** —$4.4 billion. How much on NAPA, about one?

**Sen. Bharath:** Five!

**Sen. T. Deyalsingh:** Five! Five of 300 is what percentage? [Crosstalk] How much, one again? Right—less than 5 per cent! What was the other 95 per cent of $300 billion spent on? [Desk thumping] I would tell you. [Desk thumping] It was
spent on CDAP; it was spent on free health services; it was spent on early childhood centres; it was spent on the senior citizens grant; it was spent on GATE; it was spent on housing; it was spent on OJT; it was spent on UTT; it was spent on UWI; and it was spent on the interchange at the Uriah Butler Highway.

What is most galling about this, when the flyover at Aranguez was built, the Government took full credit for that flyover at Aranguez. However, I was at the sod turning in November of 2009 for the Aranguez Flyover, when the then Minister of Works and Transport, Colm Imbert, and the Member of Parliament for St. Joseph, Kennedy Swaratsingh were there. That project was started in November 2009. It is amazing how when they are speaking I keep quiet, but when I am speaking they all want to interject. Absolutely amazing, Mr. President! Absolutely amazing! That is what it was spent on; 40 per cent of $300 billion was spent on transfers and subsidies, subsidizing gas; subsidizing diesel. That is what a lot of that money was spent on. Yes I admit maybe 5 per cent of $300 billion was spent on projects we did not need, I admit it, but what was the other $295 or $200—let us say $10 billion, let us be generous. Let us say out of $300 billion, Minister Dookeran, $10 billion was on projects that we did not need. What about the other—why do we not speak about the other $290 billion which I just spoke about? That is never on your radar.

However, I go back to Sen. Mariano Browne’s contribution. When Ministers of Finance—and I am on record in this House as stating that the important Ministers are the Attorney General, because you cannot have a Cabinet without an Attorney General; the Minister of Finance; the Minister of Health and the Minister of National Security. Some of our Ministers, their utterances are tracked by international agencies, and the impression the outside world has of us is largely based on the utterances of our Ministers, and Sen. Mariano Browne in his contribution was speaking about the conflicting signals that we get from the Minister of Finance.

On Friday last, he spoke about blue skies but, today, the tone, the skies are not so blue again. My question is, do I believe the Minister of Finance when he says there are blue skies or do I believe Mr. Suresh Sookoo of RBC Royal Bank, where when he was asked by reporters whether he shared—and I am quoting from the article—Mr. Dookeran’s view of the economy, Sookoo replied: “I will say not yet, everybody is waiting including the business community to see that uptick” They are waiting, where is it? It is nowhere in sight.
Supplementary Appropriation Bill  
Tuesday June 07, 2011

[SEN. DEYALSINGH]

Sen. Browne spoke about large capital investments; Sen. Ramkhelawan spoke about investment in the manufacturing sector, but I want to address that part of the population that has not been spoken about here today as yet. I want to address my concerns to the snow cone man in Woodford Square; the concerns the market vendor in the Penal market has; the vendors in the Tobago Esplanade there. They are not seeing the uptick. I have said it time and time again, the small businesses are waiting to exhale. Where are the blue skies for the small business? Where are the blue skies for single mothers? [Crosstalk]  Where are the blue skies for the small man whom we speak for—the market vendors in the central market; the fisherman down in Mayaro?

I will now turn attention to some comments made by Sen. Dr. Tewarie when he opened his debate. He spoke about the big bill from contractors which needs to be paid. And, again, I go back to conflicting signals, because I agree with Sen. Dr. Tewarie, if there is a bill to be paid, it should be paid, but the Minister of Finance and the Minister of Works and Transport are not on the same page when it comes to the quantum of the bill. Both of them are on record as giving totally different values—one says $7 billion; one says $1.5 billion; almost five times the size. What is the correct figure? One says it would be paid in cash; one says it would be paid in bonds. How are people to have confidence in us when two Cabinet Ministers speaking on the same topic quote widely divergent values and propose totally different remedies? I just wanted to let Sen. Dr. Tewarie know about that.

Sen. Dr. Tewarie also spoke about the global financial crisis. Yes there was a global financial crisis started in 2006/2007. We felt the impact about 18 months later, but through it all, the government of Trinidad and Tobago, under the last administration and including this administration has managed to maintain a Standard and Poor’s rating A+. We did it then; it is being done now. [Desk thumping]  That rating, Mr. President, does not come by accident. These international rating agencies will rate you basically on your ability to repay your debts. They look at your total economic situation and determine whether you are a good risk, and Trinidad and Tobago under the last administration has always, in the recent past, maintained an A+ rating. The global financial crisis had an impact, yes, but we weathered the storm as Sen. Mariano Browne spoke about.

Sen. Dr. Tewarie also brought up the issue of funds being paid now for international arbitration, which I will deal with later.
Another statement which has caused concern in the financial sector, especially among the commercial banks—and I am glad the hon. Minister of Finance is here because he is quoted as saying, and he could correct me if I am wrong, that $2 billion in excess liquidity has been removed from the banking sector. Am I correct?

**Hon. Dookeran:** Yes.

**Sen. T. Deyalsingh:** Thank you. Mr. President, $2 billion is not a small sum of money, but my questions are on what did people borrow $2 billion to spend? What were the bankable projects that people sought to borrow, to take out this extra $2 billion? What were these capital projects? Because you see, $2 billion cannot be taken out from the commercial banking sector to buy cars, washing machines, stove, fridge and TV, that is way too much for consumer loans. So my question is, was it really $2 billion and what was it used for? And for that, Mr. President, I would like to refer to a Central Bank Report, if you would just permit me to find it, where on page—it does not have a page number, but one of the charts which shows business and consumer loans starting from 2006—2011, you would see from those graphs that from mid 2009—2011, both business loans and consumer loans have plateaued, they are flat. So my question is, who borrowed this money? What were the projects? What were the bankable projects? I do not know.

Sen. Bharath spoke about inflation and I would like to quote from an IMF Country Report No. 11/73, March 2011; it talks about inflation—and the IMF is not a PNM organization, let us make that perfectly clear. Same way KPMG is not a PNM organization and they could sign off on EMBD accounts, IMF is not a PNM organization. On page 4 of that report, item 3:

“Inflation has resurfaced as a”—growing—“concern after falling to a historical low in 2009, but the data are misleading. Inflation peaked at 16.2 percent in August 2010 as adverse weather conditions drove up food prices, after falling to 1.3 percent at the end-2009. However, the official data may be overstating food inflation…”

Where has Sen. Bharath gone to? [Interruption] Yes. It “may be overstating food inflation” and this is the kicker,

“by as much as 50 percent and understating the GDP deflator because of measurement problems.”
SUPPLEMENTARY APPROPRIATION BILL

[SEN. DEYALSINGH]

What the IMF is saying, is that maybe all along inflation may have been overestimated, especially food inflation by as much as 50 per cent. You see, Mr. President, when the Government side quotes their figures, we on this side always verify.

Sen. Bharath spoke about the $3,000 pension; let me tell you what the IMF report on page 8, item 12 says about that:

"Moreover, the government should safeguard the sustainability of the National Insurance Board. The increase in the monthly Senior Citizen’s Pension and the minimum civil service pension to TT$3,000 has created pressure for a large increase in pension benefits, which should only be considered in the context of the next actuarial review scheduled for completion in 2012."

They are telling us that that election promise is going to put us in a hole, clear and unequivocally.

Mr. President, as I continue my trend of rebuttals, the hon. Minister of Finance spoke about encouraging signs in the economy, he spoke about the composite index, stock market showing some activity, but that little activity has to be taken in context of the entire picture. The composite index, measures the—Sen. Ramkhelawan is much more versed in this—the overall performance looking at a whole variety of indices/indicators. In 2001, it was 434.2; 2002, 545.6; 2003, 694; 2004, 1,074; 2005, 1,067; 2006, 969, a slight drop; 2007, 982, we went up slightly; 2008, and this is when the global financial crisis started, it dropped to 842; 2009, when we were in the throes of the financial crisis, 765; and 2010, 864, and as of March 31, 2011 it has increased from 864 to 872. But this increase to 872 takes it back to only 2008, at the height of the start of the financial crisis, so we are not near the 1,000 barrier limit that we were when things were good. I just wanted to put that figure in context because you can take one figure out of context and it could mean a whole series of things.

Mr. President, as I go on, we spoke today a lot about stimulating the economy, and we had several prescriptions. Prescriptions from Sen. Ramkhelawan, prescriptions from Sen. Browne, and so on, but the main prescription we need to look at because the Government of the day in their 2010/2011 budget, spoke about five growth poles; the five urban, rural growth poles. One growth pole, I think was the North Coast, one was supposed to have been in Laventille, one in the southwest peninsula, one in northeast Tobago, so that is four—I forgot where the fifth one is—central; Chaguanas, Couva and so on, so that is five.

The North Coast growth pole, when you read the budget, I think, and the hon. Minister of Finance can correct me if I am wrong, was predicated on a tunnel from Tunapuna to Maracas. This tunnel was spoken about in September, I think
the budget date was September 10, 2011, a full three or four months after the Government had come into office. They would have had time to look at the accounts to determine whether a tunnel was not only engineeringly feasible, from a civil works perspective, but also whether it was financially feasible. Because a growth pole was predicated on a tunnel from Tunapuna to Maracas—stimulate growth. It took a question from myself in this Senate, posed to the hon. Minister of Finance, to ask what is the status of that tunnel. It is only on that question that we heard that the inability to complete the tunnel or start the tunnel was because of PNM maladministration.

Now tell me, do you remember when you gave that reply? Yes, you said PNM mismanaged the economy and we did not have the money because of PNM this and PNM that. The Hansard would bear me out. What criteria would have been looked at, would have been used between May 25, 2010 and September, 2010 to even allow a thought of that tunnel and to predicate a growth pole on the tunnel baffles me. Laventille was supposed to be another growth pole. I do not know what has happened to Laventille as yet. The southwest peninsula, the highway to Point Fortin, when that highway was being launched—and we heard about how it was launched without funding—it was promised to create 26,000 jobs; that was the job figure quoted by the hon. Minister of Works and Transport.

8.40 p.m.

How in this day of modern engineering, do you construct a highway using 26,000 people? We do not have chain gangs again. We do not win coal with “shovel and pick-axe” again. We have trucks; we have backhoes; we have bulldozers. But these are the statements made by Cabinet Members to win the confidence of the population: 26,000 jobs to be created.

North-east Tobago—what has happened since September 10, 2010—and today is June 07, 2011—in North-east Tobago? My information is, precious little. But these are four of the group five growth poles that were spoken about. Here we are now, trying to allocate an extra $2.7 billion. However, the last administration was proposing—and I come back to the issue of the megafarms, Sen. Bharath is expanding the megafarms to 15. Laudable, I congratulate him. But when the PNM was in power and they were in Opposition, they violently opposed the concept of megafarms on principle. That is the problem we have with them, not with disbanding Chaguaramas or redoing it. They railed against the principle of megafarms; it was no good, but now they have taken it and have expanded it to 15. Another PNM idea, PNM project, which they have taken, like all the legislation, and repackaged it for consumption.
Mr. President, the last administration in an effort to diversify the economy, had looked at several areas for diversification. The megafarms was one, yachting and marine services were two, and printing and packaging. We have a very vibrant printing and packaging industry in Trinidad and Tobago. It was expected that this industry would have been retooled and re-equipped to take on bigger roles. The film industry, creative arts—we were linking film and creative arts—and fish processing. These were some of the areas we were looking at diversifying into.

When we talk about diversifying, a statement the hon. Minister of Finance made today, struck me, and seeing that this is cricket season, it struck me for six.

**Sen. Hinds:** It “striked” you for six.

**Sen. T. Deyalsingh:** Strike, struck, for six. I know where you are coming from.

The hon. Minister of Finance said, and I am hoping he would elaborate upon this in his winding up, that we were now going to a post hydrocarbon economy. My question is to the hon. Minister, and the Government as a whole: what exactly is a post hydrocarbon economy? Does anybody know? In the Independents, the media, the Government, does hon. Minister Carolyn Seepersad-Bachan know what a post hydrocarbon economy is? “Post” means “after”; I know what hydrocarbon is. So after the hydrocarbons, what is the economy supposed to look like? It is a nice statement. The international community hears these debates. These debates are carried on the Internet. The diaspora in London, New York, Miami or wherever listen to it. Your supporters listen to it. What, pray tell, is a post hydrocarbon economy? What is a post hydrocarbon economy based on?

We know it is not based on hydrocarbon; that is all I know. Is it based on manufacturing? Is it based on agriculture? Is it based on tourism? Is it based on leisure, sun, sand and surf? If we google “post hydrocarbon economy”, what do we get? I would like to have some explanation as to what a post hydrocarbon economy is.

**Hon. Dookeran:** [Inaudible]

**Sen. T. Deyalsingh:** You see, Minister Dookeran, these flippant remarks do not sell well to the international community, I am sorry. You may be scoring a political point on me; you may laugh at me, fine. I grant you that; it is good theatre; it is excellent theatre, but the days for theatre, photographs and partying are over. [Desk thumping] They are over. It is time to get serious.

Mr. President, on page 7 of the Senate document, we speak about different allocations. Under Head 42, we are giving an extra $91.44 million to the Ministry of Local Government. Under Head 43, we are giving an extra $327.682 million to
the Ministry of Works and Transport. I would like to think that some of this money is being used, not to eliminate or eradicate, but to alleviate the incidence of flooding.

I can empathize with people who have been flooded out. I myself, unfortunately, had the experience of being flooded out some years ago. It is not a nice experience. I remember that fateful day; I think it was November 05 some years ago. I cannot remember the year. There was particularly high rainfall. My wife and I were in my office in Port of Spain, and my two children were home. They were relatively young at that time, still in school and they called and said, “Water coming in de house.” So there you are in Port of Spain. You have to fly up to the east; I had to park my car and wade through waist high water. My wife had to do the same. To see the fright on your children’s faces when water is coming into your home, is not nice, including the dogs panicking.

On assumption of office, as part of the 120-day plan, if you would permit me, Mr. President, I quote from a press release of August 05, 2010, Newsday, rubric:

“Jack to meet Danish flood experts
Flood victims listen to instruction on relief efforts at Williamsville yesterday, where mattresses, bottled water and...”

The then government on that date set up an interministerial team, on June 07, 2010:

“The Inter-Ministerial Committee comprised of the following:

The Honourable Jack Warner
Minister of Works and Transport—Chairman

The Honourable Chandresh Sharma
Minister of Local Government

Dr. the Honourable Roodal Moonilal...”—of bulldozer fame—Minister of Housing and the Environment

Senator The Honourable Mary King”—we know she is famous for—
“Minister of Planning, Economic and Social Restructuring and Gender Affairs

Dr. the Honourable Glenn Ramadharsingh
Minister of the People and Social Development

Senator the Honourable Therese Baptiste-Cornelis
Minister of Health
Supplementary Appropriation Bill

[SEN. DEYALSINGH]

Senator the Honourable Emmanuel George
Minister of Public Utilities

Senator Brigadier the Honourable John Sandy
Minister of National Security”

The tenor of that press release led the population to believe that within 120 days, flooding—I am not going to engage in political hyperbole, they never said it would be eradicated in 120 days, but they sold this committee, as they sold the $3,000 pension, as they sold the $20 minimum wage, they sold this to a population as a Government that had all the answers. The slightest rainfall last week, and Port of Spain was flooded out. I could empathize with those people: Ariapita Avenue, down south, central. Where is the plan that this interministerial team was supposed to come with, to help alleviate flooding? The country wants to know.

In that press release, in speaking to the Danes, it goes on to say:

“On Tuesday, Warner was offered assistance from Yang Youming, Ambassador and Extraordinary and Plenipotentiary of the People’s Republic of China, to help ‘eradicate the flooding problem’.

When asked yesterday to elaborate on the meeting, Warner confirmed the Chinese were prepared to bring in a team of flood experts at their own expense.”

Question: has that team come in yet? Can anybody on the team tell us—because Hon. Minister Therese Baptiste-Cornelis is here, Sen. The Hon. Brig. John Sandy is here, who are supposedly part of that interministerial team—have the Chinese, in fact, given their services free of charge to Trinidad and Tobago? The rainy season is upon us, and, again, they would realize that the problems we were faced with, are not as easy to eradicate as they made out to be whilst in Opposition. Where is the 120-day plan for flooding?

Another burning issue that citizens of Trinidad and Tobago—and especially members of the Congress of the People—are asking, because they are concerned about this—the Congress of the People rode this particular horse during the election campaign. The Congress of the People held a big thing in Woodford Square, they mobilized around the theme “Axe the Tax”, lands and buildings taxes. This Government has not collected lands and buildings taxes for 2010 and 2011. It may seem like small potatoes. My estimation is somewhere between $150 million to $200 million or $150, give or take—am I correct?

[Minister Dookeran nods head]
The point is, it is not the quantum so much that bothers me. It is the principle of people not having to pay their due lands and buildings taxes. But the sting in the tail, is the legislation that is going to come when we come back from recess in September, because that is going to have to be looked at. Is the Congress of the People still going to say, “Axe the Tax”? They want to know. I hope it is not done retroactively, to make people pay taxes for 2010, 2011 and 2012. I do not think they could do that, but the signals are so unclear.

On page 7 of the Senate document, there are two items that give cause for concern: Head 22, Ministry of National Security, an extra $120.746 million and Head 23, Ministry of the Attorney General, $63 million. When you read the Explanatory Notes, the $120.746 million under Head 22, Ministry of National Security, it is the amount required for the continuation of interim funding for the training and maintenance support of the contract for the supply and delivery of four AW139 medium twin turbine helicopters—and this is the kicker—until the finalization of the financing agreement with BNP Paribas, a French bank and the US Exim Bank.

8.55 p.m.

My question, Mr. President, if this document talks about the finalization of the financing agreement, and the helicopters have just reached, was there not a financing agreement in place before? Because my information is, the previous administration had put in a financing plan. What this tells me is that that financing plan was probably scuttled, and a new one has to be negotiated, and a bulk—I do not know what percentage of $120,700,046 has to go towards that. And when you link that with Head 23—Ministry of the Attorney General—$63 million and you read the Explanatory Note under recurrent expenditure, Mr. President, funds are required for the following: payment of cost and legal and expert fees, in respect of the arbitration expenses matter of BAE Systems Surface Ships International Limited, United Kingdom v Government of the Republic of Trinidad and Tobago, $13,724,250 and this is what Sen. Dr. Tewarie had alluded to earlier, arbitration cost.

This has to do with cancellation of the OPV contracts. The same helicopters which they bought, and are financing under Head 22, they were supposed to work in tandem with the OPVs. It was a three-legged stool; helicopters, offshore patrol vessels (OPVs), and inshore patrol vessels—three-legged stool, so that the helicopters would have a bird’s eye view of our coastlines, the OPVs can stay out for months at a time, they have the capability to do that, and the surface vessels to catch you if you break that cordon.
When the Government came into power—and again this brings me back to conflicting statements. If the Government wants to cancel the OPV project, fine, no problem, but my point is, when it was done we heard about three or four reasons why the contract was cancelled. The first reason we heard was that the firing mechanism was faulty. If that was true, when the ships were being built, that could have been corrected; not a problem, if that was the reason. Then we heard there was a software problem. Again, while the ships were being built that could have been corrected, there would have been a warranty period, it could have been solved, during the commissioning phase.

But then again, the hon. Prime Minister said then, “We doh have money, we are not going to spend the money”. So, what was the real reason? What was the real reason? Because when you break a contract with a large multinational company that has shareholding by its parent government, they do not forget you, whether it is the UK government, or the US government.

And, Mr. President, this brings me to an issue; when we cancelled the contract with BAE Systems—British Aerospace, the name alone will tell you it is a British company—and I am glad the hon. Minister of Energy and Energy Affairs is here. The 11 blocks that went up for bid—and I think the takers were none, close to none, the takers for the different blocks for oil and gas, the bids were not well subscribed—you are not aware of that? Three were taken and eight were not taken, is that correct? Three were taken, eight were not taken up; good. Of the 11, three were taken up—less than half—eight were not.

9.00 p.m.

The international community looks at us, we break a contract with BAE, but who are the major players in oil and gas in Trinidad? Repsol; BG (British Gas); BP (British Petroleum) maybe BHP Billiton from Australia, Broken Hill Properties; you have other companies from Europe doing business here like Ferrostaal—I am wondering, Mr. President, if there is a link between the international community shunning those eight blocks because we broke that contract with BAE? [Desk thumping] Are we seen as reliable international partners? Are we seen as people whom they can do business with? It is a question that needs to be answered.

So, Mr. President, in closing, we are going to agree to the extra $2.7 billion, the Government is in no fear of that because it is a money Bill. The Senate has no authority to stop a money Bill as it should be. The Government of the day should have the authority to raise funds, spend money.

Sen. Hinds: We would have our say and they would have theirs.
Sen. T. Deyalsingh: Exactly. It is not a matter of them having their way; you see sections 63, 64 and 65—section 63 which deals with introduction of Bills, section 64 which deals with restrictions on powers of the Senate as to money Bills; section 65, restrictions on powers of the Senate as to Bills other than money Bills. Mr. President, the Constitution has it built in as it should be, as it should be, that this Senate cannot, should not be allowed to stifle the government of the day, whichever government it is, when it comes to money Bills. They are elected, they have a responsibility and that is why these clauses are here. So there is no fear, the Constitution rightly gives them that power.

However, Mr. President, as I have said and I will continue to say, you cannot legislate on everything, you would get your $2.7 billion, but what I would like to see emanating from the mouths of Government Ministers is a consistent, coherent message that does not shame us internationally, whether it is on the contractors issue, the quantum owed, how it is going to be paid, whether skies are blue or the skies are grey, you know, we just want to see some consistency. Because as Sen. Bharath said, “This is a nice place to live, I “ent” going nowhere, ah staying here.” Trinidad is a nice place. We may quibble, we may fight over issues, but at the end of the day they would get their $2.7 billion.

Mr. President, I thank you.

Sen. Helen Drayton: Thank you, Mr. President, given the time I would try to be as brief as possible. I have heard what Sen. Dr. Tewarie had to say, I heard what Sen. Ramkhelawan had to say and a few speakers before me. I would touch briefly on that issue of private sector investment and confidence; I think that is very important, and also very briefly on Sen. Ramkhelawan’s point with respect to prescriptions on growth in the manufacturing sector.

Mr. President, it was only three years ago that statistics showed that all economic indicators were pointing in the wrong direction. Between 2008 and 2010 the GDP declined by approximately 23 per cent and the national debt increased by some 17 per cent. But even before the impact of the global financial crisis there were issues with respect to spending because I do recall how many times the Governor of the Central Bank made references with respect to spending and, particularly spending on projects that will not bring a return.

Now, what we are hearing is that the trends seem to have been arrested so that there is greater stability than existed two, three years ago. The inflation rate is down and very importantly unemployment is stable. As a matter of fact, if I recall from the Central Bank’s statistics, I think at the end of December 2010 it was
under 5 per cent. So all in all I think fair is fair, there has been good and careful fiscal management and I feel that I want to certainly commend the Minister of Finance for his efforts. [Desk thumping] This is a Minister of Finance who has taken a great deal of flogging and we have to accept that there is something called collective responsibility of Cabinet.

The Minister has many competing needs to balance, it is a very difficult situation. On the one hand we are saying spend to stimulate the economy; on the other hand we must manage the fiscal deficit; on the other hand the political platform says no taxes and then you have a philosophy, which I have to assume is part of a political philosophy of the expansion of social programmes. Of course we are not unique, that is the story you hear all over when you turn on the cable whether it is US, whether it is UK, wherever. Be that as it may, there is a challenge to ignite growth and to have a solid plan for the future, because without growth, I do not see how the Government will sustain the cost of expansion of social programmes, the attendant increase in cost with respect to recurrent expenditure.

The Government is asking for just under $2.6 billion to spend in a couple of months, so I have to assume that commitments have been made, but out of this additional sum requested, the largest amount that I have seen is for the Ministry of the People and Social Development, but we are not seeing any increases in productivity, we are not seeing any increase in the export of goods and services to earn increases in foreign exchange. I am sure that I heard the Government in its dialogue when it spoke about its achievements, that it had expanded the CEPEP and expanded the GATE programme and these are apart from increases in the elderly pension and other social programmes. So these programmes are necessary; I have no doubt we must do something to cushion the vulnerable, there is no question about that and with respect to CEPEP and unemployment, if you have a situation of unemployment rate going up then one has to make some sort of correlation with increases in crime.

We know that social programmes are necessary, so that while I do not hesitate to commend the Government for any of its solid achievements, I wonder whether the expansion of CEPEP and GATE should be looked at as an achievement, because I am inclined to believe that it should be going the other way. I think the goal should be to migrate participants in CEPEP, especially as we have local government whose work CEPEP undertakes. So we should have some plan to migrate participants from CEPEP and from the dependency on the taxpayer for a livelihood. I understand that there were certain programmes around the CEPEP where they had to attend classes to improve skills to do exactly that, to migrate
them out of a dependency on the taxpayer, and what we are doing, we are expanding these social programmes and we are not seeing how these programmes will be funded. So I have to ask the question, are we continuing to perpetuate the syndrome among some of these beneficiaries who should be standing on their own two feet?

Sen. Ramkhelawan is right, 15, 20 years from now they would be asking about pension, so then the taxpayer will be keeping them in a government house, will be giving them CDAP and they would have paid their way throughout their productive life. So the question remains, that given our vulnerability to shocks of all types, given what the Minister has said with respect to volatility in the global economic environment, what are the plans in place to sustain these programmes?

Now, to get and sustain growth we need investments on three fronts which are your foreign direct investment, and that is constrained, as we know by the overall global economic climate, many of the world markets have not emerged yet from that situation. Our major trading partner, the United States, whatever gains they have made we are hearing now that that is under threat and they could probably go back into another dip. We are not sure how the turmoil in the Middle East would pan out, and therefore we are not sure what is going to happen with the prices of oil, and then, on the other hand, our reliance is on gas for which prices have remained very low and stagnant.

So, I can only caution that there should be a future source of funding to sustain any increases in these programmes. Apart from that, we are an aging population. So when you spoke about the burden on the next generation, the Government has to ask itself whether in fact it is not adding to that burden on the productive taxpayer, because to sustain that cost, if we are not seeing an increase in GDP—we look at the whole non-energy sector which is on a decline—then it is the productive taxpaying citizen who would have to pay more in terms of tax, because that is the only place it can come from. So I caution the Government with respect to expansion of social programmes where they are not necessarily needed; the elderly, that is one thing, but where you have healthy, young adults who can be trained, who can be retooled—you cannot find masons, you cannot find carpenters, you cannot find plumbers, so why are we continuing to perpetuate this situation?

Let me accept that there are good things that are happening with respect to the Government’s efforts—its capital projects—we know that a lot is happening with respect to access roads in terms of refurbishments and also building new roads, and we know that a great deal of effort is being spent on agriculture and food security, never mind the blips we have had and the very uncivil actions we have had with respect to that sector. But putting aside all of these things, we have to admit that
the environment with respect to the private sector is a hostile environment, a very
hostile environment and in addition we have the unsettled industrial situation, our
landscape has always been replete with productivity and money wasting actions
through the number of sick-outs, work to rule, days of reflection, marches,
protestations.

Now, admittedly, Trinidad and Tobago’s landscape has always been characterized
by industrial thunder, so that is nothing new. But what is new—and I want to go back
and relate to that word that Sen. Dr. Tewarie mentioned “civility” because there is a
relationship between civility and expectation, and when expectation and hopes are
dashed, when people feel there is no hope, there is frustration, and that is vented in very
uncivil ways. So what was the expectation of a Government with a strong labour
partnership? There was an expectation and that expectation was that for the first time in
a very long time there would have been an opportunity to forge a viable tripartite
working relationship to get some sort of social compact.

Now we know trade unions will always do what they have to do, there is no doubt
about that, but Barbados has made great efforts and strides in that regard; Jamaica has
done so as well; the Dutch Caribbean has done so; many of our neighbours have done
so, in having a healthier working relationship with the labour movement.

9.15 p.m.

So I think that there is need for some sort of social compact. It should have some
central theme of quality of life for the workers—some broad goal. And if that is a broad
goal, then the underlying objectives and strategies to accomplish those goals must be
improving productivity, it must be improving output.

I want to talk about local content and the private sector, and treating the private
sector as a major driver of economic growth. I will come back to that.

If we are talking about improving productivity, the reality is that we will never get
security in jobs and better wages, if productivity is low and stagnant. Jobs will not be
secure, if the private sector feels that it is not getting a just return on an investment and
jobs will not be safe if we do not improve our efficiency. So there were expectations
with respect to achieving competitiveness, improving physical and working conditions,
implementation of merit based and quality of life compensation and education and
training of your workforce. I wonder, is the Government usurping the responsibility of
the business sector by not properly targeting its GATE funding? Is there evidence that
business budgets for training have declined since the establishment of GATE.

Now, I know there is a difference between On the Job Skills Training Programme
and getting a diploma or degree. But in times gone by, workers who were committed to
self-development, they had an investment and all of us, most of us here, made that
investment or part thereof. So that I know that efforts are being made in terms of streamlining GATE, but I hear you have expanded it. I thought one would have looked at the efficiency of the programme and retargeted it in terms of our needs, in health, in education and disciplines as such.

So the question is, does the Government have a wages and income policy of which the labour movement has had an integral input? I do not know whether there is such a policy—probably it plans to put one in place; possibly there is some sort of a draft collective agreement that is already in shape. And let me sincerely accept that it is unreasonable to expect the Government to have done everything in one year. But you also have to accept that you have created certain expectations when you get on a platform and you wave things like 10 per cent and 20 per cent—you asked for what you have gotten; right?

So the strategy calls for maturity; it calls for a willingness to share information with the labour movement; it calls for a willingness to compromise; it calls for an interest in the long-term goal; it calls for some power shifting; it calls for the sharing of the vision where wages should be five, ten years from now. Because if you are planning that way, then it means that you must have some incomes policy. So that I just go back to the concern where we are seeing a trend, a similar trend, a trend which we are familiar with, of spending on a certain type of service. We are not seeing the overall plan, and yes, we are faced with the bill that says $2.6 billion more.

Now, just to touch on that business and the hostile environment, you have to look at crime. Now, if there is money to be made anywhere, a businessman quite frankly would seek to do that. But there will be a tremendous cost. Because of the escalating cost of security systems, it sends up the cost of goods and services. There are issues of attracting talent. All these things are related to the business environment.

And the third, I am not going to dwell on it, because I have mentioned it earlier today, is corruption and perceived corruption. There is increasing feeling among the private sector, mainly members with experience and very good track record, that the playing field is not a level one. I am not saying whether it is so or not, I am saying what the perception is. And when there are those perceptions there are issues of confidence.

9.20 p.m.

So whereas you talk about situations in the past that created that lack of confidence, I think it is also true to say that when this Government was voted handsomely into power, there was that feeling of hope and confidence. When you begin to erode
that, you then cannot say that the business people, the private sector, is not being
innovative or they are not investing, they have issues with respect to confidence.

[Interruption]

I want to speak about local content. I recall, and I am subject to correction
here. I heard—I think it was a month or two ago, probably more than that—a
statement made by the Minister of Social Development, it had to do with the
Social Benefit Cash Transfer Programme which has been operating for about
seven years, and I have no doubt that that programme, like many others, needs
attention with respect to administrative efficiency; but I could not fathom why the
Minister mentioned something about a new smart card and resources from
Washington. I know I heard that, and that worried me, because if you are talking
about our private sector—which is a small private sector—we have the ability to
develop and implement smart cards. A local company has done that for a large
multinational bank.

So all I am hoping—and the Minister must clarify it—is that there would be a
proper tendering process and that if skills and expertise are needed with respect to
smart cards, there is a lot of talent in this market. I am not saying to you, just
because it is a local entity you award this, and you award that, no. I am saying, it
should be in a proper tendering process, or procurement process.

**Sen. Hinds:** Not like Mary King.

**Sen. H. Drayton:** Because if you are talking about private sector, and you are
serious about private sector investment, there has to be some sort of a policy.
Putting aside the matter of procurement, there must be some policy framework
with respect to local content. [Desk thumping] All right, it means jobs for our
people, the more we can do here is jobs for us. It also means increased taxes
revenues, it also means growth of our GDP. I will touch with respect to the energy
sector in terms of financial services and ICT, and this is something I have heard
for some time.

In sectors such as energy when it comes to services such as financing and
ICT—I am just posing the question. You know there are multinationals with local
operations here crowding out local enterprises, when it comes to those services,
because international companies have a business strategy with their local
operations, they want to get their big economies of scale. So they may have
central purchasing systems and so on. I ask this question, because what is being
done to ensure that the playing field is such that our local and capable private
sector players are benefiting from any developments in that regard.
Apart from these situations about creating a hostile environment, the productivity, the local content, crime, corruption, and of course, there is the start-up time, there are issues of port, et cetera, let me say that it is a cliché, to say that investment increases output and income. In looking at the statistics our net foreign investment to GDP for the period 2000 to 2009 was approximately 7 per cent. In 2009, it reached its lowest level of 3.9, and in the same year the economy declined by 3.5 per cent.

9.25 p.m.

The Government and private sector investment for that period was 12 per cent, and while I do not have the disaggregate exactly what was the private sector’s contribution, I understand it was very small. So the reality is that the private sector investment is driven by local demand for goods and services, plain and simple and demand in Caricom, wherever, for goods and services. If both the Government and the individual consumer feel that they can get service or product cheaper—because a lot is being purchased via the Internet now, which is affecting local retailers in clothing, small electronics, books and things like that—then the Government needs to rethink with the private sector, its strategy with respect to local content, bearing in mind we are in a globalized world.

With respect to manufacturing, I think if we are looking for investment in the mass production type manufacturing businesses that emerged in the 70s, late 60s, went through horrors in the 80s in the time of economic decline, personally, I think that era has gone. That has gone and that labour intensive business, that is gone. We are living in a totally different age.

Central Bank statistics revealed that current plant utilization as at December 2010 was only about 67 per cent, and in the assembly-type business only 56 per cent. I think somewhere along the line, the horse bolted and there has to be a rethink in terms of the era we are in. I think private sector is investing. They are investing in services. The revenues and the impact of the revenues in Government coffers are far more discrete and it is not labour intensive industries. [Interruption]

Sen. Dr. Tewarie: Higher employment.

Sen. H. Drayton: Yes, a higher level of skill is required. The skills that are required—so many of our young, bright, productive people who benefited from scholarships in this country are benefiting other economies. To get them back in this hostile environment as much as we all love to live here, is not that easy.
So reliance by the private sector on the Government to stimulate the economy is not a unique situation. That is worldwide and that is why governments all over are faced between the devil and the deep blue sea. The catch-22 situation is balancing the need to spend more, the need to stimulate the economy, on the one hand, and managing a rising deficit. So it is a very difficult task. Then a lot of decisions—and this is the part about the democracy that we have because it is adversarial, because it is competitive—a lot of decisions are political decisions. That is a reality. I am very glad that I have heard that the Government is going on a retreat later this week or next week because it is a good time to reflect once again.

Mr. President, before closing, I feel obliged to touch on just a few matters, not necessarily related to this, but linked in terms of the environment. This is the quality of our environment. I personally believe that there is a terrible fallout, for instance, in services like garbage collection. This is based on observations with all the litter we see all over the place. I make a special plea, again, with respect to our Queen’s Park Savannah. It continues to deteriorate. The Carnival stands that the Government built look absolutely awful, and I would suggest that you all plant some big ficus trees or something like that. Hide it if you do not want to move it because it looks terrible. I am saying, why not have a special savannah crew working seven days, day light hours on shift. You have CEPEP. You can enhance CEPEP skills, to part management skills. You talked about innovation, or somebody spoke about innovation has to do with how we do things and our environment is deteriorating. There are more and more cars on the roads, there are more fuels.

I spoke before about billboard litter. A couple years ago you were able to drive up Lady Young Road and see the view. Huge billboards are going up willy-nilly. Nobody seems to be paying attention. The one I would ask: who is responsible for reclamation of land from the sea, along the Western Main Road, Cocorite? My understanding with what research I did with the Environmental Management Authority, there are no approvals. We will pay dearly with flood and other natural disasters in the future and we are beginning to experience that.

Mr. President, I thank you. [Desk thumping]

Mr. President: Hon. Senators, before we proceed further, I wish to draw to your attention the provisions of section 62(1) of the Constitution. It reads:

A Minister who is a Member of the House of Representatives and a Minister who is a Senator—

(a) has the right to attend any sitting of the Senate or the House of Representatives, respectively,
And further in subsection (3) it says:

“A Minister attending any sitting of the Senate or the House of Representatives under subsection (1) may take part in any debate or other proceedings concerning matters falling within his portfolio in such House and may speak on any motion before the House concerning such matters and move amendments to any such motions, save that such a Minister shall have no vote thereon.”

Having regard to the course of this debate in which, certainly Sen. Ramkhelawan started off by introducing matters related to energy, followed I think by Sen. Henry who suggested that energy was pivotal to the economy, and then Sen. Deyalsingh, in fact recognizing the presence of the Minister of Energy and Energy Affairs, he indeed posed certain questions to her, I have given leave to the Minister of Energy and Energy Industries to participate in this debate.

**Sen. Panday:** Mr. President, before the Minister stands, I want to concur with your ruling and to indicate that this Bill before the Parliament is a money Bill and although it does not specify an allotment to energy per se, it is a Bill that deals with the whole economy and energy forms a part of the economy. I wish to concur with you.

**The Minister of Energy and Energy Industries (Hon. Carolyn Seepersad-Bachan):** Mr. President, let me first of all thank you, and hon. Senators, for the opportunity as I rise to make my contribution to the Finance (Supplementary Appropriation) Bill, 2011, which seeks to increase the 2010/2011 budget by an additional $2.7 billion to fund urgent and critical capital expenditure to September 30, 2011.

Mr. President, in this context, I will detail a series of activities in energy, implemented under the watch of the People’s Partnership, which put Trinidad and Tobago on sound footing to be able to increase budgetary allocation as this Bill seeks to do. Really, I will show hon. Senators and, through you, the citizens of our country, how the Government of the People’s Partnership took the ailing and stagnated energy sector and rehabilitated it back to a path of growth, expansion and heightened activity.

Mr. President, let me seize this opportunity to commend my colleague, the hon. Minister of Finance, for his prudent stewardship in managing the finances of our nation [*Desk thumping*] and navigating us from a tenuous position one year ago to today’s “safe place” which he referred to in his presentation in the other place.
As an energy-driven nation, a gas-based economy, it is essential that this report and the performance of the energy sector is laid before this Parliament, so that hon. Senators and our citizens are fully updated on our progress and successes. Let me first put the energy sector in context so as to fully articulate the need for the priority this Government placed on its revival and transformation. As indicated right here in this Chamber this evening, energy contributes roughly about 45 per cent of this country’s gross domestic product, and according to the Central Bank is responsible for 63 per cent of Trinidad and Tobago’s foreign exchange earnings. In other words, Mr. President, the energy sector is the engine of this economy, and this engine was in danger of shutting down prior to May 24, 2010.

Mr. President, over the last nine months, we have seen stronger than predicted oil prices. The Minister of Finance pointed out this and indicated that the oil price, on which the budget is predicated, has been revised upwards to $75 a barrel. However, natural gas price will remain at $2.75. As hon. Senators would have—I heard some make mention of it—seen over the last months, the Arab Spring as it is being called, which began and quickly spread to countries such as Egypt and raised deep concerns over disruption of the transportation of oil and natural gas through the Suez Canal. The turmoil then spread to Libya and resulted in a shutdown of a portion of the country’s 1.6 billion barrels of oil per day production capacity.

These events, coupled with increasing tension in Bahrain, have further exacerbated concerns over the supply of oil from the region and have resulted in the crude oil price surpassing the US $100 per barrel for the first time since mid-2008. Perhaps the greatest concern to oil market participants is the risk that the unrest could spread to Saudi Arabia and other large producers, which may push oil prices even higher. Saudi Arabia is second only to Russia as the world’s largest producer of oil. They hold about 20 per cent of the world’s crude oil reserves and accounts for roughly 80 per cent of global spare oil production capacity. Their ability to stave off the effects of the unrest in the region is therefore critical to the stability of global crude prices. But let us return right here to Trinidad and Tobago, where higher oil prices have not translated to the kind of revenues we should have expected as a result of being limited by lower levels of crude oil production.

Our daily oil production now hovers around 100,000 barrels per day, which is down from a mere six years ago when oil production was $145,000 barrels per day. And, Mr. President, I am not at this point going to get into talking about the
failures of the previous government, or about its disastrous handling of the energy sector. But what I want to say, for the record, is that we are at the current levels of oil production, primarily because of their lack of foresight and their inability to get exploration going in this country. That is not an accusation. It is a fact. It is a fact, the price of which we are paying for today. Still, this is the hand that the People’s Partnership was dealt, and we have worked to make the best out of a bad situation. Whether or not those opposite choose to acknowledge or understand it, success has already been recorded. That too, is a fact—not self-congratulatory talk—it is a fact.

Mr. President, one of the challenges we faced on taking office was an energy sector that there was such a zealous focus on natural gas, that oil slipped to second place, bringing about an imbalance in our energy mix. Let me just say, the last government got involved in all these grand announcements of grand projects, which were ill-conceived and unable to be bring about fruition. It was only while they were on their way out of their office that they began to look at oil again, and even then they presided over a failed bid round in the deep water—where is Sen. Deyalsingh?—in which they attracted one bid on one block and they could not finish the deal because of inertia and a lack of leadership.

In fact, Mr. President, in the other place, the Leader of the Opposition—like Sen. Dayalsingh and others—last week went to town on this Government’s deep water bid round of 2010, even quoting from very highly regarded Mr. David Renwick to substantiate his claim, that the bid round failed. For the benefit of colleagues, the Leader of the Opposition went to town and said that the Government embarked upon a self-congratulatory exercise and, in fact, 11 blocks were put out and out of the 11 blocks only three attracted bidders.

9.40 p.m.

Then he said, you know, eight did not—like Sen. Deyalsingh—they did not attract bidders, two attracted a bid each and one attracted three bids. Mr. President, sometimes I wonder, when we come to this honourable Senate and to the other place, how prepared Members are to speak on issues of national importance that also impact our global reputation and confidence because it was the same Sen. Deyalsingh who stood here and said, “You know, the world listens to us.”

Mr. President, a deep water bid round is not simple as a housing project in Tobago or in Trinidad; it is much more than that, and requires a deeper understanding of a number of variables that must be considered in the matrix in
order to measure success or failure. The 2010 deep water bid round, when considered against the backdrop of a gradual global recovery—remember, we are experiencing a gradual global recovery—a recent deep water disaster in the Gulf of Mexico; the high cost nature of deep water exploration and the precedent of how a badly thought-out fiscal regime, under the last administration, could deter investors, can be ranked as nothing short of success. But do not take my word for it, let us hear what the experts had to say, and therefore I thought I should just hold up some of these articles [Hon. Carolyn Seepersad-Bachan holds up papers] February 24, 2011, Energy experts interviewed by the Guardian:

“Deep Atlantic Bid round a success.”

Mr. President:

“It is a big improvement…”

I am just quoting from this article of February 24, 2011.

“It is a big improvement on the previous attempt to get into the deep water. We have been able to attract the larger companies in the world to bid on our blocks;…..”

[Desk thumping] I hope that makes Sen. Deyalsingh understand that. And that is not me saying that; these are the experts that were interviewed by the Guardian. Mr. President, April 14, 2011:

“Strides in the energy sector.”

So, Mr. President, I refer them; go back to those articles which would probably help them to read a little more and become more informed before they come to this honourable Chamber.

But, Mr. President, in 2006, we experienced a deep embarrassment when the previous government went out with a deep water bid round attracting one bid on one block which was called the Trinidad and Tobago Deep Atlantic 5. Out of eight blocks—listen to me—one block out of eight blocks; they got one bid for one block. Compounding this failure was the fact that the whole process became a disaster because negotiations for the production sharing contracts were never completed. In fact, so protracted was the length of time, that market conditions changed during the process. I do not doubt that grass grew under the feet of the former PNM government as well. So that when Statoil, the company that made that one bid attempted to renegotiate the bidding terms for that production sharing contract, the government remained inflexible and almost oblivious to the drastically changed conditions in the global marketplace. In retrospect, it is almost as if the then government actually set out to cause the entire bid round to fail.
But do you know what was the most incredible part of all of this? The same Opposition Leader, the one that Sen. Fitzgerald Hinds today complimented as his Leader, conveniently left out mention that the 2006 deep water bid round, he was a Member of the Energy Standing Committee of Cabinet when this process was facilitated and failed. He was there and he was one of them who presided over the disastrous 2006 deep water bid round!

[Madam Vice-President in the Chair]

So, Madam Vice-President I would like to appeal to the Opposition, through you, of course, to do a little better when they are coming to this honourable House. People depend on us to give them the whole story, and not to try to use this honourable House for cheap points scoring and incomplete information. And I say that because the Leader of the Opposition spoke about the Government being self-congratulatory. Those were his words.

9.45 p.m.

Madam Vice-President, before we put the 11 blocks out for bids in the deepwater we facilitated what is called the nomination process for the companies to nominate blocks they felt were most prospective to them. In launching the bid round in the interest of transparency and maintaining the integrity of the process, we had to place all of the nominated blocks for bid. It is not likely that we will go out with all 11 bids and never did we expect that all 11 blocks would be picked up. In fact, it would have been impossible for the Ministry of Energy and Energy Industries to manage so many blocks. Instead, in order to be transparent and fair, we put out all 11 blocks.

What eventually happened—and it is important to note this—is that the Government of Trinidad and Tobago, under the People’s Partnership, through the Ministry of Energy and Energy Affairs, announced that we will be having continuous bid rounds and, therefore, prospective investors expect that blocks will be out for bids in the coming year, and in fact we would have one coming in September of this year. The round attracted five bids on three of the blocks, in an environment of recovery following the 2008 world financial crisis and in the context of the abundance of shale gas.

Let me remind this honourable Senate that in 2006, when they had that single failed bid round, I want you to also understand it was at the peak of oil prices and the peak of a boom in this country and let me say that the reason we were able to attract the five bids is because the comprehensive adjustments of the fiscal regime governing the upstream made exploration much more attractive and competitive. I
hope this answers the question raised by Sen. Ramkhelawan, who asked the question this evening as to what has been the impact of our fiscal regime. Throughout my contribution this evening, I intend to illustrate the impact of adjustments to the fiscal regime for the energy sector.

In fact, in the words of one of the upstream operators, a very, very major upstream operator, they indicated and it was reported in the newspaper, that the Government of Trinidad and Tobago made the right moves, instituted the right incentives and delivered the right environment. Surely this view would have been against a backdrop of a completely different environment. And they do not want to call that success? I think that is success.

Let me also say that we structured this bid round to allow companies the opportunity to bid seismic only, thereby opening up access to this frontier acreage, so that we can finally achieve raw data on the potential in the deep.

Madam Vice-President, this is new territory for us. This is frontier territory. We have never been there before. If we achieve nothing else but, actual data from our frontier territory, which would present the experts with real information upon which to adjust their focus for exploration in the deep we would have achieved a great deal.

Similar to our shallow water round, where we have already signed off on four production sharing contracts without the hallmark of protracted waiting times of the previous government, the previous PNM administration, the selected bidders for the deep will be announced shortly, and production sharing contracts for the deep will be signed off in a similarly timely fashion. This is what is represented. I am not hesitant to say that is success.

Our fiscal structure is now competitive. PSCs have been awarded for the shallow water. Five bids were received for the three blocks in the deep, and for the first time in our more than 100 years in the petroleum business, we will obtain seismic data that will demystify the deep and open up even more possibilities, as we continue more exploration programmes. Yes, the People’s Partnership Government will engage in continuous exploration programmes finally restoring life to the energy services sector, which had all but collapsed under the former government.

So noticeable was this move that the Central Bank Governor attributed 1.7 per cent growth in the energy sector in 2010, as a direct result of restarted exploration programmes and projected a further 2.5 per cent for 2011, as a direct result of increased exploration and increased activity in the energy services sector. If we do
not take an aggressive approach to exploration, we cannot get the local energy services sector back on the path of success. This is what they are so hard-pressed to describe as success.

I also want to say to Sen. Mariano Browne that this is the platform of growth. He was saying that there were no platforms of growth, but the Central Bank Governor reported that there is a platform for growth and that is in the energy services sector as a direct result of the active exploration programme.

More than that, I was very interested when I read one particular statement made by the Leader of the Opposition. To me, it really brought the point home and he ventured into territory that he simply did not understand nor fully appreciate. This is what the Leader of the Opposition had to say:

“But there is another point to it: even as the bids went out, there was one local company of international repute who really was in the bidding mix.”

As I heard from Sen. Deyalsingh this evening:

“The rest of the companies were small-timers. If you saw how the Government behaved,”—meaning the People’s Partnership Government—“you would believe that we attracted Exxon, Total and others to come and drill in our waters.”

Madam Vice-President, hon. Senators, small timers? I would like—let me just inform this Senate, do you know that Total bid? He is saying you would have thought it would have been Total and Exxon. Let me inform Senators opposite Total did bid.

**Sen. Panday:** “Yuh hear dat?”

**Hon. C. Seepersad-Bachan:** Total bid. Then you stand here and tell me about how much the international community is listening to us. Look at misinformation. In fact, the bids—let me tell you where the bids came from. As I have outlined already, when we talk about the deepwater area we are talking about high-risk capital intensive exploration work, a well that would be drilled in the shallow water area, maybe US $30 million. When we talk about an exploration in the deep-water, we are talking about US $100 million per well. That means we have to attract companies that have deep pockets and have an appetite for risk. Therefore, let me tell you, there are some companies like that. When the Member said they are small-timers, I do not know if British Petroleum is a small-timer. BHP Billiton—Sen. Deyalsingh said: “Ah wonder if”—somebody here said this evening—if we attracted—Yes, BHP Billiton. They bid as well. Repsol—I cannot imagine you are calling small-timers Repsol, BP, BHP Billiton, Total and Niko? [*Interruption*]
Sen. Panday: Yes.

Hon. C. Seepersad-Bachan: Yes, that is what he said. That is what I am quoting from what he said, Madam Vice-President. But, this is how they are so misinformed and they come to this Senate, irresponsible, and therefore, this is why their own supporters cannot take them seriously; could never. [Desk thumping]

The next thing he said is: “Yuh woulda swear they attracted Exxon”. I am very surprised that he even mentioned Exxon. He should not have—that the Leader of the Opposition would even mention Exxon considering his government’s own history with Exxon. Do you recall? Let me see if I have the articles here. Yes. December 10, 2002, Exxon.

It was reported on February 03 that Exxon withdrew from exploration commitments far off the east coast of Trinidad after drilling four dry holes. Technocrats at the Ministry of Energy and Energy Industries were against this move to allow Exxon to withdraw as the production sharing contract agreement placed liability on the company itself if it chose to withdraw from the PSC terms, but the government proceeded to do so as it pleased.

And I am sure that the Leader of the Opposition who was a Member of the Cabinet and a Member of the Energy Subcommittee, Standing Committee would recall the Permanent Secretary who was fired for daring to stand up for what was right.

Let me tell you what they did. The then Prime Minister stepped above the then Minister of Energy and Energy Industries and overruled all the technocrats. Do you know what they did? Mr. Manning allowed that they do not have to pay the penalties for not drilling those extra wells. It cost this country close to TT $250 million.

The Oil & Gas Journal also spoke to the issue, and what they allowed Exxon to do was to go and do interpretation in the Soldado Fields where there was no need for that. Senator, you would remember that. Senator, you would recall that. Do you know what happened there? A Petrotrin board member was fired from the board because he said we do not need that. But the Opposition Leader would talk about Exxon.

I want to read from the Oil & Gas Journal of that time, February 03, 2003, and what was said here is that the Prime Minister’s decision to unilaterally vary the terms against the advice of experienced senior technical advisors in the
Ministry of Energy and Energy Industries would lead to uncertainty, inconsistency and ultimate chaos in the hydrocarbon industry. Do you know that is what happened over the last eight years, because of this decision? That damaged the reputation of the industry. Investors do not want to invest, because here was Exxon who outbid everybody else and they knew they had to commit to their work programme, and if they did not complete their work programme they were supposed to pay penalties, and there was the Prime Minister, under the last administration, waiving that, dismissing all the technocrats and then you want to know about confidence in the energy sector, Sen. Hinds and Sen. Deyalsingh? Confidence? You want to know why there is a lack of confidence in this sector? Madam Vice-President, give me a break! Where is it? When you talk about lack of confidence in the energy sector of Trinidad and Tobago—that is history. We are setting the path and we are making sure that there is confidence back in the energy sector of Trinidad and Tobago. [Desk thumping]

I do not know where the Leader of the Opposition got his information from, and considering that he spent his entire contribution trying to make the population believe that the Government’s information cannot be trusted, I think the Leader of the Opposition needs to spend more time reading and less time trying to pick up a few points here and there, failing at it. Therefore, if the Leader of the Opposition who does not recognize BP, BHP and Repsol as majors, who does not understand the elements that created the success of the deepwater bid round, who failed to take note of the April Monetary Policy Report of the Central Bank and who, as a member of the Energy Standing Committee of the previous government presided over a failed deep water bid round in 2006, if this Leader of the Opposition is of the view that the past year in upstream energy has not been a success, then I do not see many people tearing down the toll gates to subscribe to his views.

Let me just turn quickly to the Bill at hand, which seeks to increase the budgetary allocation. For those who attempt to manipulate the economics and try to cast a dark shadow, Sen. Deyalsingh, over the Finance Minister’s blue sky, let me describe the work that has been done, in order to ensure we could stand on solid footing in coming to Parliament with this request.

The Government of the People’s Partnership found an energy sector that had lost its competitive edge and was tilted more towards risk than reward. We fixed that problem. [Desk thumping]

Within our first year, production sharing contracts were awarded in April 2011, following a successful shallow and average water depth bid round, which the Government of the People’s Partnership closed in September 2010. Decision-
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Tuesday June 07, 2011

[HON. C. SEEPERSAD-BACHAN]

making time frames—because this was one of the problems with the last administration—were vastly improved with the production sharing contracts, signing within four months of the announcement of the preferred bidders, and that was the problem that the last administration suffered with. They would take years to evaluate before they could make an announcement.

In addition, the energy service sector will see a further increase in activity when we announce the preferred bidders in our successful deep water bid round. This—I want to say this to Sen. Ramkhelawan, again—would not have happened if we did not adjust the fiscal regime. In fact, this would be our first, as I have said, and more than that, I really want to say it, because in the deep water we are confident that we would find large reserves of oil and we have seen the success of deep water exploration on the west coast of Africa.

10.00 p.m.

It is interesting to note that Trinidad and Tobago’s deep water is not dissimilar to Angola’s on the African continent and, in fact, I made this point on Monday morning at the opening of the first conference of the Geological Society of Trinidad and Tobago. So in terms of development we seem to be following a similar technical path, and the Government regards this geological similarity as a very encouraging finding, as it lends to our thrust at building partnerships overseas in West Africa in particular, and using our expertise for mutual benefits of home and our friends in other countries.

Madam Vice-President, in the context of our nation’s largest oil producer, Petrotrin which holds the most expansive on-land acreage, they have to shoulder a large measure of the responsibility for improving crude oil production. It was on this basis that the company was mandated to increase oil production by 8,000 barrels of oil per day by the end of this year. Petrotrin thus far has assured that it can meet this mandate by 2012. So although it falls short of Government’s expectation, for us it is a good start. In moving to achieve this mandate, the Ministry of Energy and Energy Affairs approved and signed off on Petrotrin’s engagement in one of the largest 3D seismic survey on land in recent times. In fact, this was one of the first acts on taking office by me. This significant undertaking is expected to lead to new exploration—

Sen. Hinds: On a point of order, Standing Order 32(6), Madam Vice-President, for your serious consideration, especially from a stranger to this Senate.

Madam Vice-President: I think Senator, if you were here you would recall not only seeing the hon. Minister come to the Chair and further to that, at the start of her contribution, she indicated that she had asked for leave to read, that was a request made. She did.
Sen. Panday: [Desk thumping] Yes, you were not here, you were out there sleeping! You were sleeping!

Madam Vice-President: She requested and the President gave leave, that I know for sure.

Sen. Hinds: That was not told to us, we were not aware of that and I do not think the President said that, but in any case if the Minister feels comfortable reading and cannot make a contribution after one year in office, she can go ahead.

Madam Vice-President: Senator? Senator?

Sen. Panday: “Yuh rude! Yuh rude!”

Madam Vice-President: Senator, with all due respect to your concern, the matter was raised with the President before her contribution.

Sen. Panday: “Yuh rude! Yuh rude!”

Madam Vice-President:—I do not believe that it is really—unless it was asked by any other Senator—that the President has to inform the Senate, but this is what you have asked—

Sen. Panday: “PNM rudeness!

Madam Vice-President:—so I am informing you certainly that the request was made.

Sen. Panday: PNM rudeness!”

Hon. C. Seepersad-Bachan: Thank you, Madam Vice-President. Yes, I did request of the President if I can refer extensively to my notes; okay? Because of the fact that I want to be accurate this is why I have asked to refer to my notes, because at the end of the day the international community listens to these contributions, and we do not want to put out wrong data. So, therefore, dates have to be correct.

I was speaking about Petrotrin. In fact, and we have undertaken the largest 3D seismic—so let me just say, Sen. Hinds, that we have what was—as a result of that significant 3D undertaking, seismic survey which is expected to lead to new exploration drilling programmes you—[Interrupt] know if they have a problem [Interrupt].

Madam Vice-President: Allow the Minister to continue please. Sen. Cudjoe, please allow the Minister to continue?

Hon. C. Seepersad-Bachan: Thank you, Madam Vice-President. What is expected out of this new 3D seismic survey is that—Petrotrin has indicated exploration drilling from 2013 which is expected to result in new field discoveries and field developments with production commencing in 2014.

In the shorter term, Madam Vice-President, we recognize that the greatest potential for a significant increase in domestic crude oil production comes from Petrotrin/Trinmar operations. And following the Ministry’s approval and full sign off on Petrotrin’s new work programme, over 21 wells will be drilled and completed at a cost of $694 million. [Desk thumping]

In addition to the adjustments that we made to the fiscal regime, it is important to note that through collaboration we have taken an approach in the energy sector that there will be collaboration among stakeholders and, therefore, there can be full exploitation of synergies and symbiotic relationships.

So, Madam Vice-President, we were also able to facilitate a shared and collaborative approach with upstream stakeholders with the signing off of a contract for the sharing of the Gorilla II rig between Bayfield, Niko Resources, SOOGL and Centrica. This measure alone will see between 11 to 18 exploration wells being drilled within the next year. [Desk thumping]

10.05 p.m.

Madam Vice-President, through this collaboration, the sector has been made more competitive by decreasing the overall cost per well through the sharing of this rig. In addition, the drilling campaign under the Government of the People’s Partnership extends to the entire upstream. So let me quote now from the table that I have because what has happened since then—why I am repeating this is for you to see the impact from the adjustments to the fiscal regime, the kind of activity, even as we are coming out of this global recovery; as this global recovery is taking place, the activity that is taking place in our upstream sector.

In fact, Parex Resources Limited will drill two wells; one in April 2011 and the other in July 2011. Bayfield Resources Limited will drill five wells in the Galeota Block starting in May 2011. Bhp Billiton will drill one well in the Canteen North Area in Block 2C, which is scheduled for this month; and Trinmar Limited will drill two semi-exploratory wells this month and in July 2011.
Madam Vice-President, even further, I would like to report to this honourable Senate that between June 2010 and May 2011, a total of 53 wells have been started. [Desk thumping] In that same period, footage drilled amounted to 197,695 feet, and a total of 88 workovers have been completed.

Madam Vice-President, I just wanted to quote as well, because you asked again, in terms of the fiscal regime, one of the things on Monday morning that we saw with the opening of the Geological Society of Trinidad and Tobago, the first annual conference, Business of the Subsurface Conference 2011, the focus on this inaugural conference was what is called the independent oil producer. This is because they are looking at the possibility; what are the challenges to the independent producer in terms of the challenges and the potential for improving their percentage of oil recovery by various enhanced oil recovery techniques and increasing profitability?

You know, Madam Vice-President, that would not have happened if we had not, in adjusting our fiscal regime last year, enhanced oil recovery (EOR) projects, utilizing steam or carbon dioxide or water flood injection, what was granted under that fiscal regime in the adjustments is a 20 per cent tax credit on qualifying capital expenditure.

So this is what we saw at the first inaugural conference of the Geological Society of Trinidad and Tobago and that is because many opportunities have been opened and they are looking at how best they would be able to capitalize on those opportunities in Trinidad and Tobago.

Let me just say, for the benefit of those opposite, this is why the Governor of the Central Bank, through the Monetary Police Report, could re-project the 2.5 per cent growth for 2011 as a direct result. This has nothing to do with high oil or gas prices, but is a direct result of increased exploration and, as a result of the increased exploration and production activities, the increased activity among the energy service companies, that is what is going to boost the economic activity in the south land of Trinidad and Tobago.

We have also been looking at the old exploration and production licence and recently Cabinet took a decision to grant new licences to SOOGL/Primera/Petrotrin, for the East Brighton area, which is 90 square kilometres, 10 degrees north for the Point Ligoure Area, and 10 degrees north for the Brighton Marine Area.

What is important here is that it is a new form of the licence, which would have similar provisions. I think, Senator, you would appreciate that I do have to read names so that I do not get them wrong. When I am quoting these licences, I would want to ensure that I am accurate and that is why I asked permission to refer extensively to my notes.
The licence that we are talking about in terms of the renewal of the E&P licence—they had all expired in July 2010—these new licences to be utilized is a new form, which will have similar provisions as a new production sharing contract and will allow for negotiation of what we call the new work programmes, signature bonuses, technical and other bonuses, scholarships and training, abandonment provisions and a term of six years; a very important aspect of this should there be no commercial activity.

Also at that conference on Monday, I indicated that the Government will be moving—and this was a very important aspect in terms of policy initiatives—to release what some may describe as a monopoly on data. This news was very welcomed, by the incoming president of the Geological Society of Trinidad and Tobago as this is something that the society had been advocating for years. Therefore, this Government will move to declassify all our energy data. This game-changing initiative will end a long period which saw only one or two companies holding vital data, in perpetuity, thereby stripping other companies and professionals of opportunities for its use and application.

This move by the Government will mean that data used in measuring opportunities as well as investment economics will have the benefit of a diverse set of expert interpretations. This as you would expect would mean a significant increase in opportunities for leaner and more aggressive operators in workovers and new drilling programmes. This move will also release the stranglehold on information enjoyed in the past and ensure that where opportunities exist, so too will the ability to capitalize on those opportunities by more abled participants.

The production sharing contracts, which are the newer forms we have adopted over the years of licence, have explicitly stated that the State is the owner of all data generated as a result of undertaking petroleum operations; and has given contractors or licencees the right to use this data and keep it confidential, but for a limited period of time. In effect, this move will hold all the operators to the same standard of operation in Trinidad and Tobago. What was happening before, some operators were required to release this data for this to be shared after this limited period of time while others were being allowed to hold it in perpetuity. So it is about levelling the playing field.

At the same time, let me assure the public that the intellectual property rights will be fully respected and what we will be releasing in the public domain is not interpreted data; but just the raw data. In addition, Madam Vice-President, honourable Senators, earlier I had indicated that we were going into the deep water and we are aware of the inherent risk, especially when we put into context what happened in the Gulf of Mexico.
In light of that, you will recall—and I have stated it here publicly in this Chamber as well—that on the Government coming into office, Cabinet appointed what was referred to as the National Hydrocarbon and Chemical Spill Contingency Committee to develop a plan. That plan has been submitted and is currently under consideration.; but, most importantly, coming out of that plan, in order to ensure that we improve our response in the event of a disaster, we are moving to the establishment of what is called a second tier response organization that will ensure that we have the kind of expertise and that that expertise would be resident here in Trinidad and Tobago.

In fact, in order to give those assurances—we have always indicated that life and assets and our environment are all very important to us—and in fact this organization is really a cooperative effort among all the upstream operators in Trinidad and Tobago and will be financed by all the industry operators. It is a non-profit organization and the way the governance structure will be set up is that there will be a board of directors comprising members of the industry and representatives from the Ministry of Energy and Energy Affairs. It will be staffed by management and employees with the experience and qualifications to set up and maintain the organization.

In fact, what we are doing now is that we are meeting to ensure that we are able to facilitate the discussions as we move towards the establishment of this organization and that the funding arrangements are put in place to finance the operations of this particular organization. So this is to ensure that in Trinidad and Tobago, should the worst happen, a comprehensive and sustained response can be immediate.

I told you earlier that the previous administration concentrated on grand projects utilizing natural gas, without concentrating on oil and, indeed, without us finding gas at the levels to ensure sustainability of our gas-based downstream sector. Hon. Senators would know that our proven natural gas reserves have consistently fallen over the years under the previous administration, but what was so clear is that they talked a lot about downstream projects and made the National Energy Corporation spend hundreds of millions of dollars in preparing for projects they knew would not come.

In fact, as I have stated here before, one of the negatives of that is that, in terms of their continuous, like a recurring decimal, every year in their budget statement making these grand announcements, they forced the upstream producers to bring extra gas into production to facilitate these projects that were not coming to fruition and ended up with the National Gas Company carrying the take-or-pay
penalties, meaning that they cannot take the gas because there are no downstream projects for it, but they are paying for it. That is what the previous government left for us. That is the hand that was dealt the People’s Partnership Government.

Sen. Ramkhelawan, this Government is not about depending on any lucky breeze. Our approach has been to look for greater value in the gas that we have, while, at the same time, becoming far more aggressive in our search for new gas.

In breathing life into the downstream, one of our first moves was to develop an evaluation framework which the Cabinet approved very early in our term. This framework was designed to deliver greater transparency in decision making because we wanted to ensure that it was open and transparent and would allow for maximum local content. I know Sen. Drayton was talking about that—deeper consideration for safeguarding the environment through carbon reduction strategies, more emphasis on training and skills development, cooperation with academic institutions and greater emphasis on beneficial community partnerships.

We have always maintained that these projects, wherever they are located, must be in partnership with their communities. But following the development of this framework—Hon. Senators will recall the commissioning of the AUM plant last year in October.

[MR. PRESIDENT in the Chair]

What happened when that plant was being commissioned, the product—

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

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes. [Sen. T. Deyalsingh]

Question put and agreed to.

Hon. C. Seepersad-Bachan: Thank you, Mr. President. Many would recall when we commissioned that plant in October of last year, the product being produced is something called melamine. In the past, these products would be exported out of Trinidad and Tobago. We renegotiated with MHTL and we were able to assign that melamine for domestic use for the manufacturing sector.

Many have asked here this evening: what is the difference in the strategy and what are the new growth poles? We want to look at downstream and do a backward linkage. Therefore, we looked at the types of manufacturing opportunities that would become available and what has happened is that we have
decided that we would ask for the melamine and as a result of that we participated in the NEC and the MHTL hosting a symposium on melamine in November 2010 and, arising out of that event, the Ministry of Energy and Energy Affairs mandated the NEC to prepare business proposals for the melamine derivatives. We promised the manufacturing sector, as we were able to negotiate the use of melamine for downstream development, that we would deliver those business profiles.

10.20 p.m.

I am pleased to say this evening, Mr. President, that over the last six months, in consultation with the various stakeholders, the Trinidad and Tobago Chamber, the Bankers Association, the Trinidad and Tobago Manufacturers Association, that we were able to develop all the profiles containing the technical information—meaning the design of the plants, the market information, where are the markets for these products, the commercial information. Some of the products that have been decided on for example, a melamine molding compound, the melamine dinner ware, laminates, coatings, adhesives and plasticizers.

It therefore should be noted that there has already been significant interest. We have had a lot of interest and many local companies have come forward saying that they would like to participate in this particular project. You see the importance here, Mr. President—we are now referring to it because of the methodology that we have developed, we are referring to it as the melamine model. It represents that template which we will use in moving forward in the issue of how we actually go out to determine and select gas-based projects.

I want to say that one of the issues here is that by doing this—and Sen. Ramkhelawans, I hope you appreciate this—is that when we are talking about maximizing the value of every molecule of gas, when we go further downstream we are able to develop plants, which we refer to as more bite-size plants, that are less capital intensive—some of them may be $3 million to $4 million or $15 million, instead of billions of dollars. They are less complex, they are easier to manage, so therefore, it presents the opportunity for local ownership once and for all. For the first time in this country, we are linking the energy sector to the manufacturing sector of Trinidad and Tobago, Mr. President. [Desk thumping]

Therefore, the backward linkages that we are talking, the backward integration approach is what we really used when we were looking at how we would develop the framework. That evaluation framework is what we designed in a particular way to generate the results, to bias the selection where they will have that
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[HON. C. SEEPERSAD-BACHAN]

maximum value downstream. So therefore, when we went out for the request for proposal last year using this evaluation framework, the Government in issuing that RFP—the second thing that we thought about is that in order to complement the melamine we needed melamine urea formaldehyde and ammonia sulphate. Therefore, as a result of that we recognized the MUF can be used to manufacture products such as plywood furniture and other wood-based applications, and therefore, will create the opportunities again for the downstream.

So, we used the framework in order again to bias the selection towards investors who are prepared to take the final product, MUF, and allow it for domestic use. In addition to that, Mr. President, what has happened is that they get more points if they are able to allow local banking and financial institutions to participate in the financing of this project as in the case of AUM2, which has been awarded, which was selected based on our request for proposal for the ammonia and downstream derivatives.

As a result of that, Mr. President, we were able to ensure at the end of the day that not only are we speaking about some 3,500 persons during the peak construction and permanent employment of 2,500 over a 44-month period, but that we would create as well—MHTL itself would be committed to funding a programme on construction technology and related programmes to train members of the immediate community to access employment opportunities on AUM2.

[Deskthumping]

In addition, we are talking about $55 million to local educational institutions. In addition to that, what we were able to achieve out of that particular project is that the first time a cadre of young engineers, young local engineers will be assigned to the offices of the various technology licensers for the duration and design of the engineering phase. That has not happened before in this country and if we did not design the framework to generate those results that would not have happened.

So, Mr. President, this is a very important area when we talk about the transfer of engineering technology. We are now using, as much as possible, the same framework. We have gone back out, we again looked at what we wanted downstream, and one of the things is for example, acetic acid which is a fundamental building block for the many high value manufacturing industries such as pharmaceuticals and textiles.
10.25 p.m.

Somebody talked about investors’ confidence. We have put out a request for proposal for a methanol to petrochemicals. I would like those opposite, through you, Mr. President, to know that we received 14 expressions of interest from international investors [Desk thumping] for that project. In fact, this process closes on July 08, 2011. In addition to that, we have also put out a request for proposal—recognizing that we want a plastics industry, we have put out a request for proposal from methanol to olefins which would be able to generate ethylene and propylene which are primarily used in the plastics industry for the manufacturing of numerous products. So, therefore, that particular request for proposal should have closed on July 08, 2011, but based on investors they have requested an extension, and we have granted the extension to August 08, 2011.

So, Mr. President, this is where the new activity is, but I want to make one point. Like the AUM 2, which is signed off for a 44-month period, we are not into grand announcements of grand projects, we are here that when we announce a project, the project is a deliverable project, and it will happen in the time frame specified. That is the difference! And otherwise if it does not materialize in the 44-month period which is stipulated, then they will pick up the take-or-pay penalties for not using the gas that comes on stream. [Desk thumping]

Mr. President, Sen. Ramkhelawon spoke a bit about selling our gas. I think he was referring to the LNG and so on, and the prices that they are on the international market. We recognize that in Trains 4, 2 and 3 that there are some of the cargoes that are sold; diverted into the European markets and where they are able to obtain higher prices, the Government is able to share in that upside. However, there are some cargoes under the Train 1 arrangement, that are based on what we called the contract formulas linked to fuel oil and the Spanish power pool market price—and these are not linked to the European prices, so the Government sometimes may get less than the Henry Hub.

In order to ensure that we boost revenue streams for the Government of Trinidad and Tobago, we have recognized, and I have publicly announced that we respect the sanctity of contracts, but through negotiations, we will be reopening those contracts with a view to sharing in the upside thus increasing the revenue streams for the Government of Trinidad and Tobago. [Desk thumping] Mr. President, this is the difference. We are not about big projects for the sake of big projects. We are about understanding how to ensure that we extract the highest value from our natural gas.
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[Hon. C. SEEPERSAD-BACHAN]

Let me just go quickly, Mr. President, to CNG. Our country has been spending a large percentage on resources to keep liquid fuel prices low and, as a result of that, Mr. President, this year alone we might be looking at $3 billion, so this is why we have moved to CNG. Let me just make it very clear that we have always stated that we will not be increasing the price of liquid fuel. Our job is to provide a cheaper, more efficient and environmentally-friendly alternative, and that is what we are doing through the CNG programme.

In fact, we had a sod turning for the first CNG station in Chaguanas two weeks ago, Mr. President. [Desk thumping] In fact, Mr. President, Cabinet has approved the Churchill Roosevelt Highway, and Orange Grove—for both NP and Unipet there are a number of sites. They include the Churchill Roosevelt Highway, Orange Grove, Tumpuna Road, Tacarigua, El Socorro, the Uriah Butler Highway, Preysal and South Trunk Road, La Romaine, but through this CNG we will see the need for conversion centres. It is another way of developing economic activity and jobs.

I want to tell you that since we have offered those incentives, we have seen a number of requests for conversion centres, which demand particular skills and that will remain. So through the CNG thrust, there will also be a growth in business opportunities through increased demand for service centres.

Sen. Hinds: Timeline!

Hon. C. Seepersad-Bachan: Let me give you the timeline; you want the timeline. You know, we expect that we will want to see over 100,000 vehicles convert over the next five years, and this figure represents 20 per cent of our motor vehicle population, more importantly, 30 per cent of the total liquid fuel consumption in Trinidad and Tobago. So that within the next year our efforts alone should see 15,000 vehicles converted. That is what we are aiming at.

Now, based on a WTI price of $98 per barrel, we expect that the Government could save up to $231 million in subsidy payments [Desk thumping] not to mention Petrotrin will have this liquid fuel which they can now sell on the international market and their income, their revenue from that could be close to $418 million. So there it is we will be able to untap close to $649 million if we are able to convert 15,000 vehicles. In fact, if we ever think about $3 billion in subsidy or if we are able to get rid of that $3 billion in subsidy, think of it as a revenue that the Minister of Finance can use and assign to the Ministry of Health for the building of health centres, hospitals and roads and so on, and this is what our strategy is, Mr. President.
So the move to CNG is as much economic as it is social and, therefore, as stated in the budget statement last year, we gave a number of incentives which I do not need to repeat. In addition to that, the CNG task force is currently looking at additional incentives which we will hear about in the next budget statement.

In fact, we are also looking at using LNG as well—using the LNG in the water-taxi and some of the more commercial vehicles—the CNG task force is also considering the importation of what we call the factory outfitted vehicles, and they are looking at using what we call the mother-daughter station where we are able to carry LNG to some stations and convert it to CNG. So, where there is the impossibility of passing it or it is very uneconomic to pass a pipeline, we will be able to move to those remote areas. In fact, we are seeing the diesel powered Public Transport Service Corporation buses; we have been able to explore some technology and with just US $3 million, we might be able to convert diesel to CNG for those buses.

In addition to that, let me just say that Tobago will not be left out with the new neo pipeline [Desk thumping ] and, therefore, the 12-inch diameter line will run along by NGC to the Cove Industrial Estate, and this line with a maximum capacity of 120 million standard cubic feet per day, with the initial demand being about 10 million standard cubic feet per day, will allow for NGC to deliver CNG in Tobago. [Desk thumping]

Mr. President, I heard a lot here about renewable energy, but I just wanted to say for clarification, because I keep hearing it in this particular Chamber—that we have given the incentives for PV cells, wind turbines, et cetera, but this issue about solar water heaters always come up and the Barbados issue. Solar water heaters, we know, we respect the Caricom arrangements and, therefore, if there are not enough solar water heaters that we can import from Barbados, we are able to go to COTED and ask for a release, because Barbados is unable to supply the quota to Trinidad and Tobago. Let me make that very clear. However, what we have done is to try to encourage the assembly of solar water heaters here in Trinidad and Tobago and, therefore, the components that make up the solar water heaters are what we have given all the concession on so that we could encourage that industry here in Trinidad and Tobago.

In fact, there are parties interested in establishing solar water heater assembly facilities, Mr. President. But I want to say that one of the things that we are launching in the next month, and you would have heard, is our home energy self-sufficiency pilot programme which will be launched in July 2011, and the first project will be at the Islamic Home for Children in Gasparillo next month [Desk
thumping] and it will involve the installation of a combination of alternative energy resources, the photovoltaics, solar systems, PV panels and wind turbines, and it will be the first for Trinidad and Tobago.

Let me just say, you will recall that what we said is that when we install this, the data that we are able to gather from it, T&TEC will be able to use as its research data. So this project is being done in collaboration with T&TEC. What it will allow is that going forward, you will be able to—if you generate excess power out of renewable energy—to supply the national grid, in times of surplus, and take from the national grid when you are in need of power. This is what will be demonstrated with the Islamic Home in Gasparillo next month.

The point about local content, I hope Sen. Drayton, that in terms of local content we understand that what we are dealing with here is not just engineering, but it is talking about developing the skill sets in the energy sector through these investments that are transferable to the other sectors of the economy and, therefore, will stimulate the development of those sectors. That is why we focused on industries that will develop what we call the transferable skill sets. Local content, in addition to that, means that we are dealing with investments. We are allowing people to become equity owners investors in some of the energy sector projects by linking energy sector to the manufacturing sector.

I want to just state, the local content committee that we have reinitiated and the local content chamber that we have supported, it is very important for us to understand that we are not here to promote protectionism, we are here to get the local content sector to develop, and for that local content sector to be on a global competitiveness basis, because if they are not able to export those services, then we would have defeated the purpose of this objective in developing our energy services sector; whether it is IT services, financial services or HR services, they must be able to transfer these skill sets over to other sectors of the economy and, in addition, export those services. So that is the aim there when we speak to local content.

Mr. President, allow me just to say that another proud achievement of the Government of the People’s Partnership is when we successfully attained candidate country status at the Fifth Global EITI Conference in France in March 2011. This follows the establishment of the EITI committee in December 2010, and which included stakeholders such as the energy sector and civil society. Mr. President, many said we could not have achieved it; I want to tell you that we achieved candidate status in just eight weeks. [Desk thumping] In addition—
Mr. President: You will have to wind up now.

Hon. C. Seepersad-Bachan: Okay. Mr. President, we have also re-established the petroleum pricing committee which has remained dormant for years, and this committee is responsible for ensuring a fair market price.

Mr. President, we have also completed our national energy policy consultations and a Green Paper will be out for comment. Let me say, we looked at our global competitiveness and ensured that our fiscal arrangements were transformed. We fixed that problem, Mr. President. [Desk thumping] We looked at the crisis of confidence in our sector; we rallied and through a realignment of our strategic goals and a demonstrated commitment to restoring balance, stability and leadership, we fixed that problem, Mr. President. We looked at the stagnation in our upstream sector and through fiscal reforms, negotiation and support we see a regeneration of upstream activity this year, through drilling and invigoration of the energy services sector. We fixed that problem.

Sen. Hinds: Time!

Hon. C. Seepersad-Bachan: So we looked at slow growth of the downstream sector—

Sen. Hinds: Time!

Hon. C. Seepersad-Bachan:—and the fact that our downstream was operating on a matter that excluded our local entrepreneurs and manufacturers, we fixed that problem.

Mr. President, confidence has been restored; the upstream sector has been inspired into new activity. The downstream has begun an expansion and the outlook for the sector is positive with expected growth of 2.5 per cent in the next year. I thank you, Mr. President. [Desk thumping]

Sen. Fitzgerald Hinds: Mr. President, I was reminded a moment ago about an old calypsonian, now deceased, by the name “Commander”. “Commander” was a fellow who sang, and it was real hell to get him off the stage. The MC had a task! I heard, Mr. President, you called on the stranger to this Senate, the hon. Minister of Energy and Energy Affairs, to wind up, but she must have misconstrued what you said, she thought it was to wind up; she gave us more wind. I am happy that it is over. I am happy; hyper energy.

Mr. President, a barrage of words, among them, I managed to glean that she said that she received—and she quoted from some report that predicted that the gas industry was coming to chaos in Trinidad and Tobago, and that report was in, I think, 2003, if I recall. Among the jumble of words, I was able to glean that. But it
is a fact, Mr. President, so much so that in the last budget debate, I think, one of the Members on the other side, a Government Minister, described oil and gas as a “curse”. I do not think it was the Minister of Finance, or was it? [Interruption] It was? Oh you see, he manages a modicum—well, more than a modicum of dignity. He is a good man, but COP as he is, he told us yes. He admitted that it was he who had said that, notwithstanding his relationship, risky relationship with the UNC.

10.40 p.m.

Mr. President, he described oil and gas as hell for Trinidad and Tobago and he had to be taken to task. So while the Minister told us about this report that was predicting chaos, the facts would show that over the last eight years, Trinidad and Tobago enjoyed and experienced tremendous revenues from the very gas, and to a lesser extent oil, of which the Minister spoke. That is a fact, is it not? So much so, that the Minister of Finance was able to point out though for not the best reasons, and Sen. Mariano Browne had to sort that out today, so much so that the Minister of Finance told us in the other place that the total government cash balances—I say balances, he may say balances, but I say balances. Let me start again. The total government balances declined steadily from $17.7 billion at the end of fiscal 2008 to $9.7 billion at the end of fiscal year 2009, and to a further $5.43 billion as at June 2010.

He was able to tell us that for mischievous reasons. He tried to give the impression that the last administration squandered those cash balances that were held on account to the benefit of the people of Trinidad and Tobago. Sen. Mariano Browne, earlier today, and Sen. Deyalsingh, quite properly pointed out to the Minister of Finance, who ought to know better, and in fact who does know better, that what he saw there were drawdowns, if you like, the utilization of our savings in order to take us through the rough ride of the international global meltdown when commodity prices fell, when oil went to below $50 a barrel.

So now we understand what the Minister of Energy and Energy Affairs had to say and the prediction of chaos in gas simply is not sustainable on the facts, and that is why I, without apology, described it as wind, and I am glad that eventually she wound down with the difficulty that the MCs had with the old calypsonian “Commander”.

Mr. President, the Minister as well, stranger as she is to this place, and I had difficulty recognizing her, in your absence it transpired that I raised a standing order in respect of her reading of a speech. And I was told in your absence that she sought your permission to read, but you did not tell us because when you stood you told
her she was given permission to present in this Senate, never mentioning the word reading once, so we were oblivious of that. But in any case we were astounded—one year in government, so much wind and she comes here to read a speech.

Mr. President, she told us in a very windy contribution, that theirs is not a Government to make announcements, wild announcements, when they talk about it, it must be a deliverable project. That is what the Minister said, she did not hear her Minister of Works and Transport tell us about the tunnel to buy bread and shark in Maracas, and then the Minister of Finance had to tell us, that is a long way down the road. I know it has something to do with the internal combustion between the UNC and the COP, but that is another matter. I am not going to get involved in their internal politics. All I know is that the COP has put its so-called reputation of integrity at risk by its association with the UNC, and it will pay a price—it would pay a price. He will cry again but that is all night.

She said that they will only mention them when they are deliverable projects. She did not hear her Prime Minister tell us about an airport in Couva; again, the Minister of Finance had to soberly tell us that that is just an idea, and I did not emphasize any other word but airport.

10.45 p.m.

Mr. President, I did not emphasize any other word, but “airport”. She told us, deliverable projects—[Interrupt]

Hon. Seepersad-Bachan: Can I ask you a question?

Sen. F. Hinds: You have had your wind, and more than your usual wind, especially since you are a stranger. You have had your fill.

Hon. Seepersad-Bachan: But you agree that you made some wild statements? [Crosstalk]

Sen. F. Hinds: Mr. President, as I was saying, it pains me to be like that, but it was absolutely necessary. It is against the grain of my character. [Crosstalk]

Sen. Karim: It is a lady. I am so disappointed.

Sen. F. Hinds: In those circumstances, I will give way.

Sen. Baptiste-Cornelis: Really?

Hon. Seepersad-Bachan: You do agree, Senator, that as a former administration you made some announcements that never materialized and which have ended with the NGC with the take-or-pay penalties?
Sen. F. Hinds: There we go. You see why I stood my ground, Mr. President. I should have followed my mind, as the old people used to say, but Sen. Karim urged me. He mentioned the lady thing, and I was guided by that. Anyway, I will accept my lot.

She did not hear her Prime Minister go to Queen’s Hall and in the heat and excitement of the moment, in true Trini style, tell us that, “All ex-prisoners will get $5,000 on their release from prison.” I understand there was alarum. There was excitement in the prison that night. Every prisoner and his brother were quite happy. “Fellas who eh go to jail yet started to get excited; fellas who planning crime.” [Desk thumping] [Laughter]

Sen. Baptiste-Cornelis: Your clients!

Sen. F. Hinds: They followed your Prime Minister, your excitable Trini Prime Minister. [Laughter] They came under her influence. We do not know who influenced her, but they came under her influence. “Fellas was looking forward to making a jail.”

But you know something, Mr. President, in furtherance of that wildness, I asked the Minister of National Security, in this honourable Chamber, in the absence of that stranger, about that project, and he stood here and told us that not even the committee that would be responsible for looking at it had, at that time—that was about three weeks to a month ago—been put in place. What is that stranger coming here to tell us about deliverable projects? [Interruption]

Mr. President: Senator, I have overlooked the fact that you referred to some stranger in this House. I need to refer you to the fact that section 62 says that a Member who is a Minister, has a right to attend. She is not here in any stranger capacity. She has a right to be here. So please desist from referring to any stranger in this House, other than perhaps some other part of it.

Sen. Baptiste-Cornelis: Withdraw it!

Sen. F. Hinds: Are you challenging the Chair? [Laughter]

Sen. Baptiste-Cornelis: I am challenging you, who will never be in the Chair. Rapunzel, continue. [Laughter]

Sen. F. Hinds: Mr. President, I wish to continue.

When I gave way to the hon. Minister of Energy and Energy Affairs a moment ago reluctantly, I gave way on the urgings of Sen. Karim. She got up and repeated the concept of take-or-pay and reminded us that we entered into an arrangement, through the NGC, in anticipation of the downstream industry in plastics, and we
wound up with a take-or-pay arrangement. The first time I heard the concept of take-or-pay in this country, was as it related to InnCogen, back in the 1990s, a pet project of the UNC, when they constructed an energy plant in Couva, to power some elements of that industry, that never came on stream; when the then Minister of Public utilities, Ganga Singh, delinked the InnCogen power plant from a glass manufacturing plant that we were supposed to have had. I just recalled that, a glass manufacturing plant. To this day, we have not seen any glass manufacturing in this country, and we still have InnCogen and a major take-or-pay contract.

And as if that was not good enough, we were developing by way of a diversification effort for Trinidad and Tobago, which the likes of Sen. Abdullah and others joined themselves together to criticize and condemn, on environmental grounds in the first part. When it became clear that the environmental arguments against Alutrint and the smelter in this country failed, it was pointed out to them that it was a UNC project and that they had signed on to it at the Trinidad Hilton, and their leader at that time, Basdeo Panday, told this country it was the best thing for Trinidad and Tobago, they resiled from it, and a whole bunch of complainers and critics came together and formed the UNC-led coalition, in which unfortunately the COP has become caught up. They abandoned the Alutrint smelter project, and we are left with TGU in Point Fortin, again another take-or-pay contract. I was trying to find the figure a while ago, millions of dollars a year—unused energy.

So when the Minister of Energy and Energy Industries comes here to tell us about take or pay, she knows what she is talking about, but she thinks that we are forgetful of their ugly past. We never will be.

**Hon. Seepersad-Bachan:** That is not true.

**Sen. F. Hinds:** When we were on the other side, as we have been for more than 40 years in beautiful Trinidad and Tobago, and proudly so—admitting that we like all governments make mistakes, over 45 years, we made some mistakes. In one year they made more than a dozen, one a month. We are finding it difficult to cope with responding to the PP, or the UNC-led coalition, on the basis of their iniquities, their tragedies. We have difficulty coping; it is one after the next.

You heard me speak today about a development in the EMBD, running into the tune of $150 million. The Minister of Food Production, Land and Marine Affairs got up today and admitted that WASA was involved in EMBD. He admitted that they contracted for $100 million, and the T&TEC piece is yet to come. He told us
that WASA conducted an assessment of the work and itself found a number of faults, recommended that it get a contract for $100 million. They have paid $25 million so far. When I got up and asked him what the process was through which WASA got it, a matter to which we will return, he said that he would do a forensic investigation. That will not help me with a recent process, but we will come to that.

When you take a workman to work for you, a mason or a plumber to work on your house, the first thing the Trini operator does is to spend the first hour criticizing everything “he meet”. And by the way, Uff in his report talks about value for money, licensing trades people, so that we would call them to account, as they do in the United States, Canada and, indeed, other countries. That is to set you up, to put you, as we used to say in my boyhood days, on a “bombay”. If you used to pitch, you know what a “bombay” is; “he set you up” and then “Kaks” you. [Laughter] He hits you a “Kaks”; that is the first thing he does.

So the Minister of Food Production, Land and Marine Affairs responsible for EMBD, got WASA to come in to look at the problems, and WASA recommended problems to solve, but that is a matter to which we will return.

When they campaigned against the PNM, they said that we were profligate. We heard one Minister here today saying that we squandered $300 billion. I cannot remember who it was, I do not even want to remember who, it was embarrassing to hear it coming from the mouth of a Government Minister. He thought he was criticizing the PNM, when, in fact, he was rendering himself an embarrassment to the national community, to sensible and right-thinking people.

We had to point out to them in this debate, because they lent the impression that we were profligate and we squandered the whole budget. Mr. President, no President sitting in your place got any salary; that was squandered. No police officers in this country got paid, that was squandered. No police officers in this country got paid, that was squandered; teachers; courthouse to send some of them to jail. The Judiciary was not given allocations, everything was squandered, so nothing happened. Trinidad was standing still. When I heard that coming out of the mouth of a minister of Government, I felt humiliated.

But at any rate, they gave the country and the people who would listen to them, the mistaken impression that since we were profligate and we squandered $300 million—Do you know how they arrived at that figure? They added all the budgets for the eight years or so we spent in government. And then by implication they told the national community, “We would spend less and save more.” That was the implication. They landed us with a $49 billion budget, at that time the largest this country ever saw, and today we are here to debate their proposal to us to increase it, crossing $2.7 billion, a total of almost $53 billion, the largest ever.
Not even inside of that, we could take their word for it. Because at this point, midterm so to speak, they should have spent about $3 billion. They have only spent, according to the Minister of Finance, $700 million, and hoping before now and the end of this fiscal year, to big spend the balance in order for the deficit to make sense.

Mr. President, this country, as Independent Sen. Drayton pointed out rather accurately, earlier today, must be very pained and disappointed at what they found themselves landed with for a Government. I am not saying there are not bright persons among them, certainly there are; not many, but there are. But I could tell you one thing, together they are an abject failure and disappointment to the people of Trinidad and Tobago. [Desk thumping] Apparently the negatives cancel out the positives. [Laughter] The Minister of Health is looking at me. I regard you as positive. [Crosstalk] [Laughter].

Hon. Senator: A negative/positive. [Laughter]

11.00 p.m.

The Minister of Finance, in the other place told us and I quote:

“Today, we are asking this Parliament for the provision of supplementary funds to the sum of $2,735,743,695, effectively $2.7 billion, to fund urgent and critical … and capital expenditure to September 30, 2011.”

Mr. President, I do not know, I am not an economist, but when I look at what this additional money is to be used for, I do not see too much capital expense or expenditure in this. I see the largest chunk going to social development to continue an improvement if you like, in the grants, pensions, disability and those non-productive, though very important elements of expenditure, very important, because a country has a right to look after its citizens—the weaker in particular among us. In fact, some would go as far as to say, that you measure the well-being of a society by the way you treat with those who are less fortunate among us.

I thought the Minister, rather than run around the place like Santa Claus and marrying people here and there—Minister of Social Development, he has developed a reputation you know, busy everywhere you see him, taking pictures, marrying people, handing out hampers, the “fella” behaving as though election is
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[SEN. HINDS]

next week boy, busy. Yes, and of course, if I know that when the couple get married they want a house, and if the “fella” is not employed he wants a job, and the wife too. I understand how the thing works. But Minister Glenn Ramadharsingh, I would have thought that he would have been telling his Cabinet and this country that for many years we have a serious problem with alcoholism largely—well, across the country, but I think largely south/central, and I suspect it has to do with the history and the presence of the cane fields and the alcohol production in those areas—apart from of course, Fernandes on the main road—and in terms of a social programme, I thought he would have been telling us that Trinidad and Tobago needs a major 24-hour a day alcohol rehabilitation centre.

There are young people in central—and I know this as a fact, Flanagin Town; a friend of mine called me from Miami to bring it to my attention and I went and made a personal enquiry—consuming on a regular basis a mixture of bay rum and Puncheon rum, that is no joke you know, selling it half and half—they call it blood and fire, or some name they have for it. Many of the incidents of domestic violence you see have to do with the consumption of alcohol and other mind-changing substances. We have a serious problem with coke addiction, pipers in Port of Spain and in the Corridor, that is a fact. The choice of drug seems to be cocaine, and if I walk across the town now, Duke Street, Charlotte Street, Independence Square, George Street—I see Sen. Moheni is agreeing with me, his eyes are closed, total agreement, in fact he is in awe, you see he has not even moved. [Laughter]


Hon. Senator: That is very unkind.

Sen. F. Hinds: The man is in awe, the man stood still, still, still. [Crosstalk] All along Duke Street where he has his headquarters, NJAC has their headquarters, pipers evermore. When I see men my age and older, men with children abandoning their families, women to a lesser extent, right. I am hearing a muttering coming from Sen. Abdulah. He used to be a loud voice in this country for social ills, since his mouth is filled, he “cyar” talk again. I do not want to hear you, Sen. Abdulah, I do not want to hear you, because you have pole-vaulted on your principles. According to Shakespeare, your lack of principles o’erleaps itself and falls over on the other.
11.05 p.m.

**Sen. Abdulah:** You never had any, so you would not know.

**Sen. Drayton:** Shakespeare did not say that.

**Sen. F. Hinds:** Shakespeare did not say that? Who said that? [*Laughter*] [*Crosstalk*]

Well, Mr. President, I paraphrased Shakespeare. After all, at my age you know, [*Interruption*] after all, at my age Shakespeare would have been in my early teens. [*Interruption*] Mr. President, coke and the crimes that it generates: car break-ins, house break-ins, jewellery snatching, purse snatching, rapes, all these ills. I thought Minister Dr. Glen Ramadharsingh would have been taking some of the money he had—rather than giving out hampers and playing Santa Claus and, as I said, marrying people, I thought he would have been telling this Cabinet and telling this country we need a major cocaine or drug rehabilitation centre somewhere along the East-West Corridor, “but it ent that.” It is games they playing, having fun, forget that, that is all right. That is quite all right.

**Hon. Senator:** Misquoting Shakespeare.

**Sen. F. Hinds:** “Doh tell meh about Shakespeare, you know”, because I would quote from Macbeth for you here, you know.

**Sen. Baptiste-Cornelis:** “You cyar even get Shakespeare, you getting Macbeth.”

**Hon. Senator:** “Let’s hear it, let’s hear it.” Let us hear Macbeth.

**Sen. F. Hinds:** That is for another time. That is for another time.

**Hon. Senator:** “Oh gosh!”

**Sen. F. Hinds:** Mr. President, the economy is stagnated. We have had no real identifiable, new foreign direct investment. We have had no major gas finds, notwithstanding all the winds that we got here today. [*Interruption*]

All we hear are large and grandiose offerings. The Minister of Finance told us some time ago that, notwithstanding what was happening internationally, notwithstanding the fact that we are living in a stagnated economy, notwithstanding that we have not attracted foreign direct investment in any discernible way or meaningful way, we would get a 4 per cent growth this year. Recently, he had to resile from that, he had to recant from that and he is now
telling us we would get 2 per cent growth. He was bold enough, Mr. President, to tell us a few days ago, “There are blue skies.” He told us there are blue skies. Mr. President, while he was saying there were blue skies, and he said so at the function to rebrand the Royal Bank of Trinidad and Tobago, RBTT to the Royal Bank of Canada or RBC; this was a few days ago and this is reported in Newsday’s section A, Tuesday, June 07, 2011 at page 15. He told us there are blue skies, and I quote:

“The banking sector needs to give greater support to local business by providing more accessible funding according to the Minister of Finance Winston Dookeran.”

And he went on some place to tell us a lot about blue skies, and on the very page under the rubric RBC CEO, a gentleman by the name of Suresh Sookoo—let me quote:

“There are no blue skies over the economy as yet. This was the view expressed yesterday by Chief Executive Officer, Caribbean Banking, RBC Royal, Suresh Sookoo following a ceremony to mark the rebranding of RBTT to RBC at the financial group’s regional head office in St. Clair. Finance Minister Winston Dookeran who has said he has seen blue skies over the economy delivered the feature address at the ceremony. Asked afterwards by reporters whether he shared Dookeran’s view of the economy, Sookoo replied, I would say not yet, everybody is waiting including the business community to see that uptick.”

So, the only blue he is seeing is in the logo of RBC [Interruption] and it has a “lil” yellow in, unfortunately. It reminds me of un-pathetic you, the UNC. The only blue he is seeing is in the logo and in the Royal Banks, if you observe they use two shades of blue, a sky blue and a darker blue as they—what they call it? Not the impact. What they call it? [Interruption] Yes, the impact wall, the accent walls, the colour.

So, Mr. President, Sen. Deyalsingh told us today—and it drew a little discussion between myself and Sen. Ramkhelawan—that the little man, the ordinary man, not the entrepreneur, the working class man, the small man, as he said, he is not feeling or seeing any blue skies, and now I have pointed out to you that the banking sector—and the big man, he is not seeing it either. Who are we to believe? You think I could believe the Minister of Finance who told us we would get a 4 per cent growth this year and now telling us something else? You think I could believe the Minister of Finance, Mr. President, who told us that we had owed contractors $7 billion and recently admitted that it is far less than that? I cannot believe the Minister of Finance. So if I have to choose between what he had to say and what Sen. Deyalsingh had to say and between what he had to say and what Mr. Suresh Sookoo had to say, I will believe the latter and not the Minister of Finance. “Can't trust them.” Just cannot; and do not take it personally.
You might be nice people in your personal capacities and in your professional dispensation, but as a group—[Sen. Hinds sighs]—you are a burden to the people of Trinidad and Tobago, [Interuption] notwithstanding the fact that you are an abject disappointment. [Interuption] Mr. President, I crave your protection, you know, they are starting to shout me down. I feel very uncomfortable. [Interuption]

Mr. President: I am sure you would; proceed.

Sen. F. Hinds: I should do just that, notwithstanding the difficulty that I am now encountering at the hands of the Minister of Health, but I shall proceed. [Interuption]

Mr. President, I stood in this place sometime ago and paid respectful tribute to my fallen brother, Senior, Mr. Kenneth Cyril Valley. I remembered him—I remember him very often. Actually, only last evening as I was thinking about making my contribution to this debate, I thought of calling Mr. Valley to get a concept sorted out for me. He was an economist, I am not.

Sen. Abdulah: It shows. [Laughter]

Sen. F. Hinds: Mr. President, I thought of him and then I missed my brother. He used to say, “Equity does not necessarily mean equality.” [Interuption] He used to say that. You see, the Minister of Finance told us in his budget presentation about growth poles and the Minister of Energy and Energy Affairs had the temerity, the gumption, to use a more colloquial engagement, the gall, to come here and to mention the concept of growth pole and immediately I remembered Sen. Abdulah, because it was during the budget presentation they told us that Laventille, where I was born, where I grew, a proud child of Laventille, and had the honour to represent for 13, almost 13 years in the Parliament of Trinidad and Tobago, they told us that they make—Laventille was to be a growth pole.

I want to ask Sen. Abdulah or the Minister of Finance to get up now and tell me one single initiative that they have put in place to advance Laventille and its residents as any growth pole? One! [Sen. F. Hinds sits] Not a man move!

Sen. Nan Gosine-Ramgoolam: I would like to—Mr. President, I recall the Municipal Corporations Act, No. 21 of 1990, which I had the good fortune to be responsible for piloting through the House, through the Minister then, Laventille was identified as a municipal corporation on its own as a growth pole, because those 18 municipal corporations were designed based on growth poles and the
evolving townships in this country where persons came together and engaged in economic activity. However, it was the PNM that came in after that and actually placed Laventille with San Juan, okay, and therefore the growth pole was there, Sen. Hinds needs to address it now. Thank you very much. [Desk thumping]

**Sen. F. Hinds:** I am sorry to say, Mr. President, that that was a very poor offering on a very serious matter. [Desk thumping]

**Hon. Senator:** “Oooh.”

**Sen. F. Hinds:** Mr. President, the only thing that is growing in Laventille is unemployment; the only thing that is growing in Laventille is hardship. [Interrupt]

Mr. President, Laventille as you know—Sen. Abdullah, in an effort to elucidate and to put flesh on the dry bones as espoused by the Minister of Finance in the budget presentation, told us that he, Sen. Abdullah, imagined that Laventille would be like Little Havana. I have never been to Cuba, but I have seen some footage of a visit by my friend, and he was imagining in this modern time the people of Laventille dressing in straw hats and three quarter pants frilled at the ends and dancing limbo and bongo and all of that on St. Joseph Road and up by Despers Crescent. That is what he had in mind for them. The old women making cassava bread, the people going and get coal pot and that old image—the people do not want that, they want access to universities, which we provided under the GATE, with the GATE programme. [Interrupt] They want employment; they want you to fulfil the false promises that you made to attract their votes, when you misleadingly told them that the PNM did nothing for them for 40 years.

**Hon. Senator:** That is true. That is true.

**Sen. F. Hinds:** Yes. “That’s true. That’s true.” That is a myth. [Interrupt] You know how many people from Laventille—Laventille has always been a transient community, people coming since the 40s, the 50s, the 60s and as they prosper they move out. So you know how many “Laventillians” are living in all the major housing developments from Diamond Vale to San Fernando in this country? [Interrupt] Right, so let us stay on course. Let us stay on course. [Cross talk]

**Mr. President:** Senators, please let Sen. Hinds finish. Continue.

**Sen. F. Hinds:** Yes. I was a boy in Laventille and I saw the conditions under which we lived, today it is a far cry from what it was. A far cry! I can carry you to homes from Coconut Drive to Malick, Seventh Avenue to Pashley Street where
you would meet senior public servants, principals of schools, officers in the regiment and the coast guard, police officers, teachers, and I could take you to the homes of young people who have qualified as doctors, dentists, architects, engineers, lawyers, in that Laventille and more, and more. [Interruption]

But you all fooled the gullible among them to get their vote and you gave some “ah” food. So I saw NJAC take off their dashiki and put on a COP jersey much to my shock and what was a power fist seems now to be a symbol of—I “doh” want to describe it. [Interruption] What a shame! Nobody to speak for Laventille again, but I “doh” represent, but I stand here today to speak in their defence, growth pole what! Growth pole what!

**Sen. Baptiste-Cornelis:** Why you stopped representing them?

**Sen. Nan Gosine-Ramgoolam:** You all mashed up the growth pole.

**11.20 p.m.**

Mr. President, unemployment in a materialistic world is not merely about not having money, it really emasculates you. When a man is unemployed—I was listening to a programme yesterday—he feels less than a man in a materialistic world, when he loses his job. And they have fired about 4,000 contract officers across the public service since they came to office. Fired them! We used to have about 120 CEPEP contractors; they increased the lot to about 200,000 within a space of about 4 months—[Interruption]

**Sen. Karim:** Two hundred thousand?

**Sen. F. Hinds:** Two hundred, over 4 months, without one increase in the budgetary allocation for CEPEP. And since then they have been firing the CEPEP contractors whom they believe—because they met them there—were PNM supporters, political discrimination in the extreme, hurting people. I was relieved today when the Minister of Science and Technology told me that the newspaper reports I had been reading over the last few days about the shutting down of the Girls Youth Camp in El Dorado, is not the case. And I was relieved; because they have a history, I could see in metaphor their slimy hands—because they destroyed the youth camp platform when they were in government in the 1990s. They did that!

So, Mr. President, I do not know anything about any growth pole. It is mamaguy; they are mamaguining the people of Laventille. People are suffering at your hands. Suffering!
So, Mr. President, the police are now reporting that there has been a reduction in murders to date. A very happy thing. There have been about 30 to 40 murders in Trinidad and Tobago, as at today’s date than there were for the comparative period last year. I have asked several senior officers in earnest, what in their opinion is the reason for this reduction. And I have had a multiplicity of explanations. Some include: that the methods, the techniques, that they used to deal with crime have improved over the last few years; the training that they have had; the technologies that they have applied. You see those cameras around Port of Spain, very effective technology to the point where obviously they thinking of expanding that—very effective. I do not want to say too much, but I know how the thing works. The members of the Homicide Bureau, they have had special training. All of the middle managers in the police service, corporals, sergeants, they have had supervision training, police supervision. They were put through courses, and a whole host of other things.

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

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes.

[Sen. T. Deyalsingh]

Question put and agreed to.

Sen. F. Hinds: I am most grateful to my colleagues in this place. Thank you. So that was one of the reasons that was proffered. The other reason, Mr. President, was that they have begun, and there is a trial programme going on in the Western Division, because most of the murders came out of the Western Division, the Northern Division, and the Port of Spain Divisions of the Trinidad and Tobago Police Service. They have begun a kind of pilot project down in the west, where they are interfacing more, more patrols, more presence and they are talking to those who they know to be involved, salving the thing and really taking a more “softly, softly” approach, in addition to the steel taloned approach that must as well be taken.

11.25 p.m.

So those who will respond to either of the methods, respond, and they feel that that kind of approach is of some value in this respect. But I am given to believe that a part of this—and this may be a little provocative, this may be a little controversial—a part of the reason for the reduction has to do with the fact that some of those who just sat around waiting for access, for example, to URP, they are not having that to fight over, my colleagues in the Senate, and as a result things have cooled down a bit—a bit, for a while. I have noticed that some of the fighting has started to take place over CEPEP now.
In fact, recently, two CEPEP contractors whom you put in place died in Arima at the hands of gunmen. So we are being told that the fighting “now start” over URP, because the fact is, there are core elements of this society, who are not yet inspired enough to want to go out there, and get training, and get employment, or start small businesses, and really be men and women, and earn their keep like lions; like me, but rather sit in dependency on the State, and they fight over what they think they are entitled to.

I believe that that is a contributory factor to the reduction that we are seeing, because you have removed the URP from them, and to the extent that it still exists—I went through my own former constituency recently, and I asked some of the key people in the community, seriously not a URP project to be seen, but there are many gangs being paid. The thing has gone completely “ghost.” That is true.

So, Mr. President, on this point and as we allocate more money, I am saying that there are SRPs, the special Reserve Police Officers, they carry around weapons, they do guard duty, they drive police vehicles, they do patrols, they approach houses late in the night to carry out raids and what have you, they encounter people on the streets for stops and searches daily, they are not yet the beneficiaries of that thousand dollars that the Prime Minister just doled out sometime ago. And equity does not necessarily mean equality—equality does not—or vice versa, but if it is good for some it ought to be good for all and today I call on the Minister of National Security to take prompt and immediate action to ensure that the Special Reserve Police officers are equally treated, because they do the same work and are subject to the same risks. [Desk thumping] And for the police service generally, since you have $40-million contracts to dole out under very dubious terms, just so, and as today I pointed out another $150 million—the Minister admitted $100 million—I think you should work seriously to increasing even that allowance. But you see, the $1000 allowance that the police now get does not compute in relation to their pension and gratuity—it is just a grant. So it does not affect the benefits that they would gain in the long run in terms of gratuity, in terms of pension. I think we need to formalize those, and in terms of compensation to their families in the execution of their duty.

I speak as a former police officer. I worked for $476 a month in 1976, and by the time I left the police service, I was earning $1200 a month. And they are accustomed to working real hard, but I think they can do with more favourable conditions and terms of service. And it is just a matter that I wanted to raise, especially since, because of your blind and unthinking decision to remove the blanket of protection that we had been putting in place by way of the OPVs, they
are now more exposed to the risks of being shot. And insofar as the murder figure is less this year, than it was last year at this time, I want to say to Mr. Dwayne Gibbs, the Commissioner of Police and my friend the Hon. Sen. Brig. John Sandy the Minister of National Security, do not get too excited about the fact that there is a reduction in the murder figure, do not. The thing is a moving target.

11.30 p.m.

In addition to that, one of the calls I made when we were dealing with this issue of peace treaty in Laventille, I said there can be no peace as long as the weapons of war are in the communities. So as long as all those illegal guns—AK 47, Galil rifles, shotguns, handguns—are available to the youngsters across Trinidad and Tobago, a 30 or 40 per cent reduction in the murder rate does not excite me. I would like to see the Government get busy, motivating and empowering the police to get involved in a sustained gun retrieval programme, sanitize the environment from illegal guns, and then we could know that the murder figure is more sustainable. Because tomorrow evening, a misguided young man with a AK 47 could go down on the Brian Lara Promenade, kill 40 people and change the equation in a flash. So do not get on your laurels and feel everything is all right. As I conclude on that score, remember the thing is a moving target.

As I wind—not wind to my conclusion, Mr. President—to my conclusion, I express, yet again, disappointment at the Minister of the People and Social Development, who has a certain mentality—discernible mentality. He thinks that handouts, gifts, playing Santa Claus, playing nice guy and taking pictures is the way to go. That is not sustainable. And the chunk of the grants that we will approve here today goes towards his Ministry so that he can continue his charade—takes us nowhere. If he wants to see what good policy is, he could take a look at GATE. You should get him over to your Ministry, sit him down and tell him what the PNM has done for this country: how we democratized education; how we opened up the GATE to thousands of people; and how parents like me could see my children being educated at the behest of the people of Trinidad and Tobago. So I have no problem paying my tax dollar. [Desk thumping]

Sen. Karim: Now it is going to vocational.

Sen. F. Hinds: Now I am being told by the Minister, that he is taking the thing a stage further to put GATE in place for vocational training. [Desk thumping] I want to compliment him. But you see, if you did not meet the house, there would have been no window to repair. [Desk thumping]
Sen. Nan Gosine-Ramgoolam: Dollar for dollar went one stage higher and we moved—[Interruption]

Sen. F. Hinds: Mr. President, I conclude. I had been looking closely at an article by one, Indera Sagewan-Alli, a young, bright, energetic economist and consultant, whom I am told by virtue of her strength—you know we admire strength, courage and principle, although we know that there is a redundancy of courage and a redundancy of principle in this country. “This is now ah eat ah food society. So once people eat dey biscuit, dey shut dey mouth.” But Indera Sagewan-Alli quite frankly and boldly has been speaking to her friends in the Government, and the headline is: “Keeping PP in check”. The only thing that troubles me about this is “PP”. “Sounds a little watery, doesn’t it?” But I would rather say UNC-led coalition.

Hon. Senator: Like People’s National Movement.

Sen. F. Hinds: Yes, UNC-led coalition. She has among other things indicated—let me say this. In answer to a question, she says without a doubt—no, let me take it from this part, time is running. I quote:

“Transfer payment and subsidies right now, Clevon, account for 50 per cent of our annual budget and that is a very worrying state of affairs. And when we look at our revenue generating capacity, that”—as we all know—“is on the decline.”

I was looking for the particular element of this here, but she is really saying that which I have already said. Time has run, I would not bother to find it, but this Government is as disappointing as you can have it. It has failed the people of Trinidad and Tobago.

So, Mr. President, as we give some support to the Government for this—because we know they are the Government—at the end of the day, this is intended for the people of Trinidad and Tobago. Whether they get it; whether they get value for money is another question, one that I can answer now, but I will leave this for another time. In any event, [Interruption] we would not usurp our constitutional limitations and offer any objection to this. We will support the Government as they seek more money to enlarge an already bloated budget, as they have admitted that they have not spent and, therefore, the deficit is what it is. The deficit is likely to be worse because it is almost impossible that they would carry out the kind of development and expenditure that they hope to over the next few months, particularly, in this rainy season. Mr. President, how much more time do I have?
Mr. President: You have two more minutes left.

Sen. F. Hinds: I have two minutes? Okay, Mr. President. I conclude by asking the Minister of National Security to tell his Commissioner of Police that he does not have to wait for—[Interruption] Look, the Minister of Health is troubling me. So before I continue, let me leave the Minister of National Security and the Commissioner of Police where they are for the time being, there will be time enough.

With those few words, Mr. President, for the benefit of the Government, I thank you very warmly. [Desk thumping]

Sen. Dr. Rolph Balgobin: Thank you, Mr. President. It is 11.37 p.m., and—[Interruption] That is a relevant question for the society that we are living in today, but as with all contributions that come at this hour, one can feel the weight of expectation or silent prayer of one’s colleagues, that one would be as brief as possible, so I will attempt to oblige. I have just a few points that I would like to raise as I rise in support of the Finance (Supplementary Appropriation) Bill, 2011.

I would like to begin though, by welcoming the visiting Ministers: hon. Winston Dookeran and hon. Carolyn Seepersad-Bachan. Neither of whom are in the Chamber at present, but I would like to welcome them anyway, and also to recognize Sen. Mariano Browne.

I would also like to say how impressed I was by the contributions we have heard so far. I was thinking if I were a journalist, I would be hard-pressed to decide what to report on tomorrow, although I suppose the cut off time and so on would probably help me choose. I would like to recognize, in particular, the hon. Minister Dr. Bhoendradatt Tewarie for his contribution, because I thought that some of the things that he was saying are things that we all need to pay attention to, and not just in this Chamber, but in the wider community.

Mr. President, we have come here to spend just over $2.7 billion and, this is, I suppose, not unexpected. It is an expenditure that is occurring at a time of redefinition for us. We have a Government that is in place for roughly a year. This is their first budgetary cycle and one would expect that there would be changes and adjustments on the fly, but aside from that there are other things happening in the society that are of significant interest, that have a bearing on what this is all about. We have a 17 per cent poverty rate and we—well, this is what we were told earlier—bandied these numbers around but I like to think of these things in practical terms. A 17 per cent poverty rate means one in every six persons you meet is living on less than US $2.00 or TT $12.00 approximately per day.
So you could probably estimate that somewhere between one in 12 persons and one in 20 persons that you meet every day is extremely poor—poor to the point of desperation. Yet, we have a significantly improved poverty statistics, because five or six years ago, we were actually closer to 30 per cent. I think Ralph Henry had done a study on that some years ago.

The current context is that drug use is rampant. I think the war on drugs has had mixed results. The Global Commission on Drug Policy has been so bold as to say the criminalization of drug use and so on has failed utterly, and I think we are seeing some aspects of what they are referring to here. Violence against women has taken a significant and sickening turn, and I think that is something that we ought to check ourselves with and, of course, we continue to live in an environment of high crime. I identify with Sen. Hinds’ point of view, that we are seeing serious crimes like murder moving in the right direction, but we have to cross our fingers and hope for the best that we are actually seeing a trend and not just a fillip or a blip.

Mr. President, this Appropriation Bill really strikes the heart of notions of productivity and national competitiveness and begs the question: are we competitive? The answer is: well, it depends on what you look at. We have a per capita income of US $15,000—plus dollars, or US $16,000-plus, or US $17,000-plus, so for someone looking at Trinidad and Tobago on the surface of it, you would think, “uh”, doing well. We are doing well.

On other dimensions, we are not performing nearly so well. But rather than launch into a dialogue on that, this is not what this Bill is about. What I would ask, almost rhetorically, is if we have a per capita income of US $15,000-plus per capita, did we earn it? Did we earn it? The answer appears to be at least in part, maybe not. All of the current analyses, competitiveness and productivity in Trinidad and Tobago suggest that we continue to live, at least in part, off returns that come from the petrochemical sector, oil as well and, of course, gas in particular. So that will suggest to me that we have in fact spent our way out of poverty by and large, and when the money runs out, we will, of course, slide right back into where we thought we escaped from.

Put another way, Mr. President, there is some evidence to suggest that many of us might be living above our means, and I think this is what Sen. Ramkhelawan was suggesting when he said, “You know, you do not hang your hat where your hand can’t reach.” I think in Trinidad and Tobago we have elements of that appearing. If one were to look objectively at our economic structure, and what is happening here, our macroeconomic performance, and juxtapose that against the other pillars for productivity in the economy, what do you find?
Supplementary Appropriation Bill

Tuesday June 07, 2011

[SEN. DR. BALGOBIN]

Well, I think one thing is clear. We talk about oil and gas and the petrochemical sector, and some people speak about this as if it is a curse. You hear about this resource curse and people talk about the Dutch disease. It is almost as if these are evil things. But all of the current analyses are clear that there is absolutely no objective evidence that suggest that we would be better off without them, and in fact, we are quite lucky to have them. “God is a Trini”, and to the extent that God and life blessed us with these resources, we ought to be very happy.

11.45 p.m.

If we have suffered from Dutch disease; if we have not developed the other sectors of our economy appropriately, that is not the fault of the earth; “we” got that wrong, and “we” did that all by ourselves. And now we are in a place where we have to ask the question as we think about this $2.7-plus billion, to what extent does this spend enhance competitiveness? And the answer in a sense leaves one a little bit cold because if one were to look and drill down through this line by line, the answer is probably as much no as it is yes. [ Interruption ] And that is not a criticism of a government or a former government or anything like that because—and what I liked about what Sen. Dr. Bhoendradatt Tewarie was saying was that I think we are at a place where we are in this together. As a society, we are all in this together, and we all have to band together to come to some sort of common understanding about how we are going to escape from some of the challenges that we have found ourselves mired into. And to my mind, it is less important for us to have a debate about what got us there; and more important for us to discuss how do we get out. I am only interested in causation in as much as it helps us to devise a solution. Where blame is concerned, I have very little interest; it does not help us.

I support the view of Sen. Dr. Tewarie that trajectory is set long before an actual government for example, will come into power, and that is not just the cycle of a year. Obviously, in many things, strategy takes several years to evidence itself or to find traction, so one can come into a fairly large moving bit of machinery, albeit slow, or moving slowly, and find that it takes time to engineer change. So judging anyone can be harsh, and I can see how any government would feel a little hard done by, to be criticized at, perhaps, this point for this Bill. But I would encourage my friends in the Government not to view all contributions like that, because while judgment may appear to be harsh, at least, the way I read a lot of what is being said here, is not—no one is expressing a report card on the Government’s performance, we are merely sounding a warning
that things are not looking as good as perhaps we would all want them to. And it is our province to do that, that is a part of our role, and while you could say, “Well, yes we know that”; “Well, okay fine”, but if a plane is crashing, the pilot should not get vex with the alarm.

So what we need to do is sort of work out the problems together and recognize that each of us has a role in here as we try to sound a warning, and say we need to, out of genuine concern, be mindful of what is happening. And I say that, Mr. President, because in particular with this, if you saw your child borrowing money to spend on consumption; so you saw your child borrowing money, and he or she is spending it on things that are not likely to generate a return, then you would probably have a word, you would probably have some concerns, it would worry you. So I would just say that by way of trying to establish a basis on which we all listen to each other’s contributions in a spirit of openness and understanding.

What I would also like to say is that the causes of our challenges are unique; I disagree that the global financial crisis had much to do with it. I thought I lived through this just as the rest of us, and to me what it looked like at the time was there was a precipitous drop in the prices of—well, in the commodity markets—the prices of commodities that we exported—most significantly gas, and Clico.

11.50 p.m.

I thought if those two things had not happened we would have weathered the global financial crisis reasonably well. But the thing is, if I think about things like that, and I ask myself what has turned around or what has gotten better? very little actually. I still think we are at the phase where we are trying to stabilize the economy. We are trying to return to growth and I think the Minister of Finance has an extremely difficult and thankless job, because he has a whole host of unpopular decisions to make. He has some very tough positions to adopt and I do not think he has much flexibility, in terms of what he has to do.

There is no recovery yet. People talk about a 1 per cent or 2 per cent uptick. I do not see it yet. I do, however, worry about expressions of confidence by people who encourage excessive consumption. I am not saying that has anything to do with the Government. I am talking generally about people who are seeing the silver lining. I do not. And you see some things that are plainly irrational.

The entertainment sector here does not seem to be suffering at all. On weekends, bars are doing very, very well. I went to Chaguanas the other day and I saw a cupcake for $22. Then, the lady just looked at me deadpan and said: “Well, we have a special on. You could get four for $60.” Four cup cakes for $60. Well,
of course, I beat a hasty retreat, and on my way out I ran into a whole host of people who seemed to be young and affluent and spending a lot of money. It was the day of the European Cup Finals so they were all in Barcelona football shirts and so on, drinking a lot, spending a lot of money, chanting “Barca, Barca, Barca”. I do not know how many actually went to Spain or have seen Barcelona play, but they were very committed to the team. I am very glad for them, but they were spending a lot of money, and you look at them and you say: Well, all right, where is this money coming from? How sustainable is this? It is not just that we need business to come up, but we cannot have the kind of—we need businesses yes, but we need businesses that really add value. We need businesses that are productive; that add something, in terms of the value chain, if you analyze it. You need a business that is really contributing something and putting something into that product, as opposed to uncorking a bottle. There is a place for that too in any economy, but that cannot be what we are talking about when we talk about business development.

So, if you ask me, I would say that I see a bigger deficit looming, and what appears to be happening is, over the last several years, we have tried to spend our way to developed nation status. I have said that before in here that, when we talked about being a developed country, one of the things that was largely missed in the national conversation was that developed nation status costs money and that in order to be a developed nation you have to be a competitive nation and you have to earn well, because the cost of development and the costs of sustaining the things that people in developed countries enjoy, are very, very high. They are very high. So, we have spent our way to developed nation status, or towards it, but what happens when our earnings begin to buckle, which is what has happened to us? Well, we start to slide. What would give me concern, the only thing I would say and I am sure that the Government and the Ministry of Finance see that too, would be the majority of this spend really goes on transfers and staff costs; employment costs.

What I would say to that is the public sector, the State, is too large, and I think, with that size, comes some significant inefficiencies. I would give you an example and it is all in here. The Port of Port of Spain gets an extra $62 million or thereabouts. That port loses money hand-over-fist all of the time, and there is no reason for it to. There is no reason for that port to be so inefficient, but the structure of our maritime industry in Trinidad and Tobago, I think, contributes, or exacerbates this problem.

The population census is another one that caught my eye, because the original estimate was $43 million and they have increased it by $22 million. How do you get those estimates wrong? How does the Port of Port of Spain get those things
wrong? How do you not estimate for dry docking and for—a lot of the costs in here are quite foreseeable. So, I think that there is a real opportunity to improve the budgeting process, as we learn from these things. There is an opportunity for us to refine and to improve as we go forward.

I think that spending on public services and increased spending on public services must be accompanied by an increase in productivity, and I think that, so far, this has been divorced in the national conversation; this notion of productivity; it has been divorced in the national conversation, when we talk about wage settlements, and a link must be established. I do not think that it is reasonable for us to have wage negotiations any more in the public sector or the private sector, based on someone’s assumption of an employer’s ability to pay. There has to be productivity somewhere in that sentence or even that paragraph. If we cannot increase our productivity, then an employer’s ability to pay can never be sustainable—[ Interruption] Well, the ability to pay increased wages and salaries, it can never be sustainable. So there is only one way to earn more and that is to be able to produce more. There is no other way. There is no magic bullet, no lottery. So, we have difficult work to do.

I think that we have not yet seen a restructure of the economy, nor could we in such a short space of time. We have not yet seen a change of direction. I would not say that we are stuck, but I can sympathize with Sen. Ramkhelawan’s view that we may be in neutral. I do not know if it is a transition. We are going from neutral to forward, to something else. I think that, as the Government thinks about changing gears and driving us forward, there is real opportunities for them to engage the national community and for us to come up with new and exciting ideas, some of which we were hearing from the Minister of Energy and Energy Affairs, about where our future revenues or rents might come from.

But, what I would like to add is that there was a contribution here earlier that said we need data. I think that, more than that, Government, more than just transfers and salaries, must seriously think about getting out of the way of the private sector. I agree with Sen. Drayton, that the private sector is operating in a difficult environment, one that is sometimes quite hostile, and the system is structured that way.

I was sitting somewhere the other day on a Friday afternoon at 4.30 and someone said an inspector is outside. I knew immediately that inspector could not possibly be coming to do an inspection on Friday at 4.30 p.m. I do not know why, and of course, true to expectation that is what it was. The inspector actually turned up for some free product which, when I looked at it in the context of what the
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inspector’s work was, was a bribe, and this system happens all the time. The way that this whole thing is structured, it is encouraging and supportive of corruption. It is encouraging and supportive of inefficiency and ineffectiveness, and there is a great opportunity for us to increase the efficiency of our spend, so that we do not lose money unnecessarily and we do not spend money unnecessarily.

I think that we must help manufacturing, not just my stopping dumping and so on, but encouraging and supporting manufacturers and people who are treating with local content. I do not think that the Minister of Energy and Energy Affairs’ definition of “local content” is sufficiently broad, if I understood what she was trying to say. I do not think it ought to be defined just by projects in the energy sector. I think it is much wider than that. This whole question of public procurement and—someone was—I think Sen. Browne—endeavouring to raise it. He did not use the term “total cost of ownership”, but that, I think, is what he was referring to. I have seen tenders done where the local is 2 per cent, 3 per cent or 4 per cent more expensive than the foreign bidder. The foreign bidder gets the job, but by the time the foreign bidder mobilizes and you get everything down here and done it is actually more expensive than the local option. And even if it is not, even if it marginal, is there not a place for that?

In QE 1 and QE 2, the US Government appears to have been quite clear that preference is given to American companies for American spend.

I think that there are elements of the private sector that have succeeded almost in spite of Government, and I think we ought to free ourselves from a system like that, free ourselves from these unnecessary constraints, and decide where our spend needs to be focused, not on propping up an existing system; a creaking framework that really is not sustainable.

We have heard talk about strategic industries and we have heard of growth poles, innovation diamonds, and all of these interesting things. But, to my mind, the bottom line is that our initial wealth or the wealth that we had in the 1950s and the 1960s, really help to engender or create an attitude of entitlement in our society, and I think the structure of our spending, particularly state spending, permits and in fact encourages the institutionalization of an underclass, a class of persons who are dependent on the State through employment and, to some extent, social programmes.

I was very concerned to see the murders pick up in CEPEP. Gang members should not be receiving state funds for anything, and there are known gang members operating in some of these social programmes. It ought not to be. I think
that we have developed almost, a pointless sophistication. We have developed a sophistication in some things that we ought not to be doing. Notwithstanding all of our efforts, nothing so far has yielded anything near an alternative to the petrochemical sector and that remains something that we continue to be dependent on for the time being, so we have much work to do and we have—[Interruption]

Mr. President: Hon. Senators, I need to allow hon. Senators to know that we are having difficulty getting the Hansard report heard.

Sen. Dr. R. Balgobin: That is all right. Thank you, Mr. President, I am sorry to the folks from Hansard for having this difficulty. I was not mumbling. [Interruption] Yes, I know. However, I think in many respects, we are way behind. I want to compliment Sen. George for WASA’s completion of the Navet trunk main. [Desk thumping] I think that these are the kinds of projects we want to see. We want to see these things delivered.

12.05 a.m.

It is not a pipe that I suppose people could go up to and touch. It is not the world’s most attractive project, but it really delivers an improvement in the quality of life for the people who have to tap water off that main, and I happen to be one of them. So I will tell you this, you do a double take when you look at the ad that WASA published, and this is just by way of an example, as I close, to tell you how much work we have yet to do.

WASA would celebrate being—what they said was “We have now finished this and we are now able to guarantee a 24/2 supply”. Yes, 24/2 supply to San Fernando, Marabella and Gasparillo. These are not rural areas, these are highly developed areas and after an upgrade we have gotten a 24/2 supply. So there are some industries to my mind which ought not to exist and the extent to which they exist suggests to us how significant our challenges are.

One is the security industry, the other now having seen that WASA pipeline work is the water tank industry. Because it was only when I saw that ad that I went outside and I looked at my water tanks, I have large 1,500 gallons tanks in my yard and you know if I did not have those things I would have a real hygiene difficulty. It took me back to living in the United Kingdom and—I do not recall visiting any other developed country and seeing a water tank except at the entrance of these towns in the US where they have a big water tank and they paint the name of the town on the tank. So how is it that these persons have solved this problem 15 and 20 years ago and—you know, you just have to drive down the Naparima/Mayaro Road at 6.00/6.30 a.m. to see persons in their underwear brushing their teeth by the side of the road with water from a barrel.
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So I applaud the Minister and WASA’s achievement, I want to encourage them to continue to do more things like that. I am using that as an example to say how far we have yet to go as we try to have development that is a little less lumpy. I would like to, therefore, close by making three quick recommendations: the first would be the State needs to slim down; the second is that it ought to get out of the way and be more facilitative and supportive; and the third is focus on the basics. And by that I mean when you look at the structure of our budget and the structure of our spending we are doing a lot of higher order things, and we do not yet have the basics right. I think we need to get the basics right, so that everyone has a more or less even chance of getting forward and getting ahead.

Some very positive steps have been made by the Government thus far and I am hopeful that they continue but I will be a little concerned if we stuck to transfer and salaries as we are seeing for the most part here, with the Ministry of the People and Social Development as a notable exception.

I wish the Government the best of luck with this and hope that come September we see even more information and evidence on an economic gear change, a restructure and a new direction as we try together to forge a future for Trinidad and Tobago. Thank you, Mr. President. [Desk thumping]

12.10 a.m.

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Thank you very much, Mr. President, for allowing me the opportunity to address this honourable Senate on the Finance (Supplementary Appropriation) Bill, 2011. I, too, like Sen. Dr. Balgobin, am going to be brief because I am a person of few words. I am a doer not a talker.

Let me start by referring to a couple of things that took place here today. First of all, I compliment all the speakers who spoke today in this debate. In particular, I single out my colleague Sen. Dr. Bhoe Tewarie for the very mature and civil discourse that he presented to this Senate and I think that we should reflect deeply on his contribution and, if we missed any of it, we should go back to the Hansard and check it out.

I have heard other contributions in this Senate where, for example, in early sittings, in particular when we were talking about the efficiency and effectiveness of Parliament, Senators spoke about raising the level of debate in the Senate. I have come to see some of those very Senators live up to not keeping the debate at a certain level. In fact, there was one Senator who spoke at that time words to the effect that we should not ill-speak anyone in the Senate and try to tear down anyone’s character or integrity if that person is not here to defend himself or herself. Yet, today I was here to witness that exact action take place.
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Again, I congratulate Dr. Tewarie, and the Minister of Finance, who has been
doing an excellent job in his Ministry over the year. There is no gainsaying that he
has taken the economy from a place where none of us wanted it to be and
brought it to a point where we can see light coming through the tunnel.

My point of departure here this evening, in my brief comments, starts with
Sen. Browne and his comment today about the Navet trunk main and that he
heard that the Navet trunk main was completed at a very reasonable cost. He
indicated that his view was that the reason for that was that the pipes were bought
already.

Here you have a project that, to be fair, was very well done by the people at
WASA; but there is an inclination by Senators opposite, all the time, to try to tear
down. This was such an excellent project done by people who worked above and
beyond the call of duty at WASA. I take the opportunity to pay tribute to those
workers. There were 162 of them and I want to say to all of the people down
south who are now benefiting from the installation of this dual main, to say a
profound thank you to these gentlemen; and we all here should also thank them.

To say, tongue-in-cheek, that the reason it was brought in at such a reasonable
cost was because the pipes were bought before, was a bit disingenuous. Actually,
the reason why it came in at that price was because we used WASA workers to do
it. It was done with internal workers; it was not done by a contractor; [Desk
thumping] and we must learn to give credit where credit is due.

Thank you very much Sen. Dr. Balgobin, through you, Mr. President, for your
compliments, but I deflect those compliments to the workers at WASA because
they were the ones who brought this project in.

I want to say, too, that the project was estimated to cost $303 million and take
two years to be completed. These guys at WASA brought it in at $117 million in
less than nine months. Therefore, Sen. Browne, I hope that you now will
understand that when you try to tear down the achievement, you are not affecting
me, you are not affecting the Government; it is really the workers who went
above and beyond the call of duty to get that project in, in the time and within
budget. They are the ones you are pulling down.

I want to say another thing and this has to do with the fact that the previous
government always seems to want to take the praise for the achievements of this
Government, but distances itself completely from what it perceives as failures.
In that regard, I point to my good friend, Sen. Fitzgerald Hinds talking about the state and condition of Laventille and very stridently speaking to the situation in Laventille and almost saying: you across there are the Government and you are responsible for it. I want to know if we are living in the same place. I leave that there because Sen. Hinds has his own way of interpreting things.

I want to say, too, that many years ago, when I was the Transport Commissioner, we had completed a new licensing office in Arima—this has to do, Mr. President, with how we seek to take the praise and to deflect the blame for things. We had just completed a new licensing office in Arima. I was Transport Commissioner and I had jockeyed that project with the assistance of many very good workers in the Ministry of Works and Transport at the time. The Ministry of Works workers had a very bad reputation, but I found they were excellent workers and they did an excellent job in completing that office in Arima.

That was circa late 1991 and the then Minister was supposed to open that office and I, as Transport Commissioner, had written a speech for him. Lo and behold, the election came and the incumbent government was voted out. A new government came in and a new Minister of Works and Transport came into the chair. I want to say to this Senate that the exact speech that was written for the outgoing Minister was read by the incoming Minister, taking all the praise for the construction of that office and matters incidental thereto, without batting an eyelid.

So when we come here and talk about this Government taking praise for work, the foundation of which was laid by the previous government, I think we are being, again, a bit disingenuous. This is a fact of life.

In respect of the Navet project, however, I heard a former Minister of Works and Transport claim—I think he is now a functionary in the PNM hierarchy—that, again, it was a PNM project. I want to say this to him and all those who are listening; the decision to change that Navet main was taken as far back at 1997/1998. I was Permanent Secretary in the Ministry of Public Utilities then and I remember it because there was a debate at the time as to what kind of pipe to use; whether we should use ductile iron or PVC. There was a big debate going on at the time and we sat in many meetings. If you want to check the veracity of what I am saying, you may wish to speak to Mr. Emile Elias. He was on one side of the debate as to whether we should use which.

So when it is said that it is a PNM project, and apparently it was conceptualized and so on by the PNM 2002—2010 regime, I want to disabuse their minds of that. I want to say, too, that it is not only those people in the deep south who are
benefiting from the actions we are taking to give people water—such a fundamental and basic, almost a human right, neglected by the former government because their focus was elsewhere.

We have taken over, during the last year, setting ourselves a target of giving all those in the country connected to the WASA system, two days water per week. For those who have water 24/7, you would not understand how important it is to deliver two days’ water to certain people in this population. It is like manna from heaven—just two days per week; maybe on a Monday and on a Thursday. You do not understand because it was never your focus.

The plan was that we want to give these people, who are connected to the WASA system, two days’ water per week and one of the ways to do that is to try to save a lot of the water that was being wasted, so one of our goals among the many is to change all the leaking pipes. The first one that we have changed is the Navet main. We have put in 29 kilometres of pipe and we have dualled it and we are saving a little over 3 million gallons of water per day. [Desk thumping]

So, you have a leaking main that had been installed between 1958 and the early 1960s and it has been leaking all of this water. All this water is lost to the population. We put in some pipes that save 3 million gallons of water per year; this is one billion gallons of water per year, and that is now going into the people’s pipes, Sen. Dr. Balgobin’s pipes down south. That is why there is an improved service. It is not maths; you have to have had the will to do it and the passion to understand that people are our focus here, and we must make their lives better. That is why we are in government. We are in government to make people’s lives more comfortable; not to put them in utopia. We have to do it with a passion. They are the most important people here; not us.

In other areas of Trinidad and Tobago, the situation is improving and the testimony of that is that you are not hearing people complaining about water too much. My one problem, and I got a text this evening, is that the pipes are so old that we are having burst mains on a regular basis, so I had a text a little after 6.00 this evening for a burst 12-inch main, I think in Warren Road. In those situations, you will get an interruption in supply until we fix the problem, and that cannot be helped because of the age of the pipes. We will get around to fixing all of them.

I want to single out a few areas in Trinidad and Tobago that are receiving an improved supply, but before I go there, I want to say this. Last week Saturday, I went to see some people in Upper Covigne Road in Diego Martin—the three Diego Martin constituencies are known PNM constituencies; but I have been
trying to meet these people because they have been seeking an audience with me for a while. I decided to go up last Saturday. There is this lady, Cora, the spokesperson, and she had gathered a group of residents of the area, way up on top the hill. When you get there and they relate their situation, you have to cringe.

Cora said that she went to live up that hill 43 years ago and up to now she has no water on the hill; but she will explain to you that in 2007 mains were laid just before the election and the roads were repaved; but no water was ever put into those pipes.

12.25 a.m.

So I have to sit here and hear these tales of woe. But I have undertaken and committed to Cora—I am only calling her by the name Cora—and her group that we will try to get water to them within the next two months. I have given the instruction and so on, WASA is pursuing that. We want to get that water to them within the next two months. That is in a Diego Martin constituency that is pro-PNM like no other, and yet the PNM will not give Cora water for 43 years. Understand that.

There are other areas in Diego Martin that are benefiting from some of the work that we are doing so that there is no water problem really now in places like Four Roads and Upper La Puerta; Richplain is now having a much improved supply of water.

There are a couple of people that live in Carenage in Abbe Poujade, who work in my office and I keep monitoring them all the time. Ever since I came into the Ministry and they used to complain: “we only get water once a week and sometimes it doh come”. Now they are getting water almost 24/7. I asked the young lady this morning and she said, Mr. George since last week Tuesday when we had a little dip, it went maybe for about two hours, [inaudible] it came back and has not gone since.

They have come from less than one day per week to virtually 24/7 in less than a year. [Desk thumping] Now why could that not have been done before? I am calling the areas because when we first came into Government, I had asked all of the MPs to give to me a listing of all the areas in their constituencies that suffered particularly for water. I remember getting a listing from the Leader of the Opposition, MP Rowley. He was the first one to give me his thing. So I read it right through and I noted Upper Abbe Poujade Street, Scorpion and Smiths Hill. Upper Abbe Poujade and Scorpion, he singled out for me, he said they are really bad. I want to tell the population today that Abbe Poujade and Scorpion now have a much improved water service. [Desk thumping] Up the hill, a minimum of three days per week.
Now all of this, remember, I am saying to you is being done in less than one year of this Governments’ coming into office, when you had a government there for eight years that paid—well I do not know, I do not want to say no attention to water—what I am saying is that here we can do it. This is not rocket science, it is not Einstein that is doing it, this is common sense, and a commitment to do it and a passion to do it. That is all that it takes and not politics. I am passionate about putting water in Abbe Poujade as I am passionate about putting it for Mr. Seepersad in Duff Trace in Penal. [Crosstalk]

**Hon. Senator:** “Send some San Fernando East after nah!”

**Sen. The Hon. E. George:** So that you have—I have mentioned Upper Covigne Road, we hope that we would be able to give them that water in the next two months. I have promised them; I try to keep my promises to people.

There is improvement in Mayaro, in Lachoos Road, Cuchawan Trace in Penal and in Santa Flora. Santa Flora is the place, remember when I gave my first address to this House or second I think, in the budget debate of last year, where I said the gentleman raised his hand and said: “Sixty years I living Santa Flora and no water”. If you ask him now, he is getting much improved service. Gasparillo, perennial sufferers for water; now much improved. All right. So I want to say to this population and to this House that all of this is being done without fanfare, without chest beating. I am letting the people speak.

**12.30 a.m.**

So, for example, thanks again, Sen. Dr. Balgobin, for speaking out on that—and yesterday I went to cricket, and I was going up the elevator to go to one of the booths, and there were two gentlemen riding with one of my colleagues from the Ministry and myself, and one of them looks at me and says, “You are Mr. George, Minister of Public Utilities?” And I say, “Yes”. He said, “Thanks very much for the water, man.” I say, “Thanks very much?” He say, “Yeah, I living in Belmont, we gehing water for so man, ah ha to thank yuh”, and the fella standing next to him, his friend say, “Yeah boy, I living up dey too and yuh ha to gi’ Jack he jacket, we really gehing good water in Belmont now”. They are the people who are talking for me.

So I am not about beating my chest, and that is why you will only hear about the completion of the Navet main when it is done. We took the decision to put that main in, and the work started in August of last year, and we were doing it very quietly with no fanfare.
I want to also express my appreciation to those people who did the research that was reported in the Guardian about a couple of weeks ago, that gave to the Water and Sewerage Authority a 66 per cent approval rating. I think that must be the first time in the history of WASA that they got such a high rating. [Desk thumping]

I also want to express my appreciation to the Minister of Finance and the Ministry of Finance for helping with the obtaining of that $1.3 billion loan. I know Sen. Dr. Henry was making a huff and puff about the rate of interest we negotiated, but I think—well, I do not know that I have convinced him, but we have said to him that he is barking up the wrong tree, and that we did negotiate a very, very, favourable rate even below the rate that he quoted as being the favourable one that he would have approved. So I want to say to him, check his facts and his figures.

So, Mr. President, we are talking about the $1.3 billion loan. We have a lot of other projects that are going to get us to the point where we would have given to the population the 24/2 water supply, and when we have completed that we will then go to 24/3 and so on. There are a multitude of projects that we have to undertake in order to get us to the point where we get up to 24/3 and 24/4 and so on.

Like Sen. Dr. Balgobin, I, too, am moved almost to tears when you go abroad, and you do not see tanks in those developed countries and you know that you are guaranteed that if you stay by a friend or you stay in a hotel, when you turn that tap on the water comes. I think one of the persons who have motivated me in this is my friend, Mr. Seepersad, of Dove Trace who in his retiring years—at the point of retirement—was telling me that he still has to bathe in a bucket, and I vowed that if I had got this chance, that I would try to solve his problem. You have worked in the public service from age 17, and now you are 59 and almost at the point of retiring, and you cannot have the luxury of walking into your bathroom, turning the tap, and that water falls on your head. Fifty nine—17 from 59 is a lot of years to bathe from a bucket, and after working so hard and so long, one is entitled in one’s retirement years to certain comforts, one of which is to bathe in a bathroom with water falling on your head. Those are the things that we have to understand what we are in Government to do.

Mr. President, I have gone on for a while on this, and I do so to make a point, and the point is that with a little will, a little drive and with your priorities right, we can make Trinidad and Tobago a society in which our citizens are a lot more comfortable than they are. In that regard, one might want to refer to—earlier my
colleague spoke about it. He said that an era of caring has begun. I want to assure the population that if nothing else, this Government has introduced an era of caring. We will attempt to solve the basic problems that face our people. We are not into all of the high-rise and big buildings and so on that really do not impact on the majority of the population and from which they will never benefit. We have to deal with all the little things that affect the little people; the water, the roads, the drains and the hospitals. Those are the things that impact on our people intimately every day. Once you do that, then you can do whatever, because the people would have had their basic needs satisfied.

So I want to close by saying that we on this side vow to the population of Trinidad and Tobago, that—we may be criticized by the Opposition for not having a legislative agenda; we may be criticized by the Opposition for not having a plan—I to do not know what they—but what this Government will do is to work to improve people’s lives in such a way that they will meet our Ministers in the elevators and say, “Thank you very much, Minister, for the water in Belmont”, and that will make what is ordinarily a thankless job worthwhile. I thank you, Mr. President. [Desk thumping]

**Sen. Pennelope Beckles-Robinson:** Thank you very much, Mr. President. Mr. President, I had the opportunity to talk to a few of my colleagues today, on this issue of how long some of our sessions take, and how long some of us talk in the Parliament and, I was thinking about it a little more as I sat here. I have had the good fortune of attending a couple of Commonwealth Parliamentary Conferences where these matters have been discussed from time to time. In one particular country, which is Canada, the Parliament meets every day for a period of a couple of months. That has always been their practice; then you will know when your vacation is because that is known. Your constituents also know the couple months that you will have your constituency offices, so that they do not expect to see you for the three months or so. Of course, Canada is a big country, and the Parliament sits in Ottawa, so people have to fly and, in essence, your life is disrupted.

But, you know, if we want to continue to talk all the time about whether we should talk for 45 minutes or 60 minutes or 15 minutes or whether people talk too long or too short, we would have to really get to the stage where we have to address very seriously the issue of parliamentary reform and the challenges that we face. At the end of the day, when you have to speak one day for the week, as is the case in our present Westminster style, and you have six Senators of the Opposition, the Government has 16 Senators and you have nine Independent Senators, it is not a simple issue to solve but, clearly, if we want to deal with it, there are many other parliaments that have dealt with it in a very effective way. That is my first point.
My second point is that sometimes I sit here, and I have had the opportunity to be a Senator since 1995, and I really enjoy the beginning of Sen. George’s, the hon. Minister of Public Utilities, contribution because he was not only talking about civility and the improvement of the debate, but I was hoping that his tenor and tone would have continued in the fashion in which he had started, because I get the distinct impression at times that some of us give unto ourselves a monopoly for solutions, and we do not recognize that all of us who take an oath, take it, in my humble view, and genuinely try to do the best. I have absolutely no reason to believe that every single colleague on the other side who is a Minister or a Senator did not take that oath with good intention. I have no reason to conclude that Sen. George, for whatever time that he will serve as a Minister or Sen. Brig. Sandy or any other Minister will not do it to the best of their ability, but sometimes we get so carried away with the politics, that some of us cannot recognize or cannot give credit where credit is due, and we will, therefore, adopt and accept a monopoly on success.

I listened to Sen. George and he gave the impression, the very distinct impression, that he has solved almost all the water problems in a year—that so many persons have congratulated him and this Government has solved most of the problems within a year. The point is that every government that comes into office has the right to reject and accept. There are some Ministries that are more difficult than others, as is Brig. Sandy’s, and he is one of the Ministers who has one of the most important challenges. At the end of the day, even though he would have put 100 per cent, people may not understand the sacrifice that he has made, because they do not look at the sacrifice, they look at the statistics, but that does not mean to say he has not worked very hard and, therefore, we have to be very careful.

I entered the Ministry of Public Utilities in 2003—2007, but when I got there, Minister Dumas was before, Minister Joseph was before me; Minister Ganga Singh was before, and a lot of them, in essence, laid a foundation so that when I got there, I continued with the baton. I cannot today come and single out myself in that period to say that my tenure was so exceptional that I did better than all the rest. There are some things they did not do or they may not have done as well, and there are some things I may have done better, but in raising the level of the debate as Sen. George said, it is important for us, as leaders in our communities, to find the time to recognize and give credit to those who came before.

You see, Mr. President, this issue of the Navet trunk main is a very contentious matter, and I take strong objection to the suggestion, the government neglected a certain part of Trinidad and Tobago.
Sen. George: I never said that at all, so I want her to retract that statement, please. I never said that the government neglected some parts of Trinidad.

Sen. P. Beckles-Robinson: Mr. President, I would quote his words; “neglected by the government because their focus was elsewhere”. It is called semantics; distinction without a difference. Yes, Mr. President, the point is, you see, that is a message they have been selling to a lot of persons in rural communities, “They ent care bout south, everything is up for de north”. That has been a message, but I am happy that he mentioned Diego Martin as a hardcore PNM area where people suffered for water.

12.45 a.m.

And the reason why this issue is so important, because I am hoping that we are not going to use it continuously to divide the population, that is how I have seen it. You see, Mr. President, I did not have pipe-borne water until I was about 16 or 17 years, so that you know, when people give the impression that some of us have a monopoly on poverty and some of us never experienced it, people really do not always know what your initial circumstances were.

During the period, what we would have referred to as “crop time”, a rim of water was a normal quantity given to a family. So he spoke about the gentleman in Dove Trace who “bathe wid his bucket ah water”—well I did it. [Interruption] Sen. Ramkhelawan said I should explain what a rim is. A rim is—a barrel has 3 rims, so one rim will basically have a few buckets—a third of a barrel. But even more important for me is that there was a river about 400 metres from where I lived, and that is where we got our supply of water to wash, to cook, and to do many other things, so that there is no monopoly on anyone in terms of the challenges that we were in. I am sure if other persons had the opportunity to speak here tonight, they would say similarly, they would say similarly.

You know, Mr. President, I cannot challenge the point made but Sen. George, that this decision was made in 1998. But what I know is that is going on a visit to Barrackpore, some WASA workers literally blocked me to go and visit the Navet trunk main, a couple miles off the road in Malgretoute, so I could see the conditions under which the workers functioned. In essence you had a 35 inch main and they were, simply with underwear on, diving into muddy water to fix this main. And having seen that, I spoke to the then Prime Minister, Patrick Manning, and that decision was made to change that main.

That particular decision caused me to understand a lot more about governance, applying for funds for a project of that magnitude and the complexities of it. You see, Mr. President, because of the geological structure of that area and because of
the soil, a lot of research, a lot of tests, a lot of preliminary work had to take place before that project actually started. And therefore, that project has a whole history, which I am not going to take much more time to speak about today, save and except to say as, I close on that project, that I am very clear in my mind, that Sen. George’s passion, his interest and his commitment to that project was as good as mine, Minister Dumas, Minister Singh and all the other persons who had an interest in the Navet trunk main. That is as much as I would say.

12.50 a.m.

Having said that, Mr. President, I want to move on to a couple of areas in the debate. I want to talk about local government. Page 23 relates to the subsidies for local government. I have an interest in this matter, because of some of the promises that have been made by the Government, from time to time. I am not finding the exact figure of the increase, but I would probably find it later on. Yes, the increase is $91.44 million, and it refers to salaries, COLA, East Side Plaza, the cities of Port of Spain, San Fernando, Sangre Grande and regional corporation services.

The Government made several promises in relation to local government, which have not yet been implemented. I was hoping with this supplementary estimate that something would have been said, because there are some very serious policy decisions that the Government has made. I will mention just a few. One being, that every councillor would be allocated a sum of $3,000 to rent an office, so they can improve their service to members of the public.

The other issue was the allocation of $500,000 for every councillor to spend in their electoral district. That was announced by the Minister of Local Government. An announcement was also made as it relates to the increase in salaries for local government councillors. To date, we are now in the month of June, nothing has been said in relation to any of those matters which are all in the public domain.

Mr. President, this Government has always made very heavy weather of issues of inequality and inequity in distribution of allocations for local government bodies. I simply propose to raise or to refer to one corporation, and that is the Port of Spain City Corporation. The Port of Spain City Corporation requested the sum of just over $11 million, but their allocation is just about $8.74 million. Sen. Dr. Tewarie referred to the fact that the presentation was very transparent. What we would not have in this presentation is the request made by most of the ministries and/or bodies. We would simply have the allocations.
The Port of Spain City Corporation requested moneys for pension, COLA, severance, daily paid overtime and goods and services. Goods and services really would be for the cleaning and scavenging of the city of Port of Spain. Having gotten almost $4 million less than what they requested, they would be in some difficulty, because when you look at the request here, I do not know which of those several requests they would ignore. There is the continuous complaint of the city not being clean, and then you cannot ignore the issue of pension and severance. I imagine that something would have to be done to deal with that issue of the $4 million shortfall, but the bottom line is the several promises that have been made, that have not been fulfilled for local government.

The next topic I want to move on to is the issue of agriculture. There was one particular statement made by the Minister of Food Production, Land and Marine Affairs, who is not here. I must say I was quite surprised by the statement he made when he said that the PNM government was literally spiting the farmers. That was the word he used, “spiting” the farmers, and therefore they did not pay much attention to agriculture. I think I cannot really stand here and allow that impression to remain in the minds of members of the public. I just want to spend a few minutes to make sure that impression is totally removed from the minds of the public.

In 2007, the agricultural sector recorded a positive growth of 2.6 per cent; in 2008, 8.6 per cent, and the sector is now poised to register its third consecutive year of expansion, and we are talking now about 2009. As a matter of fact, the Central Bank summary of indicators stated in 2009, if I might quote:

The sector...—this is the agriculture sector—experienced positive growth during the first quarter of 2009 as well. Outlook for the sector going forward to the end of this year is for positive growth and increased agricultural production is predicted.

The Ministry of Agriculture developed what could best be referred to as a transformational plan for the agricultural sector. That plan was to move the sector from agriculture to agribusiness, enunciating strategies for increasing agricultural production for food and nutrition security, and competitiveness in Trinidad and Tobago.

In 2009 when the then Minister of Agriculture, Land and Marine Resources, former Sen. Arnold Piggott, was speaking, Trinidad and Tobago had some 19,000 small farmers. The Agricultural Incentive Programme at that time offered a wide range of incentives, which included financial assistance for the purchase of farm
vehicles, machinery and equipment for the installation of irrigation and drainage systems, some $30 million, which was paid to farmers in fiscal year 2009. At that time they were again reviewing the incentives offered, to see whether or not that could have been improved.

The hon. Minister of Food Production, Land and Marine Affairs referred to the fact that no ponds were done or constructed during the tenure of the PNM. I would just like to say, that in an effort to reduce the reliance of what was an unpredictable water source, particularly during the dry seasons, the Ministry of Agriculture, Land and Marine Resources focused on the construction of ponds. In 2009 the Ministry of Agriculture, Land and Marine Resources constructed 85 ponds in the food crop projects located in areas such as Plum Mitan, Kernahan, Moruga, Cunjal and Guayaguayare. Demonstration drip irrigation systems were established in Los Iros, Cunjal, Moruga and Guayaguayare.

In relation to drainage, flood control, again in 2009 the Ministry of Agriculture, Land and Marine Resources undertook extensive drainage work on agricultural lands throughout the country. Approximately 170 kilometres of drains were desilted for the benefit of farmers.

Improvement works were done in such areas as Penal, Fyzabad, Carlsten Field, Felicity, Aranguez North and South, Bamboo No. 1, Orange Grove, Maloney, La Compensation, Plum Mitan, Fishing Pond, Madras, Joyce Road, Dyette Trace, Pierre Road, Guayaguayare, Guayamare, et cetera. So you see, Mr. President, the reason it is important for me to share this information is because the hon. Minister of Food Production, Land and Marine Affairs stated that the last government had not, in any way, invested in flood control and ponds, and was not serious about agriculture.

In relation to access roads, they made an assessment of some 800 kilometres of access roads. The Ministry of Agriculture, Land and Marine Resources actually divided the country into food baskets and, based on that division, determined what agricultural access roads should be done.

As it relates to the whole issue of fertilizers, because it is a very important issue for farmers, they were complaining about it, and the Ministry of Agriculture, Land and Marine Resources entered arrangements with Yara and they agreed to the cost to import fertilizers and that substantially brought down the cost.

Whereas in September 2008 food price inflation recorded a high of some 34.6 per cent, it was reduced to 16.5 per cent in June 2009; 10.1 per cent in July 2009 and 5.2 per cent by August 2009. This was the lowest level of price inflation since July 2004. If therefore at that stage, that trend continued, it was clearly a policy of the government to make sure that happened.
At the end of the day, I would just like to say that the PNM government promised cheaper leases/rents for smaller farmers, and that was delivered. We promised seeds and seedlings, and some 150,000 packets were delivered. Training for youth in agriculture, that was the youth apprentice programme, which has been one of the most successful programmes implemented. Priced fertilizer—delivered about 5,000 tonnes below market prices. They promised more farmers’ markets, and delivered some seven in several communities; access roads, delivered 155 kilometres; irrigation ponds, some 300 ponds were delivered; two mega farms and loans for agribusiness, that was at the cost of some $100 million. I really hope that would put to rest some of the false accusations.

**Sen. Bharath:** Three hundred in 10 years!

**Sen. P. Beckles-Robinson:** You are free to interrupt me if you want to disagree with my statements. I am always willing to learn and to be corrected. You actually said that the PNM delivered no ponds; now you are saying 300 in 10 years.

**Sen. Bharath:** We delivered 300 ponds in one year.

**Sen. P. Beckles-Robinson:** You delivered 300 ponds. These 300 ponds were delivered during the period of—[Interruption]

**Sen. Bharath:** 2001 to 2010; nine years, I am sorry.

**Sen. P. Beckles-Robinson:** Next thing you are going to tell me is that it was four of three. At the end of the day, it is very important that all the allegations made by the hon. Minister of Food Production, Land and Marine Affairs, I have established they were false.

**Sen. Bharath:** Oooh!

**Sen. Baptiste-Cornelis:** No, no, no, no, no!

**Sen. P. Beckles-Robinson:** Do not worry; the Minister of Food Production, Land and Marine Affairs does not take things very personally.

Mr. President, I now want to turn to my last two matters on the issue of the property tax. I know that my colleagues on the other side would be very happy to see their manifesto. I am referring to page 11 of the manifesto. In that manifesto the Government—or the Partnership I should say, specifically stated at No. 3:

“We will rescind the property tax.”
When one looks at the Draft Estimates of Revenue for the Financial Year 2011, one would see, as it relates to land and buildings taxes in the St. George West area, the estimate was $27,944,400; St. George East, $19,735,100; Caroni, Chaguanas, $79,518,800; St. Andrews/St. David, $127,198 million; St. Patrick, $8,809 million; Nariva, Mayaro, $9,580 million; Victoria, $4,905 million, and Tobago, $9,942 million, with a total of $173,864,300.

1.05 a.m.

Now, Mr. President, what it means therefore, is that this Government; you would have a revenue forgone of almost $170 million with the Government’s inability to collect any taxes for the period 2011.

Now, as I said a while ago, Mr. President, the Government is in its right to decide—based on its campaign promise—not to collect the taxes in 2010, but the Government, based on its promise, and of course being a responsible and caring government as they have said, knew very well that if everything is to be put in place to collect taxes for 2011, it is important that the appropriate legislation be brought to the Parliament in time.

Now, Mr. President, I would like the hon. Minister to indicate to me what is the situation as it relates to Tobago. As I understand it, the THA has the responsibility to collect its taxes, and to utilize the money collected as they see fit, and the Government of Trinidad and Tobago then gives Tobago whatever is the outstanding balance, minus the money collected from the taxes. Now, if it is for the period 2010 and 2011 no taxes have been collected in Tobago, it means that the Government of Trinidad and Tobago has had to give Tobago that shortfall. I find that to be a very interesting situation and, maybe I am wrong, but I would like the Minister to correct me on that.

At the end of the day, Mr. President, this issue of non-collection of taxes affects, as you know, the whole issue of transfer of property, and, Mr. President, I know having regard to your profession and your knowledge of legal issues as it relates to land transactions, it is normally requested that you have your paid up land tax, and I know that the hon. Minister in the Ministry of National Security is aware of that as well, your land tax as well as your water rates, and of course persons have not been able to present any paid-up land tax bills since 2009.

At the end of day, Mr. President, the loss of that $170-plus million in revenue is a substantial amount of money for any government to lose, and a number of projects—I know my colleague in the Ministry of Health would have probably been very happy for that—so that a number of other things that could have been
done in the Ministry of Health as well as probably in the Ministry of Science, Technology and Tertiary Education cannot be done because those money have not been collected.

Mr. President, I would want to join with others in congratulating the Minister of Finance on the collection of the $1.8 or $1.9 billion having put the amnesty in place, but what I would like to say is that, having regard to the fact that some $13 billion is owed, I would certainly like the Minister of Finance to look at the possibility of being a lot more creative in dealing with this matter. I might be wrong but I am sure that if this situation were properly analyzed, we may very well realize that some of those taxes cannot even be collected, and I would want to suggest that it would be interesting to find out how much of that $13 billion is principal and how much of that is interest, and even the $1.9 billion that has been collected, how much of that money is interest and how much of that money is principal. And some of the questions I would ask are, whether or not the Ministry of Finance can truly collect that $13 billion. If we have a deficit of some $8 billion or $7 billion, then of course, if we were to collect those taxes at the end of the day you would totally erase your deficit.

1.10 a.m.

I mentioned sometime ago when I raised this matter with the hon. Minister of Finance, that there is a very interesting concept that has been implemented by the Canadian Government and that is something called “a fairness provision”, and that fairness provision really speaks to the clock simply stopping at the particular point in time so that the interest does not accumulate. It may very well be that you might encourage a lot more persons to come in and negotiate to pay their outstanding taxes. Not having taken the position of the last government to have reform in relation to the revenue department, it means that the limited resources that exist at present in that department, will of course, make it extremely difficult for the Government to collect those taxes.

The hon. Minister of Food Production, Land and Marine Affairs mentioned a matter with which I agree with him to a certain point, and that is the issue of the old age pension. Now, you indicated and you gave some real life examples of persons who came to you over the years in relation to their difficulty to access their pension. My question to you is, have you been able to ascertain whether or not the Ministry of the People and Social Development has put into place better mechanisms to be able to treat with that problem? As you said rightly, it is a question of institutional discrimination and I am saying that the fact that you have an increase, and people are now receiving $3,000, it is only human for a lot of people who may have gone through the example which you spoke about to actually try a second time and a third time.
The real issue is whether or not the whole history of customer service and the challenges that you spoke about, whether the Minister of Finance is aware, whether you are actually—because this is not a problem as you know that we are talking about today, this is something that has been going on for the last couple decades and whether this Government sees it as a priority, maybe to do some sort of analysis and some sort of actual, probably, survey and collect the data so that you are sure that the persons who really want to benefit that they are actually benefiting.

I mean, I am no longer a Member of Parliament but from time to time people would still come and ask me for assistance and I do not have any evidence that suggests to me that things have really changed. I say that because, having been a Minister of Social Development myself and as the Minister of Food Production, Land and Marine Affairs said, on Monday you go you meet one person, Tuesday you go you meet somebody else, Wednesday you go you meet somebody else, Thursday your file is lost, and I am not exaggerating, that is the reality of the situation. I do not have any evidence that it has changed and I really hope that when you look at the amount of money that is being spent now on social issues and I am not—whilst you spoke about pension, Mr. President, that problem is not restricted to pension. That problem happens with persons who apply for disability grants, you know, it is really across the border and I am hoping that the Ministry of the People and Social Development would address it.

Mr. President, in my practice as a lawyer, I have come across a particular situation that is also very disturbing in relation to applications for maintenance, disability grants. What exists at present, hon. Minister of Finance is a very unfortunate situation that disrupts families. Now, as an applicant you and your husband, for example—I did a case recently where the husband is mentally ill. Now, the only way that the wife can get public assistance, she had to take out a warrant for him to come before the court for the court to make an order that he has appeared before the court and he is mentally ill and then the applicant has to take that order back to the Ministry of the People and Social Development, and it is only at that time that the applicant will be able to access disability grant or social assistance.

Now, this has been going on for a very long time and I am not blaming anyone for it. But I am saying that we are not aware that we often create laws that cause disruption to families and some of us do not realize that where a maintenance order was made five years or 10 years ago and the husband genuinely cannot pay, for several reasons—as I said he may genuinely have
difficulty in working or whatever it is—the fact is that that wife, applicant, that child’s mother cannot get public assistance or any grant from the Ministry of the People and Social Development save and except they go to court: in one instance have the order made, because you have to prove that your husband or your partner is incapable of paying and you can only do that through that method.

Of course, once you take him to court he becomes angry, he is upset, he thinks you are wicked and all of those things, when really the applicant does not have a choice, and it is a matter that we really need to look at because it has created a lot of stress for families.

Minister George, I am glad that you are here. You may not be able to clarify this today, but maybe the Minister of Finance can clarify it. Now, you indicated to Sen. Dr. Lester Henry that he should get his data right in relation to the issue of the Government bonds. Now, at the Securities and Exchange Commission on March 24, 2011, the appropriate number is 133590000—Water and Sewerage Authority, $1,335,900,000, at a fixed rate bond of 6.95 per cent, bond due by 2031 was registered by this Government in relation to the Water and Sewerage Authority.

So I wanted to make it clear that that is information that is not in dispute, and therefore when you accused Sen. Dr. Henry of getting his facts correct, we want to say that that information is information registered by this Government on the Securities and Exchange Commission. So, save and except if we are able to get something different and to say that what has been registered by the Government is wrong, then as an Opposition we stand by our position and our information that the fixed rate bond was 6.95 per cent.

Thank you, Mr. President.

Sen. Prof. Harold Ramkissoon: Mr. President, as I look around the Senate I see a lot of tired faces and this, I think, suggests to me that my contribution should be as brief as possible. I will attempt to so do. But before I begin my contribution; formalities, Mr. President, I thank you and fellow Senators for giving me this opportunity and I extend a very warm welcome to the Minister of Finance. You seem to be more comfortable in the Upper House than in the other place. [Laughter]

Mr. President, I want to begin my contribution by reminding Senators in this Senate that we live in a world that is becoming more and more interconnected, more and more globalized and more and more competitive. What happens in other parts of the world affects us directly or indirectly. Our economy, for example,
depends on the economies of a number of other countries, particularly, our trading partners. The picture out there does not look bright for a number of countries and Sen. Mariano Browne touched on some of these countries.

The US, for example, a major trading partner for us, the economy there has been in a depressed state for, I think, four consecutive years. The stimulus packages did not seem to have much impact on the economy; some of these stimulus packages focus on the non-productive areas. We move from the USA to Europe, the economies of Portugal, Ireland, Greece and Spain are of concern to many Europeans and to us also. We come closer to home; the Caricom markets continue to be very weak, thereby restraining our exports to the Caricom countries. I want to go back to Europe, over 40 per cent of the youths in Spain are today unemployed.

Mr. President, we look at what is happening in Trinidad and Tobago and you have heard the figures, unemployment, I think is 4.8 per cent; inflation, 6.4 per cent, and growth expected by the end of this year between 1 to 2 per cent. What do these figures say to an individual like me who is not an economist, who is not a banker, who is not a financial expert? They say, I think, three things at least:

- that the economy in this country is not as bad as many people would want us believe; [Desk thumping]
- our economy is certainly much better than many countries around the world; and
- the economic ship has been steadied.

Having said that, Mr. President, and taking other indicators into consideration, it is also obvious that the economic ship has almost come to rest. What is required is direction and an impetus and some of our Senators have come up with some recommendations. What I would like to do is to focus on a few related matters, not many.

The Bill seeks additional funding to inter alia meet and honour commitments and also to strengthen institutions. I noticed that $50 million is being requested for the University of Trinidad and Tobago, Tamana campus. While this seems to be a reasonable request, it does raise some related fundamental questions.

Let me start with UTT. Bringing UTT on stream, to me, was a laudable effort. We needed an institute that would have direct links with the private sector and the business sector; we needed an institute to produce innovators and entrepreneurs; we needed an institute to provide more engineers and more scientists for our
society. So, it was a good idea and I believe those who thought about this new institute wanted to bring about something that was very similar to MIT, the famous Massachusetts Institute of Technology.

Mr. President, the roots of MIT are in the boardrooms of America and I think this was the idea of bringing UTT into being. Things, however, have not quite worked out the way we expected.

1.25 a.m.

Something has gone wrong along the way and we have to ask ourselves what went wrong at UTT. I now want to move to e TecK, another commendable effort. And I want from the website, Mr. President, to mention some of the noble objectives to diversify the country’s non-energy sector with focus on ICT among others, to develop a new knowledge-based society to construct and manage the Tamana InTech Park. There was supposed to be strong interactions between UTT and e TecK with shared services. Again something went wrong and we have to ask ourselves what went wrong at e TecK.

Mr. President, as someone who has a deep interest in science and technology and how it relates to development not only in Trinidad and Tobago, but beyond the boundaries of Trinidad and Tobago, I sent a hand-delivered letter to an official at e TecK, requesting a meeting to find out what is happening at e TecK; that was 10 months ago. To this date, I am yet to receive a reply.

Mr. President, this is tantamount to refusal. When I look at this I remember the biblical saying that a prophet has no honour in his own land. I do not like to make comparisons and I do not like to bring my personal experiences into public, it could be embarrassing. But I must make an exception in this case, just to contrast the treatment I got with respect to e TecK.

When I was visiting a professor at the prestigious Indian Institute of Science, I was invited by the President of the Indian Space Centre to visit the Space Centre. Not only was I invited, I was taken to the Space Centre to have a look at the Space Centre and I was taken to all the departments of the Space Centre. In the process, I saw the importance of the Space Centre to the fishermen and fisherwomen, to the farmers and to the contribution that it was making to rural education in India. At the end of my tour, Mr. President, I had the honour, I was asked to address all the scientists at the Indian Space Centre, and here in my own country e TecK is off limits to me.
Mr. President, there are many persons out there who would like to know what is happening in e TecK and they have a right to know what is happening in e TecK, and I hope somebody someday will let the people know precisely what is going on at e TecK. Now, I know that the boards are new boards, they have been replaced and I have no problem with that; that is part of our political culture. But, the members of the new boards, be they the board of e TecK or UTT or Tamana Park they have a responsibility to change the direction and introduce new policy that would bring return to the millions, if not billions of taxpayers money that we spent at UTT, e TecK and Tamana Park.

I want to move on to another related matter. We have been talking about being competitive in this country. In fact, our survival depends on being competitive. Now, if we are going to become competitive one of the first things we have to do is to create the requisite infrastructure. And in this day and age the first thing you need to do is invest in information technology, wire your country, connect your people. I have some figures here and you will be surprised at the state of this infrastructure of Trinidad and Tobago. I will quote some figures.

1.30 a.m.

This is from a UNESCO report 2008: approximately 18 per cent of our population were Internet users—18 per cent in 2008—compared to 76 per cent in Antigua and Barbuda and 74 per cent in Barbados. Trinidad and Tobago as we all know has a very high GDP; I think it is over $15,000. We are the wealthiest country in the Caribbean.

I go to another source, NIHERST 2009 survey: of 828 households surveyed, 40 per cent had computers; and of those 64 per cent had Internet connection; 36 per cent cited high cost as the main reason for no Internet connection.

Mr. President, even though those figures may have improved over the last year or so, we still have a major challenge on our hands. If we really want to be part of this information age, we need as a matter of urgency to do the following: there are two things I suggest we do. The first thing we need to do is to mount extensive computer literacy programmes, particularly in the depressed and rural areas, and if possible use TV as a medium.

We commend this Government for making available to first-formers, laptops. [Desk thumping] That was a commendable effort, but I would like them to go a bit further. I would like them to ensure that within a short space of time all the primary schools have computer labs, that they have computers in the labs, and they have trained teachers to teach the students. That should be one of our objectives now.
Secondly, all Government departments should be computerized within a fixed time frame—say two years. It should be compulsory and mandatory, in fact, I would go further and suggest that all persons entering the public service should be computer literate, and here I want to commend Sen. Nan Gosine-Ramgoolam; she is not here, but she has pledged to make ICT one of the areas of focus in her Ministry.

Let me now briefly touch on the IT industry. While I believe that we have missed the boat, we nonetheless at this late stage should carve out niches for ourselves, and attempt to make it a minor engine of economic growth. In fact, in Costa Rica—someone mentioned Costa Rica—I think it was, Sen. Dr. Tewarie—it is a major engine of economic growth. But if we are to do so, the IT industry needs the support from our Government.

Let me give you an example of what is possible. There is a software company which came into existence in 2007, with a staff of two, and occupying 800 square feet in one of our free zones. Today, four years later, I understand it has a staff of 60, and occupies 6,000 square feet. It has a US clientele with 100 per cent of the income generated coming from the US. My advice to Government is to have dialogue with the IT industry, and if you have started dialogue, engage in greater dialogue with the IT industry; but there is certainly potential there, and I may add a lot of our bright young people are out there working in places like Oracle, Sapiens and a number of other companies.

Mr. President, I now want to turn to another matter, something slightly different. It is my understanding that there is going to be significant expenditure over the next, I think, three to six months in the country, and hopefully some of this funding will trickle down to the construction industry. The construction industry has been going through some very, very difficult times—lean times—over the last couple of years. I do hope that if contracts are given out these contracts will be subjected to the standard processes and procedures, and not be as controversial as some of them have been in the past. I also hope that as many contractors as possible would benefit and that no group would feel left out.

1.35 a.m.

Mr. President, it is with this in mind that I bring to the attention of this honourable Senate, some concern with respect to the qualification criteria for the construction of the Chaguanas Public Library. The qualification apparently consists of two parts:
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[SEN. PROF. RAMKISSOON]

Part one: financial analysis—20 points are allocated for that;

Part two: the technical evaluation—80 points are allocated to that.

If one does not score 14 out of the 20 points in part one, you are automatically eliminated.

I believe, Mr. President, when I looked at the criteria for part one, many medium size contractors would find it very difficult to get past part one even though they can have a high score in part two and a good track record. I therefore wish to bring this to the attention of the relevant Minister and kindly request that the criteria for qualification be revisited.

Mr. President, in ending, let me state that I support the Bill and very much look forward to the next budget. I end by saying that, “Hope lives eternal in the human breast”—Shakespeare, non-paraphrase

Thank you very much, Mr. President. [Desk thumping]

Sen. Embau Moheni: Mr. President, I thank you for this opportunity to join in this debate on the Finance (Supplementary Appropriation) Bill, and I want to place on the record that the People’s Partnership Government has given something to this country in our first year in office. Not only have we given the country a new hope, not only have we rescued the country from a downward spiral, but we have also given the people of this country the opportunity to move from this platform along the pathway of rebuilding this country and creating a brighter future for our people.

I would like to commend the Minister of Finance, who took the responsibility one year ago in a most difficult situation, one that seemed very gloomy to say the least and who at the end of one year has been able to redefine our financial position to one where we could face the future with much greater confidence and with the firm knowledge that with diligence and application, this country is going to be on a pathway to recovery.

I have heard a lot of numbers being called during yesterday’s proceedings, but, as Minister Dr. Tewarie said, economic development, economic recovery and the building of a country is more than numbers, it is more than resources. Fundamentally, it lies with the people, and this People’s Partnership Government has been able to begin that process of rebuilding the confidence of the population and the hope and expectations for better things.
The People’s Partnership Government established a Ministry of the People and Social Development, and that in itself gave a clear indication as to where our priorities lie. A Ministry that could look at the problems facing families, individuals in various communities, and seeking to provide some measure of comfort and redress to problems that our people had been encountering for several years. We were given a clear mandate from our Prime Minister to serve the people, but she went further and told us that in 2011 we had to deliver. So we started by serving the people and, added an imperative to deliver in 2011 and in the years to come. When you look at the performance of this People’s Partnership Government, notwithstanding all the criticisms, all the malignment and all the misdirection of people’s attention by those on the other side, along with their detractors, notwithstanding all of that, no one can deny that this People’s Partnership Government has delivered in a manner that has not been done by any government in the past 75 years.

You look at the Ministry of Energy and Energy Affairs as was outlined by the Minister earlier, her determination and the determination of her Ministry is not only to get value for our mineral resource, but also to push to increase exploration and production.

You look at the sterling efforts of our Minister of Food Production, Land and Marine Affairs, who in one short year has taken up the mantle and the challenge of food production and food security in this country.

Our Minister of Public Utilities—I remember in a discussion with him one year ago when he was just taking up that responsibility. We were talking about the 3,000 leaks that had been identified in the waterlines in this country and I asked him: how are you going to tackle that problem? He said he did not know, but one thing he was sure about is that the job had to be done. When I saw the determination and the will with which he was approaching his task, I am in no way surprised that he was able to complete the Navet line at 30 per cent of the estimated cost.

Sen. Beckles-Robinson spoke about giving credit where credit is due. That is something I hold firmly to as well, but the issue here is not so much one of credit where credit is due. The issue is who got the job done. It is not one of good intentions. As the saying goes, the road to hell is paved with good intentions. It is a question of the will and determination to get the job done.

If we move to Tobago from where I come, you would see the same will and determination of the People’s Partnership Government. As the Prime Minister said quite clearly, “No one will be left behind.” Whether it be Tobago, whether it be the rural community, whoever it may be, no one will be left behind.
I would also like to compliment the Minister of Science, Technology and Tertiary Education, for embarking on a process to ensure that the future generations of Tobago could be more fully equipped to take up the challenge of dealing with the developmental problems that Tobago is faced with. Not only has that Ministry established and opened a technology centre in Tobago, just recently, but is embarking on a project for the establishment of a tertiary education complex that will encompass the University of the West Indies, UTT and COSTAATT in one complex that would not only provide the opportunity for Tobagonians to pursue tertiary education at home, but will also provide that motivation, incentive and encouragement that is needed for our people in Tobago to recognize that they now have the opportunity to buy into, to utilize and to develop their abilities in the interest of developing their own island.

In one short year, this People’s Partnership Government has created a whole new relationship between Tobago and Trinidad, and a greater sense of confidence within the people of Tobago that they have a Government that is prepared to listen to them, work with them and to build an island that has suffered such neglect in the past. I do not want to go into all the areas of neglect that Tobago has suffered. We know that for years the population has almost been stagnated because of the very lack of these opportunities, having to leave Tobago to pursue not only higher education, but also sometimes in order to obtain employment. But we are saying, that this People’s Partnership Government is seeking to provide a new platform; a platform that could be guided by a sense of value for money, where value is deserving and needed.

1.50 a.m.

I would like to thank Sen. Dr. Balgobin for his comments in something that we need to recognize in this Senate, in this society at large that we are all in it together, and it is time that those on the other side begin to recognize that we need to be more realistic in our approach to things.

Sen. Mariano Browne, along with Sen. Deyalsingh, spoke about the expenditure of the Government and how the $3 billion was spent on a shopping list, but what we need to recognize is that during that period, squandermania became a way of life and dominated the environment of our society. [Desk thumping]

So that I see it as necessary that we support this Bill for the continuance of the work of the Government. I would not like to detain you any longer at this late hour, but simply to say that we need to put measures in place for sustainable
development, and to ensure that more of our people could be brought into the stream by our efforts, and the efforts that have been put in place by this People’s Partnership Government for the eradication of poverty and for the upliftment of all.

Thank you.

**The Minister of Finance (Hon. Winston Dookeran):** Thank you, Mr. President. As we bring to a close this extraordinary debate, I am sure we must all feel a sense of relief but also a sense of pride for our Parliament today has done us well. We had many valuable suggestions that were made, we had legitimate questions that were asked, and we had many credible propositions that were put forward on both sides of the Senate.

So I am pleased to make some closing remarks on this debate with the full knowledge that in the air there is still expectancy for a better tomorrow; that in our hearts there is still the enduring hope that we can overcome our obstacles; and in our actions, there is a deep passion that we shall make it happen. It is in that context that I sense the deliberations that we had tonight for the last 15 hours or so, a context in which many made sterling contributions, and as I listened to the submissions, I must say on the other side, I saw a sense of analytical rigour in the contribution of Sen. Dr. Lester Henry. He rose to the occasion; some, however, fell into frivolity. [Desk thumping]

**1.55 a.m.**

I would like to give a word of suggestion to the Members of the Opposition and that is the excesses of the past PNM government, it would do them better not to own them. The excesses of the past PNM government are the burden of the People’s Partnership Government and we shall shoulder that burden and fix this country the way it has to be fixed. [Desk thumping]

**Sen. George:** And give people water.

**Hon. W. Dookeran:** They will be better advised not to own those excesses of the PNM government of the past, but to try to create a new sense of expectancy, hope and passion for that better tomorrow. Regrettably, we have not had the benefit of that choice.

I was particularly pleased to hear Sen. Drayton outlining that what was before us were choices. Indeed, choices are what public policy is all about, and the question always is whether we have made the right choices between the competing claims. I thought in her short contribution, she captured the choices which I need not repeat. But, I thought she brought home the clarity of the debate by saying what the choices are.
Some lamented the sense of despair in the society and attempted to build on what they perceive to be the level of discontent. No political movement can survive on building on discontent. Political movement will have to survive on building a momentum for a better tomorrow. I say to my friend Sen. Fitzgerald Hinds, take note; discontent is only a reflection of those who are swimming in the dark. It is time that we go beyond that and attempt to deal with the issues as they emerge with a point of view of the choices we make.

I want to spend a few moments responding to some of the issues that were raised, so that I too can provide my interpretation of that clarity that was sought from Senators.

Sen. Baptiste-Mc Knight made some very valuable observations, and I think the onus is on me to try and put some of the evidence that she sought in the Hansard. Looking very clinically at the various heads of expenditure on which we are seeking the permission of this honourable Senate, she asked a very fundamental question with respect to Head 39, dealing with WASA and wondered why it is that we had to make an additional allocation of $150-plus million for operating expenses.

Mr. President, may I just point out that was the result of the work programme that has to be implemented because of the new infusion of $1.3 billion of capital expenditure in WASA. [Desk thumping] As the Minister of Public Utilities mentioned, we are on the road to providing more and more water for the people of Trinidad and Tobago and today it is evident because there are few protestors on the issue of water in Trinidad and Tobago. [Desk thumping] The $151 million is to provide the managerial support for that programme to take place.

Incidentally, there was some debate as to whether or not the financing for that programme was efficient, and although the Senator and Leader of the Opposition here in this Senate indicated that the SEC had registered this arrangement at a certain rate, I wish to merely point out that arrangement was in fact negotiated by the previous regime. We renegotiated it and got it at a better rate in this regime. [Desk thumping] We will provide you with the facts.

Sen. Beckles-Robinson: I am happy for that clarification. I am only saying that the information I read out, that registration was in March 2011.

Hon. W. Dookeran: Yes, I note that, but the rate was different to what was renegotiated and, therefore, that quotation may have to be changed.
Sen. Baptiste-Mc Knight also raised the issue, with respect to Head 43, asking why we did not anticipate the dry docking for the *Trinidad and Tobago Express*. May I point out that became an item on the supplementary, because, indeed it was not expected that would take place at the time it did, earlier than it, perhaps, would have been programmed and was not in the original estimates that we had put forward. In addition, I am told that the cost of the dry docking was more than we had anticipated.

Sen. Baptiste-Mc Knight also raised the very controversial Head 46, regarding the Ministry of Sport and asked the questions: What was at stake here? Why did we not anticipate that particular expenditure? May I just point out that the expenditure of which she spoke, relates to the Brian Lara Cricket Stadium. This was based on a bank loan of sometime ago, in which the sum of $497 million, on behalf of the Urban Development Corporation of Trinidad and Tobago, was given at a fixed rate to deal with this stadium. This was before our time. Funds were not provided in the 2010 estimates to meet the first instalment which was due in April of 2010, and insufficient funds were provided in the 2011 estimates. So, in order to meet the three instalments due, funds were transferred from other votes. Consequently, it is now necessary to replenish the votes, as well as to provide resources in this fiscal year to meet the repayment, which will become due in early 2011; another example, of the inheritance of which we spoke, which we have to correct and are correcting that in this particular case. I raise this because I think Sen. Baptiste-Mc Knight, in her detailed assessment, wanted some explanations, so I hope Senator, I have given explanation to some of the very valid suggestions that you have made.

Mr. President, there is, in the submission of Sen. Dr. Lester Henry, a point that I need to correct. I would not go in any detailed deliberations on the Clico situation. We have spoken about that on several occasions, and we will be speaking about it even more. But, he asked the question, or he claimed that he had asked the question previously as to how the Government is going to finance the 20-year bonds. Let me make two points on that. I want to make it for another time. The so-called 20-year bonds does not mean that people, depositors or investors, will have to wait for 20 years. I have said it on more than one occasion, but for some reason it has not gotten out to the population. They can redeem their bonds, all, in any one year and, therefore, there is no need to wait. The issue has been at what discount rate and we will get back to that.

But the question that Sen. Dr. Lester Henry raised is how will that be funded and he said I was evading that question. Well, if it was a hard question I could understand why I might have to evade it, but it is such an easy question. This really is a signal contribution of the programme that we have set up, that over a 20-year period we
shall be paying off the bonds as they mature. We have spread over 20 years, the payment for the bonds, not the redemption of the bonds. In this way we have protected the national debt and at the same time provided the rewards for the depositors.

**Sen. Ramlogan:** Well done, man! Well done! [Desk thumping]

**Sen. George:** Mariano would understand that.

**Sen. Ramlogan:** Fine distinction there Mariano.

**Hon. W. Dookeran:** I thought I should clarify that, to ensure that Sen. Dr. Henry, who, as I have said, made a good contribution, would at least be corrected on that issue. We shall speak more on that issue later on.

Sen. Deyalsingh surprised me somewhat. [Desk thumping]

**Sen. Panday:** All the time.

**Sen. Deyalsingh:** Always.

**Hon. W. Dookeran:** But I would not go into all the details of that surprise, because it may embarrass him a little more. [Desk thumping and laughter]

**Sen. George:** Shot boy, shot boy! Shot, shot, shot.

**Hon. W. Dookeran:** But I would just like to correct three little pieces of information.

**Sen. Baptiste-Cornelis:** Only three? More than that.

**Hon. W. Dookeran:** Yes. He said consumer demand was not increasing—

**Sen. Deyalsingh:** I never said that.

**Hon. W. Dookeran:**—and I just wish to quote—

**Sen. Deyalsingh:** I never said that.

**Hon. W. Dookeran:** Well, if you said you never said that, let me still put—[ Interruption] then, I am glad that he has admitted. I am surprised he has admitted that consumer demand has in fact been increasing and consumer credit grew by 3.9 per cent in February 2011, the fifth consecutive month—[Interruption]

**Sen. Deyalsingh:** Mr. President—

**Hon. W. Dookeran:** I have accepted that you said you did not say it.

**Sen. Deyalsingh:** I never said those things.
Sen. George: But he has accepted that.

Sen. Maharaj: Sit down!

Hon. W. Dookeran: I am saying what it is now. So whatever you said we can check. I accept you said you never said it, but I should correct, or put the information on the table.

Sen. Deyalsingh: You should come to my class.

Sen. George: Leave it so.

Hon. W. Dookeran: He also said—

Sen. Deyalsingh: I wanted to know why.

2.10 a.m.

Hon. W. Dookeran: Well thank you, thank you. I just thought I should put those two points on the record. [Interruption]

There was an interesting dialogue by Sen. Ramkhelewan saying that the fact that the stock market had increased by 11 per cent was no indicator of the bright side of the economy. I just wish to refer him to a Guardian editorial, and the head of that editorial says the: “Stock market bright spot for the economy”. I am referring you to the Guardian editorial on this issue when you said it did not. It went on to argue that the stock market increase was indeed a “bright spot in the economy”. I do not know if Sen. Ramkhelewan has fallen prey to those who wish to put dark clouds where there are blue skies in Trinidad and Tobago. [Desk thumping]
Those were some of the detailed issues that were raised in terms of economic indicators, but I want to say that many of the suggestions are indeed very valuable, especially what I heard from Sen. Prof. Harold Ramkissoon, and I think they are worthy of consideration, and I have no doubt that the Minister of Science, Technology and Tertiary Education among others will take those points under consideration.

And as we always do in this Government we do not see ourselves as the repository of all knowledge—[Desk thumping]

Hon. W. Dookeran:—but we see ourselves as having the clear mandate to fix this country, and to fix it quickly. [Desk thumping] To be able to do that we would, of course, accept all those valuable suggestions that were made, or those very legitimate questions which had been raised in the conduct of our economic policy. That is the menu—from those who say they can stand alone to us who say we stand together [Desk thumping]

Sen. Panday: Take that! Take that!

Hon. W. Dookeran: Mr. President, I think when I listened to the debate and perhaps I should just point out, because there was an interesting dialogue on the issue of the manufacturing sector, and the suggestion was being made that the manufacturing sector was being stalled. I believe the Minister of Energy and Energy Affairs in her contribution clearly outlined the link between the energy development and the manufacturing sector.

I also want to refer Sen. Ramkhelewan, and I believe someone else made that suggestion, to the substantial incentives for generating new investment in the energy sector, that were outlined in the 2008 budget. They went from changing the minimum wear and tear tax allowance of 10 per cent to 25 per cent, except for buildings. I am just quickly summarizing. They went from increasing the scale for tax exemption on free trade zones from $50 million to an unlimited amount. They went from encouraging growth in the manufacturing sector by expanding the list of conditional duty exemptions to allow for the removal of customs duty on equipment. And it is no wonder that when we looked at income tax returns for this year, so far, while we have seen a 5 per cent increase in the energy revenue, a 5 per cent increase on the issue of energy which has always been the mainstay, the hydrocarbon economy in which we live, in respect of the non-energy sector, we saw a 15 per cent increase, and I have no doubt it is because some of the incentive programmes that we have provided for the non-energy sector are beginning to bite in this economy at this point in time. [Desk thumping] And that is the point I am making.
2.15 a.m.

So those who wish to bring dark clouds in blue skies will have to review the analytical basis of that argument. It is easy to express populist opinions; it is much more difficult to ensure that that opinion has an analytical foundation and this is one area in which, I believe, we have had some kind of misgiving.

Mr. President, there are essentially two theses that were developed by Senators opposite. The first one, it appears to me, was that deficit financing is somehow wrong. I believe it was Sen. Mariano Browne who said: why do we not use the Heritage and Stabilization Fund and wipe out the deficit?

Sen. Browne: I never said that.

Hon. W. Dookeran: Maybe I misinterpreted you, but I got the impression that you said that if the rules are to be changed, the law has to be changed. We can go back to bring that about. You said you found it difficult that we would have a deficit on one hand and a stabilization fund on the other hand. [Interruption]

Okay, what I want to say, however, on that issue, is that our Heritage and Stabilization Fund has been growing steadily. There was one year in which there was no contribution. My statements on that issue about a year ago have been completely misinterpreted. I have the information on that one year.

Even now, the Heritage and Stabilization Fund has only acquired up to 17 per cent of the GDP. For such a fund to have real value for the purposes for which it was intended, stabilization and heritage, it should be much more than that. I would not put a figure, but it should be much more. All I can say is that in countries that have had successful stabilization and heritage funds, the figure is well over 100 per cent.

So it is a long way for us to go before we can interfere with that pillar, that strength that we have been able to put into place. I say that with confidence because I know it is something that was supported by the previous regime and I feel confident that when it was put into place it was done with a view to the future in mind and we must not succumb to trading off the future for the present in the context of economic management.

The second argument that was used is that somehow the deficit is non-productive expenditure, the increased allocations. I think this was raised by Sen. Hinds and one or two other Senators. How did they define non-productive expenditure?—saying that it was the result of transfers and transfers meant that we should not have transferred funds towards the social support programme.
So, are they saying by that that we should have cut our social support programmes? How could we talk—and it is about choices—about non-productive expenditure and they are saying cut the social programmes in order to make them productive, growth-oriented? I will come to that in a minute.

Alternatively, are they saying that we should not have had the increases in public sector wages? Because that, they claim, is recurrent expenditure and $2.2 billion in our budget today has been allocated to public sector wages as a result of the new arrangements that have been put into place.

I just wanted to expose the fact that if you are saying this is non-productive, then you are saying to cut the public sector wage bill and also cut the transfer payment, both of which are people-oriented and reflect the philosophy of this Government as opposed to previous governments. I am not holding this group here as part of the previous government. I think they should try to escape that in their own way of talking; that we will try to spend the money, not in tall buildings, as we say, but with the people on the ground. [Desk thumping]

Mr. President, this thesis that deficit financing is somehow bad is quite wrong. In the times when you have to engineer growth, you need to increase the deficit financing. You can do so by having the right priorities and also ensure that you cannot have this over a long period of time. That is why we are very careful in how we deal with the debt situation that we can ensure that over some period of time, we will be able to come back to balance budget.

The other thesis that was put forward with increasing frequency as the night went on, is that there is no growth strategy underlying the fiscal action plan. I just want to put on record a few things pertaining to the growth strategy before I close.

There was a very spirited debate on the growth pole and where we are. The growth pole concept is not new, but it was meant to expand the space of this economy, both physical and otherwise, hence the suggestion that there will be different growth poles.

The view that Laventille is not being considered is erroneous because what we have done as a government is that we have begun to negotiate with the Inter-American Development Bank, which had what they call a Sustainable Cities Plan, to become eligible for that facility. When we attended the meeting in Calgary about three or four months ago at which the Mayor of Port of Spain was there, I spoke to him and we jointly put forth a case—he on his own platform and I on another platform—that we wanted to include Port of Spain in the programme as one of the hemisphere’s sustainable cities, so that we can develop in a structured way a plan to deal with East Port of Spain as a growth pole.
I am pleased to let you know that the Inter-American Development Bank agreed to include in its programme for the hemisphere, Port of Spain as one of the sustainable cities. Already work has commenced on conceptually designing that programme and we hope it will result eventually in the re-modification of East Port of Spain to make it the kind of city that we have in our mind in the years to come.

**Sen. Hinds:** What do you foresee?

**Hon. W. Dookeran:** What I am telling you is that we have now agreed to have it in the programme. [*Interruption*]

**Sen. Ramlogan:** You “cyah geh” all that now, man.

**Sen. Baptiste-Cornelis:** Stop interrupting! You had your time.

**Hon. W. Dookeran:** The second growth pole of which we spoke—we said that in the south west peninsula—[*Interruption*] Well, they also criticized the fact that we have started and not started the highway to Point Fortin. That, essentially, is the basis for opening up the south-west peninsula as a growth pole and the decision to move in that regard is really the attempt to try to create that growth pole.

There are always challenges in dealing with the financing of such programmes over the years, but I can give you the assurance that the Government is committed to completing that programme within the four-year time frame which we have outlined. As of now, we are taking the necessary steps to ensure that that becomes part of our expenditure.

With respect to the north coast development, it was pointed out, with the road tunnel concept; here again it was expanding new space into the north coast and there is much more to it than that. What has happened since the budget is that NIPDEC has been charged with the responsibility and it has done some of the work to establish the technical feasibility of this proposal and, that we hope would lead to the financial feasibility of it soon after we receive it.

With respect to Tobago; I should say a special word about Tobago. The Tobago pole is incorporated in our public expenditure programme and we are about to hold negotiations with the Tobago House of Assembly on the issues of creating a breathing space for Tobago. Tobago is, in a way, a special case today. Economic activity has gone to a very low level. Recently, I met with the Chamber of Industry and Commerce and also with other interested parties in Tobago and we have agreed to develop what we call a plan to deal with providing Tobago with breathing space so that we can move on to the second phase, which involves:
(1) the actual expenditure of public funds and, in this budget, you will recognize that we made a substantial allocation of $108 million to the Tobago House of Assembly;

(2) the review of the Foreign Investment Act that has been seen by some as being prohibitive and we will hold discussions along those lines;

(3) beginning with Caribbean Airlines, detailed discussions as to providing the air link and the marketing aspect.

I am hoping that very shortly we will be able to put together a breathing space approach for Tobago’s development.

These things do not happen overnight. I know that Senators will recognize that. You have to set in motion the work that has to be done to create those growth poles. That is just to establish the fact that these are concepts that are in different phases of development. They are more likely to show results over time, but we are moving in these directions and, hopefully, as the months pass by, we will be able to account and give a report as to the various initiatives that I have mentioned in the growth poles. Therefore, it is somewhat inaccurate to say that not much has happened.

Let me just make some concluding remarks on the growth strategy. The economic growth strategy requires us to have an environment that is supportive of growth. There is a sequencing to this issue and we have ensured that the pre-conditions for the growth strategy are in place, that is why we are very careful. When I presented this Bill earlier, yesterday I guess, I outlined how we were approaching that.

Let me just summarize. We were working toward a low interest rate environment and we encouraged the Central Bank to keep a low interest rate requirement, that is, policy within the remit of the Central Bank. In the last budget, we indicated our desire to keep that and I can indicate to you that since then the Central Bank has been lowering the repo interest rate and has kept a low interest rate environment.

2.30 a.m.

They have been able to succeed also, in having a fall in inflation rate. We know that that is still subject to some substantial external influences. Hopefully, with the plans of food production that might increase.
So the first element in the preconditions for growth was to have a low interest rate environment, and a low inflation rate environment or a lowering of the interest rate environment. To have deficit financing—and there is a misconception that you must have deficit financing for capital projects only. What we are doing here is to have deficit financing that will sustain enhanced expenditure in the country. So whether it is through wages, or whether it is through depositors’ income, or whether it is through any other form, we are creating more demand in the country.

Thirdly, exchange rate stability, which I need not speak much about because I think it is very clear that that situation is well in hand. Sen.Beckles-Robinson asked the question of why the shortages. I explained earlier today that the shortages do happen from time to time because the supply of foreign exchange is at discrete times but their demand is continuous. Therefore, there are always supply/management issues. The important point to note is that the Government continues to provide the conditions for exchange rate stability.

Finally, in terms of the growth strategy which I am trying to outline, because that in the thesis that is put forth, is the question of financing of growth and development. Yes, our budget has made provision for what some see as the largest budget within recent times or for all times, but the question of financing development requires much more than what we have at our disposal. That is why I began very early on, to hold discussions in detail with the Inter-American Development Bank and was able to secure, within a few months, a loan facility at a very attractive rate of 1.3 per cent over Libor for $100 million which became part of our expenditure for this year. Since then, we have been able to discuss a wider programme. Over the next four years, there is a commitment to provide financing for growth to the extent of $1.3 billion with the Inter-American Development Bank.

I am putting into place the financing. The ideas are fine but the ideas must simply be supported by the plans and the financing. That is one area in which we have had great success. In the process we have been able to negotiate over $7 billion of grant funding for a number of things, which the Minister of Public Utilities spoke about when we talked about the waste water programme, et cetera.

The second area has to do with our desire to raise funds both in the local market and in the external market. We have begun the process to put that into place for fiscal 2011/2012, so we will not be short of the necessary financing for growth. These financing mechanisms will be used essentially for the purposes of growth.
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[Hon. W. Dookeran]

We have also begun to hold discussions with other financial institutions including the Export/Import Bank of China, and had very early discussions with them on the possibility of concessional financing for social projects in Trinidad and Tobago.

2.35 a.m.

Mr. President, I just wanted to outline in some detail how the growth strategy is going to evolve, so those who wish to have high expectancy will begin to understand that this is how we are charting that programme. Having dealt with the issue of fiscal sustainability, we are now dealing with the issue of building the growth momentum, and that is where we are, and that is where we are after one year in office, and that is where we intend to go over the next few years in order to change the situation. [Desk thumping]

So I conclude, Mr. President, by merely saying that I am aware that there are those who wish to bring dark clouds in open skies. I am aware of that. I think it is legitimate for the Senators opposite to have scrutiny—[Crosstalk]—Let me complete: 2.35 a.m. I am saying that it is necessary to have scrutiny and, therefore, what we have had here today is scrutiny of the highest order. I congratulate the Senators opposite for scrutinizing this Government who can withstand any form of transparency test in the management of its economic affairs. I beg to move. [Desk thumping]

Question put and agreed to.

Bill accordingly read a second time.

Hon. W. Dookeran: Mr. President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

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

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of State in the Ministry of National Security (Sen. The Hon. Subhas Panday): Thank you very much, Mr. President. Mr. President, I beg to move that this Senate do now adjourn—I humbly apologize to you—to Tuesday, June 14, 2011 at 1.30 p.m. at which time we shall embark upon the Anti-Terrorism (Amdt.) Bill, 2011. Mr. President, I apologize; I had told you it was Monday, but we kept on changing, so it is Tuesday, Mr. President.
Mr. President: Before I put the question, Leader of Government Business, may I ask—I notice that you are going to be doing the Anti-Terrorism (Amdt.) Bill which, of course, is an amendment to the substantive Bill—if, perhaps, before that day we could have the track changes showing the Bill that is before us as versus the original Bill?

Sen. The Hon. S. Panday: Mr. President, if one looks at the Bill, one will see [Crosstalk] that it has already been tracked, Mr. President.

Mr. President: When I say changes in the Lower House, I meant the changes versus the original Bill, the Anti-Terrorism Bill.

Sen. The Hon. S. Panday: No, Mr. President, this is the Bill, which was before the House of Representatives and this is the Bill which has been passed with amendments in the Lower House and, as such, it has come before us. [Crosstalk]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 2.41 a.m.