SENATE

Wednesday, October 19, 2011

The Senate met at 1.30 p.m.

[MR. PRESIDENT in the Chair]

REPUBLIC OF TRINIDAD AND TOBAGO
No. 10 of 2011.

[LS.]:

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

TIMOTHY HAMEL-SMITH
Acting President

A PROCLAMATION

WHEREAS it is provided by subsection (1) of section 67 of the Constitution of the Republic of Trinidad and Tobago, that each session of Parliament shall be held at such place within Trinidad and Tobago as the President may by Proclamation appoint:

Now, therefore, I, TIMOTHY HAMEL-SMITH, Acting President as aforesaid, do hereby appoint Tower D, Port-of-Spain International Waterfront Centre, 1A Wrightson Road, Port-of-Spain, Trinidad, as the place at which the Second Session of the Tenth Parliament of the Republic of Trinidad and Tobago shall continue.

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 28th day of September, 2011.

PRAYERS

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Sen. Lyndira Oudit, who is out of the country.
SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from 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 Professor George Maxwell Richards T.D., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Maxwell Richards

President

TO: MR. RABINDRA MOONAN

WHEREAS Senator the Honourable Lyndira Oudit is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44(1)(a) and (4)(a) 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 19th October, 2011 and continuing during the absence from Trinidad and Tobago of the said Senator the Honourable Lyndira Oudit.

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 18th day of October, 2011.”

OATH OF ALLEGIANCE

Senator Rabindra Moonan took and subscribed the Oath of Allegiance as required by law.

NEW PARLIAMENT CHAMBER

(WELCOME)

Mr. President: Hon. Senators, before we start today’s proceedings I would like to welcome you to these new Chambers where we are relocated. I would also like to, just for today, and perhaps the following days, mention a few house rules that we would like to observe.
I propose today to take a break at 4.30 p.m. for tea and to take another break at 8.30 p.m. for half an hour. Senators wishing to take longer than that are free to do so, but the Senate will resume at 5.00 p.m. and at nine o’clock respectively.

I do also wish to draw to your attention the fact that because we are in these new quarters the acoustics are different from what they were in the other place and, therefore, your voices carry somewhat more. You will notice that our Hansard reporters are at the end of the Chamber and, therefore, there can be challenges to hear distinctly what a Senator speaking is saying. Therefore, I would ask that you keep the crosstalk to a minimum, if at all. I would recommend that to you.

Of course, the public are watching us, as usual, and I would, therefore, ask that Senators be leaders and distinguish themselves by letting the public know that we are leaders, and that we set the tone for the country.

I now enjoin you into the debate.

**APPROPRIATION (FINANCIAL YEAR 2012) BILL, 2011**

Bill to provide for the service of Trinidad and Tobago for the financial year ending 30th September, 2012, 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.

**PAPERS LAID**


3. Annual report of the Ministry of Public Administration for fiscal year 2010. [The Minister of Public Utilities (Sen. The Hon. Emmanuel George)]


8. Taurus Services Limited annual report 2010. [Hon. W. Dookeran]

9. Annual audited financial statements of the Trinidad and Tobago Solid Waste Management Company Limited for the financial year ended September 30, 2007. [Hon. W. Dookeran]

10. Annual audited financial statements of the Trinidad and Tobago Solid Waste Management Company Limited for the financial year ended September 30, 2008. [Hon. W. Dookeran]

11. Annual audited financial statements of the Trinidad and Tobago Solid Waste Management Company Limited for the financial year ended September 30, 2009. [Hon. W. Dookeran]

12. Annual audited financial statements of the Vehicle Maintenance Corporation of Trinidad and Tobago for the financial year ended September 30, 2009. [Hon. W. Dookeran]

13. Annual audited financial statements of the Vehicle Maintenance Corporation of Trinidad and Tobago for the financial year ended September 30, 2010. [Hon. W. Dookeran]


15. Annual audited financial statements of the National Enterprises Limited for the financial year ended March 31, 2011. [Hon. W. Dookeran]


22. Social Sector Investment Programme—2012. [Hon. W. Dookeran]


24. Public Sector Investment Programme (Tobago)—2012. [Hon. W. Dookeran]


Proceeds Of Crime (Prescribed Sum) Order, 2011

The Minister of National Security (Sen. The Hon. Brig. John Sandy): Mr. President, may I advise that the Statutory Instruments Committee considered the Proceeds of Crime (Prescribed Sum) Order, 2011 and found that there was nothing to which the attention of the Senate should be specially drawn. The minutes of the Committee were circulated to Members.


ORAL ANSWERS TO QUESTIONS

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Thank you, Mr. President. Mr. President, by agreement with the Leader of Opposition Business in the Senate and the coordinator of the Independent Bench, questions will be deferred until the conclusion of the proceedings of the Appropriation Bill. [Desk thumping]
The following questions stood on the Order Paper:

**Financial Intelligence Unit Positions**
(Details of)

1. Would the Attorney General indicate to the Senate:
   
   (a) Whether the positions of Director and Deputy Director of the Financial Intelligence Unit (FIU) are now properly filled;
   
   (b) If the answer to (a) is in the affirmative, would the Attorney General indicate which public officers now occupy those positions and their respective dates of assumption of duty to these offices; and
   
   (c) If the answer to (1) is in the negative, would the Attorney General indicate whether there are persons ‘acting’ in those positions? [Sen. F. Hinds]

**Pasea Village, Tunapuna Residence**
(Prime Minister’s Occupation)

2. With respect to the occupation of a residence at Pasea Village, Tunapuna, would the hon. Prime Minister indicate the precise date she commenced occupation of the residence at Pasea Village, Tunapuna and the duration of her stay there? [Sen. F. Hinds]

**BAE OPV Contract**
(Alleged Breach of Results)

8. A. Would the Minister of National Security indicate whether BAE, the British company which was contracted by the Government of the Republic of Trinidad and Tobago to provide three (3) OPVs, has taken any action to recover moneys from the Government of the Republic of Trinidad and Tobago in respect of any alleged breach of the said contract?

   B. If the answer to (A) is affirmative, would the Minister indicate what action was taken, in which forum/jurisdiction, when was this action initiated and what is the precise nature and quantum claimed?

   C. Would the Minister state what is the precise status of this action and for how long it is likely to continue?

   D. Would the Minister also indicate whether the Government of Trinidad and Tobago is legally represented in these proceedings, by whom and at what cost to date? [Sen. F. Hinds]
Oral Answers to Questions

Wednesday, October 19, 2011

Rio+20 Conference, 2012

14. A. Could the Minister of Housing and the Environment indicate if the Government of Trinidad and Tobago will be participating in the 2012 Rio+20 Conference?

B. If the answer to (A) is in the affirmative, could the Minister identify the major issues the Government of Trinidad and Tobago intends to raise at the Conference?

C. Could the Minister also indicate if the Government of Trinidad and Tobago participated in any preparatory meetings?

[Sen. Prof. H. Ramkissoon]

Questions, by leave, deferred.

APPROPRIATION (FINANCIAL YEAR 2012) BILL, 2011

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

That a Bill provide for the Service of Trinidad and Tobago for the Financial Year ending on the 30th day of September, 2012 be now read a second time.

Mr. President, this is a money Bill, and it was approved in the other place on October 18, 2011. The Bill provides for the appropriation from the Consolidated Fund the sum of $47.130 billion under the various heads as indicated in the Schedule to the Bill.

Mr. President, may I, at the beginning, give a brief synopsis as to the outcome of the fiscal operations during the year ending September 30, 2011. You will recollect, Mr. President, that this honourable Senate did approve an Appropriation Bill for 2011 with an estimated revenue of $41.2 billion, and later it was revised to $45.067 billion in the Appropriation Supplemental Order.

You will note, Mr. President, that the outturn from the original estimates was, indeed, much better than we had first forecasted, more so in terms of revenue but also with respect to expenditure.

At that time the hon. Members of both Houses did approve an expenditure of $49 billion for 2011 which was then revised to $53 billion in the Appropriation Supplemental Order.

You will note, Mr. President, that the outturn from the original estimates was, indeed, much better than we had first forecasted, more so in terms of revenue but also with respect to expenditure.

At that time it was estimated that the deficit in order to meet the difference between expenditure and revenue was in the vicinity, in the revised estimates, of $7.9 billion. That, I must say, Mr. President, included a transfer to the Heritage
Stabilization Fund of $2.89 billion. The financial outturn for 2010/2011, Mr. President, with some modifications, as I have mentioned, on the revenue side, and a smaller modification on the expenditure side, have been within expectations, certainly in the context of our revised estimate.

I wish to also indicate in so doing that we had proposed that these fiscal operations, coupled with the fiscal incentives that we had promoted and approved in this Senate on the budget of 2011, would provide the necessary impetus for the growth of the economy to reflect what I had hoped would have been a real growth rate of 2 per cent.

There has been some variation with respect to the outturn in terms of the growth rate. But that has to be looked at in the context, Mr. President, of the increased performance of the economy with respect to expenditure and revenue, and at the same time, to acknowledge that there has been a smaller outturn with respect to investment, both private sector and public sector, and energy sector.

In recognition of that, Mr. President, and the fact that we had accommodated many revenue items, or rather, many expenditure items in 2011, some of which were due to the fact that we had completed wage negotiations in a large number of collective agreements and incorporated into our provision the cost of such arrangements, we had also appropriated in our measures certain commitments to meet what was then described as the outstanding arrears of the contractors in the society, most of which were due to part of our inheritance as we assumed responsibility for fixing the finances of the country.

In addition, we had, on the slate of our expenditure, during the course of the year, to meet the commitments on VAT refunds which were increasing from previous years and have not yet being settled.

You will recollect, Mr. President, in meeting these and other commitments, we were very careful that we also had to deal with the vexing and difficult problems that afflicted our country and economy with respect to the Clico situation, with respect to the HCU situation, and with respect to commitments made to the financial institutions through letters of comfort, which had to be converted into guarantees.

I am pleased to indicate to this honourable Senate that in the discharge of our fiscal responsibility to the nation through the Parliament to the citizens of our country, that we have met all the commitments that we inherited as far as it was possible during this fiscal year, and at the end of it our fiscal position remains what it was at the beginning. [Desk thumping]
Mr. President, at that time we predicated our revenue on the basis of an oil price and a natural gas price. With respect to fiscal 2011 we, at first, projected an oil price of US $65 per barrel and a price of $2.75 per unit of gas. We subsequently revised that figure, and, for the latter part of the year, we changed our projection to a figure for US $75 per barrel of oil, but maintained the $2.75 per unit of gas.

Because there has been some variation with respect to our intake on these issues, we are able to reflect a higher than expected income. Based on the first three quarters—and the final quarter is yet to be determined—for fiscal 2010 and 2011 the actual price that was received for oil was in the order of $92 per barrel, and with respect to gas, it is in the order of $3 per unit of gas. I say this for two reasons because in the other place it was requested to provide that information for the general population, and also to indicate that that as well as further intelligence on our part, based on what we have been able to arrive at from the local energy sector and indeed the international intelligence available to us, we have based the new provisions for the 2012 budget on the budgeted price of oil being $75 per barrel of oil and $2.75 per unit of gas.

We believe that this judgment—and indeed it is a judgment, for it is at the beginning of the year—we have to take into consideration what we anticipate is likely to happen, and we believe that this judgment that we have made with respect to the basis of our Appropriation Bill is likely to be achievable. Notwithstanding the fact that in today’s world there is now extreme volatility on issues of commodity prices, there are also issues with respect to the possibilities that financial contagion could, one day, affect even countries like ours.

Also, with respect to the fact, the volatility that I referred to has created some uncertainty as to the growth rate in the world economy and in the larger economies of the world, we have entered, in the preparation of our 2012 budget, an era in which that uncertainty has caused us to be cautionary with respect to growth rate projection, with respect to revenue projections and, certainly, we have to maintain levels of expenditure in order to do the service of the people of Trinidad and Tobago as they so wish and desire.

Against that assumption, Mr. President, the 2012 estimates are now calculated to arrive at a revenue position for 2012 above what we had projected for 2011, and it amounts to $46.992 billion, roughly speaking $47 billion, and our expenditure has increased from the original estimate in 2011 of $53 billion to $54.6 billion. This represents, Mr. President, a fiscal deficit of $7.6 billion.
We are very careful in curtailing our expenditure levels and in arriving at that deficit to take two things into consideration; one of which has to do with the deficit as a per cent of our gross domestic product, and for yet another year, in spite of the fact that we have had to succumb to deficit financing over the last three years, we are able to maintain this at a level of 4.89 per cent of the GDP, well below the figure of 5 per cent, which we were subscribing to and we believe it is within the realms of prudent management.

The level of fiscal deficit that a country can support is also determined by the level of debt in the country, both in terms of internal and external. On that score, Mr. President, we are very careful to keep the levels of public sector debt under 40 per cent, and it has been so for the last two years. But I hasten to add that some of the contingencies remain to be accounted for, for non-guaranteed debt remains a matter of concern. Given the two considerations of ensuring that the debt as a percentage of GDP is well below the 5 per cent level, and that the debt in total, internal and external, as a percentage of our GDP is well below 40 per cent, I feel confident in saying that we have managed our affairs, both in terms of the last fiscal year, and we intend to manage our affairs with respect to the next fiscal year within the acceptable norms of fiscal sustainability and [Inaudible] [Desk thumping]

It is against those fiscal issues of arithmetic that the budget proposal is before us for the consideration of this honourable House. What, therefore, were some of our concerns in trying to arrive at the fiscal package? There is no doubt that the Government was, indeed, elected, and a new page was turned in the history book of Trinidad and Tobago based on a sense of dismay that things would not go right if the country had not put different people in charge of our financial affairs. [Desk thumping] But with that sense of dismay, there was a level of expectation throughout the year and continuing that things must be put right, and put right as of yesterday.

We recognize, Mr. President, that the mandate of the people must always be paramount in terms of our own discharge of our public responsibility. And, therefore, meeting the expectations of the society has to be the paramount factor in determining our financial management. But we also recognize that we must set in place a framework so that today’s budget must set the framework for tomorrow’s outcome. We recognize a large part of fixing the foundation had to do with the question of the fiscal side.

We acknowledge that in starting this new journey there are other aspects of our economic management that are worthy of commendation, and we acknowledge that our foreign reserves were adequate and comfortable. But we
also acknowledge that had we not reversed the trend with respect to the fiscal
equation, we would have ended up in a situation of financial collapse. [Desk
thumping]

Such a financial collapse would have meant that we may be in a position to
find it difficult to meet our wage bill. Such a collapse would have meant that we
would not have had the room to deal with the problem that would have derailed
this economy and the Caribbean economy for some time—the Clico situation. On
that score, I wish to remind this honourable Senate that in every commentary on
the issue of the fiscal situation in Trinidad and Tobago, mention was made by all
the different agencies as to the capacity of this Government to handle a problem
that could have derailed our financial situation. [Desk thumping]

Whether it was the Moody’s Report, the Standard and Poor’s Report, the IMF
Report or the Latin American Monetary Report, all of which look at countries
throughout the world, they all indicated that Trinidad and Tobago’s fiscal
performance will be judged on how we manage that situation, and I am pleased to
indicate to you here today, Mr. President, the worst is behind us. [Desk thumping]

You will recollect that in this very Chamber, in the other place—physical
place, that is—we did debate at length, the legislative framework to make that
economic solution real. Today we move on with the full knowledge that we have
escaped the possibility of that situation derailing us, especially since when we
came into office it remained a problem that could not be touched by the previous
regime. Not only had they not diagnosed the situation correctly but they did not
have the courage to take the hard decisions that we in this Government had to take
on that issue.

Mr. President, it is against that background that we have now put forth, as I
indicated, our estimates for 2012, and we do so with the full knowledge that we
must now shape the behaviour of this economy in a different way. That required
us to do many things. It required us, in the first instance, to acknowledge that we
must search for new space. To some extent, the entire presentation, which I wish
to make here today, is really building a new frontier. We recognize that the old
frontier had its limitations, and notwithstanding all the protestations that we can
change it, it will only change if we change the frontier.

That is why today the budget statement, which I gave in the other House, was
entitled “From Steady Foundation to Economic Transformation. [Desk thumping]
We had to fix the foundation, for if we were to build on that foundation which
was shaky then, Mr. President, we would not have been doing service to the people of this country, and as we govern for the next generation, we would have been condemned for not taking the right approach. [Desk thumping]

So, fixing the foundation was our immediate task, and while that will continue to be matters of policy initiatives, we said it is time to embark on the issue of searching for new space. Some of this was already identified in the budget statement of 2011, when we introduced the development objectives of that budget. We recognize that as a small economy we are limited physically, we are limited by our population, and we are limited by our exposure to external shocks, and in order to handle that we had to adopt a position that would widen our space.

In that respect, Mr. President, the budget proposals are aiming at creating that new space, both in terms of our geography and in terms of our sectoral situation. We talk about entering into new spaces in the economy that have been hidden in terms of development for some time; whether it be the south-west peninsula in which we have taken the major step, even in a fiscally challenged time, to introduce a new highway into the south-west peninsula to open that part of the economy, and in years to come, we will see the economic activity emerging from that investment. [Desk thumping]

We recognize that in our sister island of Tobago, they have been experiencing, perhaps a more difficult time in light of their dependence and our dependence on the tourism sector, and in this budget proposal, we decided to deal with that problem by offering a way forward. One of the many proposals, apart from the allocations, which I shall mention later, is to introduce a fund of up to $100 million, in order to give support to the Tobago economy—a special support to the Tobago economy in these trying times.

This is after, Mr. President, we are able to inform this country that the long awaited Scaborough hospital will be opened during this calendar year. [Desk thumping] This is after we have acknowledged the real heritage of Tobago by beginning works for the new airport, the Arthur Napoleon Raymond Robinson Airport in Scarborough. This is after we have attempted to put sufficient funds in the coffers, not only with respect to the Tobago House of Assembly, in which we have maintained our constitutional requirements and spending, but we have added additional funds in every Ministry.

As of now, we have allocated somewhere in the order of $2.1 billion for the Tobago House of Assembly and a further $548 million in the different ministries, in addition to which, we have placed a further $100 million at the disposal of the Tobago economy for this year. [Desk thumping]
Opening up the new spaces has been the underlying theme of our wider development strategy, and in other areas we have begun to do work. We had recognized that East Port of Spain is in need of a new injection. For too long there have been voices of despair, discontent and voices in the wilderness.

On the basis of the political philosophy of the People’s Partnership we recognize that our commitment to every part of this country is equal. The history of the people of East Port of Spain is the history of the people of Trinidad and Tobago. [Desk thumping]

That is why we began to pursue, with the Inter-American Development Bank, access to a new facility. They had identified a hemispheric programme for what they call the development of sustainable cities. We immediately offered ourselves as a candidate to be so selected. Mr. President, I am pleased to let you know, and let Senators know, that we were one of the four cities that were selected in the hemisphere for a sustainable development path to be funded by the Inter-American Development Bank. [Desk thumping]

Already we have had consultants who have come and have spoken to all the different actors in designing the approach, but in this budget statement, we have isolated one specific measure, which we hope will be put into place during the course of this year of which I will make mention further. But it is not a project out of thin air. It is not a project in response to an immediate populace demand. It is a project that is responding to the development of the future and the future generations of Trinidad and Tobago. [Desk thumping]

There is still more work to be done with respect to the northern coast of Trinidad and Tobago. There is some work to be done with respect to the northwestern peninsula—which remains a potential, always a potential for some 20, 30 years—and we have introduced measures in this budget to improve access to the southwest peninsula so that that potential, that potential that remained an open dream, shall now one day become a closed reality for the people of Chaguaramas and surrounding areas. [Desk thumping].

Mr. President, it is in that context that this budget development strategy is anchored and rooted, including developments in central Trinidad, including developments with respect to port capacity and expansion in Port of Spain and in central Trinidad. I say that, if only to put in context the framework which allowed us to derive our figures.

The second aspect of this budget had to deal with the very specific and immediate challenge of addressing the revenue, taxation and expenditure challenge. This is in the heart of any budget. I outlined earlier what were the
figures, what was the arithmetic, but now I wish to merely put into place some of
the challenges with respect to addressing the issue of revenue, the issue of
taxation and the issue of expenditure.

It has been pointed out that this budget envisages an increased revenue from
last year’s budget of somewhere in the order of $2 billion. Some wondered openly
as to whether that is something that we can realize or not. Mr. President, perhaps
what is bothering those who have raised that issue is that they have moved from
the paradigm that when you want to increase revenue of the Government you
have to increase the taxation on the people and put the pain on the people. We
decided not to put the pain on the people, but put the pain where it ought to be in
the method of collection of taxes. [Desk thumping]

Therefore, we introduced new measures like transfer pricing and other such
measures, accelerating the process of revenue correction through oil audits that
have been lingering for some time, improving the capacity to raise funds from the
VAT intake. May I point out that during the course of 2011 we had to make do
with $3 billion to deal with the arrears of tax refunds; so that we end this year
with a clean slate, starting next year with a current situation.

So we were able, therefore, Mr. President, in designing the revenue side of
this budget to take these things into consideration. We have also opened up new
areas for regulation. We have decided to strengthen the regulation in the
entertainment industry with respect to the betting industry, and we have decided
to begin to put in place the correct procedures for enforcing the legal requirements
of the private members clubs.

You will see here again the tendency to make the economy one in which we
will all contribute to it, not one that will be so heavily dependent on the price of
gas and oil in the future, as indeed as important as it is, but one that has a wider
base from which you can derive your revenue.

Enforcement measures have been increased and in many cases licences for
businesses have been at very low levels; and as I go through the specifics, we
have increased the licences in many areas, in both the energy and non-energy
sectors. We have also introduced measures aimed at improving deterrence to
evasion of tax by introducing measures that, hopefully, will be able to provide a
deterrent having large penalties.

In one specific matter, we were very careful to announce a strategy to deal
with the so-called fuel subsidy. The fuel subsidy has risen to the level of near to
$4 billion. It was the accumulation of what was happening in previous years, plus
what happened in the last year, and we had to deal with that problem. Many have said that we should, in fact, tackle that problem by removing the fuel subsidy. We decided that we shall not impose the pain on the ordinary citizens of our country; we will deal with that in a manner that is structurally sustainable. In the first place, the illegal bunkering of fuel will no longer have a free hand in Trinidad and Tobago, as we introduce administrative measures to curtail that, and at the same time, we promote long-term measures for the use of CNG as an alternative fuel in Trinidad and Tobago. [Desk thumping]

It is true that it has been on the agenda for some time, and it is true that it has been a call that has been made, but during the course of last year we had begun to aggressively pursue this matter, and I have no doubt that later on the Minister of Energy and Energy Affairs will be able to give us the details of what has happened in this particular matter during this year, and what is expected next year. What I can say, in my discussions with the Ministry of Energy and Energy Affairs, they have worked out an ambitious and an aggressive programme that will be supported by fiscal incentives to encourage the use of CNG as a fuel in Trinidad and Tobago.

We are looking for long-term solutions to the problems of today. We are not simply putting palliatives based on politics of the day. [Desk thumping] That is why I made the point about the fuel subsidy. Others have said, remove it, and I say that we shall find other ways without incurring the pain on the people, and the consequent impact of that on the rest of the economy as we handle the situation at all times, knowing that our balance sheet will be in order, but it will remain in order without putting pain on the people.

The days in which every time you have to budget deficit, you go and you tax the people is the easy way out. It was the way out for the last regime. In our regime, we explore every possible opportunity to deal with the problem without having to put the pain on the people themselves. [Desk thumping]

Mr. President, there are many measures, both in terms of administrative licence fees, one of which I had not mentioned in the Lower House, for those who were following the debate there, has to do with LPG. I was informed that that was never on the list of entities that require even a licence, much less to increase it. Since then we have rectified that situation, and when we come to the Finance Bill we will be introducing that in addition to those that I had mentioned earlier.

Liquefied petroleum gas is a cooking fuel of choice, and it is used in the majority of homes, and the Ministry has recognized that it is necessary to ensure safety in the use of that gas, and they have taken steps to ensure that. But the LPG regulations,
which have been deficient, will now become part of the Petroleum Act and the laws of Trinidad and Tobago and the draft LPG regulations, which are now in the final stages of preparation, will now become part of the regime; the regime of which I spoke, and which I explained earlier on in the other House, how we will bring under some kind of public influence, even the actors in the energy sector.

Mr. President, I said earlier that we are looking for wider spaces, but we are not only looking for wider spaces in a geographical sense, we are in search of wider spaces from the point of view of our sectoral diversification in the economy. Our economy remains narrowly defined by energy, manufacturing, services; but we felt that the time has come for us now to open up possibilities for a new kind of relationship between the private and public sectors.

We know that the public sector has always been the driver of economic change and growth in our country, and there is nothing wrong with that, but there is a limit to which it can go. That was why every year we talk about diversification. From the time we began to look at public management in this country, we have been searching for diversification. But, if the base is so narrow, there are very limited diversification possibilities, and we have had some diversification with respect to energy, natural gas usage in the petrochemical sector, an important initiative that must be furthered. We have had some diversification with respect to our financial services sector, which now have moved beyond our borders, but we need to have more areas for diversification, as it is called; new sectors.

That is why the budget—based not only on the fancies of our wishes but on the basis of the intelligence available to us—has pointed out that there is room for the development of the solar energy usage in Trinidad and Tobago; not only for Trinidad and Tobago, as some had wrongly interpreted, but to produce solar panels for export to a growing market worldwide.

2.30 p.m.

So we are not restricting our expansion on the basis of our local market because we recognize it is small, that whatever expansion we take must be intensive in terms of skills, like in the maritime industry, intensive in terms of export earnings like in the solar development energy and many others. To that end we have said that we must look now at the Caricom region for yet another time.

The early promise of Caricom of the 1960s has reached its limits and the time has come for us to renew our efforts in this regard and the full integration of the mineral rich economies in Caricom with what is available to us here in Trinidad and Tobago in terms of financing and natural gas will form the basis of new
discussions with our sister countries of the Caribbean from Jamaica to Suriname to Guyana to Barbados and others. This is looking down the road. But we have taken specific steps with respect to solar energy and a Memorandum of Understanding, which was in train when we came into office between the Department of Energy in the US and our Ministry of Energy and Energy Affairs, we have taken much further.

We will provide the necessary technical support to allow developments in a number of different renewable energy areas to be encouraged. Some of them have been identified in that memorandum, not only solar energy, tidal and wave energy, energy efficiency, biomass, wind energy, biofuels, et cetera, but they will be provided in an agreement to establish a centre that has been referred to as a renewable energy research centre, in conjunction with the Department of Energy in the US, another area in which we shall provide support to institutions like the Caribbean Industrial Research Institute and in so doing, Mr. President, we have recognized the need to move beyond the frontiers and to start building that foundation for the future.

Building that foundation, I have also indicated that we want to introduce an innovative financing scheme and the Ministry of Planning, Economic and Social Restructuring is about to finalize the operations and the modalities with respect to the establishment of a financing facility to convert research into commercial opportunities supporting what has been done in the first generation with respect to this area.

Mr. President, all that I have said has been done in the context of ensuring that the people of the country are also protected and we have placed a lot of emphasis on revitalizing the NGOs and small business sector and microbusiness sector. It is astonishingly difficult for us to accept that almost 50 per cent of our unemployed are classified as young people. While we have taken certain steps historically to deal with that problem, we believe there is need for a new focus.

That new focus has been reflected partly in the announcement a week ago by the Minister of Labour and Small and Micro Enterprise Development in a function for the reenactment of the business incubator system in Trinidad and Tobago. At one time it was an idea but it did not materialize during the period after that idea. It was very difficult to convert new ideas into new realities under the past regime. [Laughter] Our challenge now is to do that for the people of Trinidad and Tobago. [Desk thumping]
So in our proposal we have announced those measures from microfinancing of enterprises in the environmental area, opening up the Green Fund to those activities, in addition to what we currently have inherited with respect to the CEPEP and other programmes. So we are advancing the cause of building microenterprises in Trinidad and Tobago and in so doing, Mr. President, we have also indicated an endorsement of an idea with respect to small- and medium-sized enterprises having access to the capital market of Trinidad and Tobago.

We know that there will be some resistance. In fact, one of the hallmarks of this Government, and this is perhaps an indication of what we are doing, is that we do get resistance but the hallmark of this Government is that we overcome the resistance and eventually get where we are going. [Desk thumping]

So Mr. President, we have said that we will provide a special window for small- and medium-sized businesses to enter into the capital market to raise funds, hoping that this will encourage more efficient funding and at the same time encourage the development of the capital market and in so doing we shall provide a tax incentive by reducing the tax rate for five years to 10 per cent for those small enterprises, all aimed at developing opportunities for the building of entrepreneurship, for creating the chance that the small and medium-sized businesses of Trinidad and Tobago will have a growth prospect.

That measure was outlined as a special venue, an SME window, in the stock market and we would obviously want to encourage small businesses to embark on that, and from the point of view of public policy we have, as I indicated, reduced the tax level for five years to 10 per cent from the normal figure of 25 per cent.

Mr. President, in furtherance of the development of a vibrant capital market, we have begun the process of public offerings in some of the state enterprises. We have already done so with respect to the Development Finance Corporation which at one time was fully owned by the State, no longer so, but it went into major difficulties for yet another time. We began to look at that problem. They had to finance medium-sized businesses in Trinidad and Tobago. They were faced with the prospect of having to close their doors. We decided to get involved as a Government since we had previously been involved and do have shareholding in that company.

Mr. President: Minister of Finance, if I might just let you know, you have another seven minutes before the time is up.

Hon. W. Dookeran: Thank you, Mr. President. I would leave some for my conclusion [Laughter] but let me merely indicate that with respect to small business and microenterprises we are creating these new opportunities. We did so, as I
said, with respect to the Development Finance Corporation and we announced the intention to further that public offering with respect to the Point Lisas Development Company, with respect to First Citizens Bank and with respect to one other one which will come to me in a minute, as a step in that direction, but as only the beginning of a very dynamic plan to bring about the sharing of the wealth—the Trinidad and Tobago Mortgage Bank was the third one—so that the people will now become part of the ownership and in so doing introduce new measures for performance and efficiency. [Desk thumping]

Therefore, the sharing of the wealth is an important underlying theme of the budget, reflected in that and in some other measures, specifically the measure which I wish to bring to the attention of this honourable Senate, that is to allow individuals and businesses to qualify for tax deduction if they support the NGOs in further employment in their communities. There is some lack of clarity on that issue and we indicated the need to do that. But all that, Mr. President, to which I have referred, is within the context of developing a new dynamism in the small business sector.

At the same time, Mr. President, we were very conscious about protecting the incomes of the vast majority of citizens of our country and on the last occasion we talked about increasing the old age pension which we had put into effect. This time, we had detailed discussions with respect to widening that. The senior citizens of our country who, in the latter years, have had to face the onslaught of living with incomes that had been determined 10 and 15 years before on their pensions. But you know, Mr. President, we recognize that we must develop a society in which we may provide pensions for all but such a goal will not be achieved by relying on the Treasury to do it, for all times.

So we embraced a new programme where we will have a funded programme for pension support, and that is why I was able to announce in the other House that we will, and in discussions with the NIB, introduce in 2012 a new minimum guaranteed national insurance pension from $2,000 to $3,000 for our citizens. [Desk thumping]

There are two things about that I want to emphasize, that it is the step now in devising fundable and sustainable pension programmes. For too long we have lived under a situation where, every time you need to give support to pensioners, you have to come to the Treasury. There is a limit to that in any country. [Desk thumping] While we are not in any way giving up that responsibility that exists, for the future we are creating new ways. You see, when people voted for change, that is the change they wanted, change in policies, change in elections, change in performance, change in seeing a different future. [Desk thumping]
Mr. President, I would not go into the details on that particular issue but let me just conclude by raising one other issue to which I made reference which has to do with the private/public partnership. We recognize that the State would have to play a driving role and many of our measures have made that assumption. We recognize that the energy sector will continue to be an anchor of this economy, certainly in the short and medium term, but we recognize the competitiveness of that sector must remain intact and that is why we introduced in this budget a specific measure to improve the competitiveness of the energy sector by removing the necessity for them to pay VAT and have it refunded when they bring vessels and rigs to do their work.

This will be a tremendous benefit to those companies, it does not cost the nation anything because the VAT is refunded anyhow and, therefore, we have decided to improve the competitiveness by providing that particular importation for the purposes of exploration and production of oil by vessels and rigs to be zero-rated in this budget. [Desk thumping]

We recognize that private/public partnerships must now be given a form, it must no longer be words, Senators, and therefore, we began to look at giving it a financing mechanism. You see, in the final analysis, what you say always ends up depending on whether you have the funds to do it. So it is easy to say what you want to see happen. It is easy to respond to the populist demands but the population must judge you on whether you have taken the next step to make it happen.

That is one of the underlying thoughts of the budget and that is why we propose that the public/private partnership programme will now be a further pillar upon which we should try to engage the society and the public and private sectors. But to do that we began discussions on the establishment of an Infrastructure Development Bank and we have included that here, but in order for us to ensure that we do this with the highest level of professional inputs, I propose that we shall engage the International Financial Corporation, which is the private sector arm of the World Bank, to work with us in the governance and in the operations of that new institution, adding new pillars of financing.

If you rely on the old pillars of financing, you are limited in the prospects for the future, and that is why we have indicated our attempt to move in that direction. Already some work has been done but we will, during the course of this year, further this work and introduce a new pillar of financing so that the Public Sector Investment Programme will be one such pillar, so that the State Enterprises Investment Programme will be another such pillar, so that the Energy Investment
Programme will be another such pillar, so that the Private Sector Investment Programme will be another such pillar, and now we will try to engineer a private/public sector investment pillar.

At the end of it all, Mr. President, we hope that the investment which we are focused on—and we are focused in this budget on three things, safety which I did not speak much on but the hon. Senator here, I am sure, will deal with that, jobs and investment, and we anticipate that during the year 2012, based on the information before us, we will be able to invest somewhere in the order of TT $26 billion in this economy which is 18 per cent of the GDP.

I end by saying that this plan that we have put forward, Mr. President, has been well structured in terms of it is moving step by step, block by block to giving the people of this country the change they voted for.

Mr. President, I beg to move.

Question proposed.

Sen. Dr. Lester Henry: Welcome everyone to our new accommodations for what is an extended period of two years or so; a warm PNM welcome here.

Mr. President, I wish to start from the outset by saying that this budget presentation by the hon. Minister of Finance posed a bit of a challenge to me from since when he first presented it in the Lower House over a week ago because, personally, everything I said about the budget last year I can probably say about the budget this year, almost verbatim. Back then—

Hon. Senator: And the budget before that?

Sen. Dr. L. Henry: No, no, no just yours. I only criticize the stuff that lacks coherence. I said last year it would not work. I was about to say I stood in this spot, but obviously that would be a mistake, in the other corresponding spot in a different place, and we warned that the way the budget was presented, and some of the ideas espoused in the budget, would do the exact opposite of what the Minister was claiming he intended to do. We saw that, we warned about it in terms of two significant areas which I would spend time on in my contribution today, that is the whole question of economic growth and the question of confidence in the economy.

That was my main focus and the issue that myself and a lot of my other colleagues in this House and in the other place tried to raise to warn the Minister, and by extension his Government, that if you proceeded along these lines nothing was
going to happen, that you cannot just come and announce a lot of pie in the sky propositions and incentives and so on which sound very good and they make good headlines and they make people feel good that something is going to happen—remember last year’s budget—and I must admit that in this year’s budget there was some improvement on that. Last year’s budget had a lot of phrases, like, well, “We might do this”, and, “We might get this done”, or, “Maybe there is a plan to do this” and so on, a lot of non-committal language was in the last budget. So probably only on that score I could see some significant improvement in this one. The amount of non-committal language is a lot less in this budget.

The Minister seemed to be a little more confident in this budget than last year. I am not sure why, because, when you speak of the transformation and so on that the Minister is supposed to be laying the groundwork for, we are still waiting to see concrete results. So I would run the risk—if I were to repeat myself, I would probably run the risk of annoying all of us in this honourable House and the public at large.

So forgive me if I struggle a bit at times to find anything of substance to really comment on, given that I consider a lot of it pie in the sky, airy-fairy type promises and so on that will not go anywhere and perhaps the Minister will come back a year from now and announce a new set of ideas that will not go anywhere and forget that he had mentioned a whole bunch of other stuff in the last year’s budget that just did not go anywhere and we will get used to it.

In fact, Mr. President, it was kind of interesting to listen to the debate in the other House and the thing that struck me is that even the Minister’s own colleagues in the Lower House had to find all kinds of bedtime stories, rehash old stories of corruption, talked about cookies and all kinds of craziness and not really address or support the Minister on substantive measures in the budget. Many of them deflected attention from a lot of what they could have tried to at least make it appear that they were fully behind the Minister when they made their contributions. But instead, they preferred to go to all kinds of wild stories and so on which we are accustomed to hearing from them and they will come and do it here again—PNM corruption, PNM corruption and so on. [Crosstalk] No Sir. I can assure you, nowhere around.

So it is as though they were sending the message, Mr. President, that, well, “That is his budget. We do not necessarily have to go along with that. We could let him present his stuff. We know where the real action is. We know where all the real decisions will be made. We do not really need to pay much attention or to comment substantively on a lot of the issues that the Minister at least tried to
raise.” So behind desk thumping and all of that that we just witnessed and we witnessed in the other place, I wonder how many of even the Minister’s colleagues actually believe in the feasibility or practicality of a lot of what he just so proudly proclaimed to be his.

**Sen. George**: All of us believe and support.

**Sen. Dr. L. Henry**: Okay I have to ask, you know. Should we call for a division on that? [Crosstalk] But seriously, what is the underlying mindset behind this budget? Let us go a little deeper and I know many people might be interested. What really is the philosophy behind what the Minister has presented once again? Could we look at our economic framework, a particular economic philosophy, a point of view that really motivates some of the decision-making in this budget?

Well, I tried a lot, I looked and the only thing I could come up with in the affirmative is that, just as I warned last year, this budget again seems to be steeped in the neo-liberal supply side type of thinking. [Desk thumping] Everything points to that. [Crosstalk] Let me repeat that for the sake of the national community. This budget again if there is any ideology or any framework that lies behind thinking in what was presented, both last year and this year, we again see elements of the neo-liberal supply side type economics thinking, [Crosstalk] the discredited and bankrupt policies that many countries followed in the ’80s under the dictates of the IMF, or voluntarily as in the case of the US, and ended up in major problems—[Interruption]—yes, the old Reagonomics of that era. Unfortunately, Dookonomics seems to be a modification of Reagonomics and perhaps with a slightly worse twist.

So I warned about this in my contribution last year and everything we have seen so far. In fact, this year the Minister has come with more of the same. [Crosstalk] Do not worry, I will expand on it. My main point this afternoon in my contribution will be: you come with more of the same, you will get more of the same and next year we will have the Minister coming, if he—well, assuming he is still the Minister of Finance and one of his colleagues in the Lower House said he is being tempted away by high institutions and so on, you know. [Crosstalk] But the same colleague said that it was a rumour, “eh”, so, please note, it was only a rumour.

So let me explain. If you come with the same set of initiatives, the same set of policies, you will get the same result and you will have to come back to this honourable House and avoid the issue of why your plans did not work. Like you
did this time, you would have to come back and avoid the issue again next year. Because, if you try something once and it does not work, you try it twice, it does not work, the third time, you know what we will accuse you of. As Einstein says, the third time will be madness.

Let me explain why I am taking this harsh approach and judging the Minister’s plan or his philosophy in terms of what underlies this budget. Let me explain. For example, the Minister is sounding relatively frighteningly close to the bygone has-beens of the Reagan and Bush era when he boasts about no new taxes as though that is something to be so proud of, even when you do not collect taxes that you should be collecting. [Crosstalk] You do not worry. I will get to it. [Crosstalk] You said you will go back to the old values. You have not done anything. [Crosstalk]

No, it was George W. Bush, Herbert Walker, George Bush Senior, in fact, who made that such a popular saying, that the Minister was so emotive about, you know, he felt happy when he said “No new taxes”. Well that started back in 1988 at the Republican National Convention when then presidential candidate, George Bush, said, “Read my lips; no new taxes”, and that took hold and gained momentum among all kinds of reactionary right-winged Republican, Tea Party people and so on, and to hear our Minister of Finance echoing those types of sentiments is very disturbing, very, very disturbing, because the policies that went along, and George Bush Senior was pledging to uphold back then, was the Reagan policies of the ’80s. And you will see the relevance of this as I make my case.

He was pledging at the time when he said, “No new taxes”, to continue these disastrous economic policies that America is still trying to recover from. Now, these policies included little or no taxes, tax reductions, especially for the wealthy citizens of the country, Mr. President, increasing the size of the government, contrary to all the so-called conservative preachings of the Republican Party that always says they do not like big governments and so on, but in fact what they do, they run up the size of the government every year coming with larger and larger budgets.

Does that sound familiar in terms of the road we are travelling now? Okay—increasing size of budget deficits—larger and larger deficits. Sounds familiar? The Minister is quoted as saying, “We have no choice. We must run budget deficits now” even though oil and gas revenue were much better last year. We know the deficit that they intended to run last year is not what actually happened.
We already clarified that, but that was not because of any honourable intentions. It is because they just could not spend the money fast enough because of a lot of incompetence—[Crosstalk]—yes, but we had revenue to go with the spending, okay? We had revenue—[Desk thumping]

When you spend the money and you have no clear plan as to how you are generating revenue, that is where we are in trouble. So running large deficits and hitting and hoping that somehow economic growth spurred on by just throwing tax incentives out there and so on to the corporations, to the private sector and so on will spur economic growth, and therefore the increase in economic activity will therefore create more revenue for the government, and what we have seen was that that is what the Minister tried last year and it did not work.

So what is so different about this coming year that will make it work? As was pointed out by several speakers in the other place, the VAT revenues have gone down significantly, way below what was budgeted, so the level of business activity that the Minister was hoping would increase significantly to allow him to get the additional revenue did not take place. [Crosstalk] “You doh worry. You will ketch my drift in a while.”

So, Mr. President, does all of this sound familiar in the approach of—so when I speak about the whole discredited Reagan/Bush policies of that time, it echoes very similar to the pronouncements of this Minister. We know what was the outcome of these policies in the ’80s—economic stagnation, cutting back on social spending, eventually, education and eventually even when growth returned you had the phenomenon of jobless growth. Basically that is what followed. And even now with the current situation in the US, mired in huge public debt and the job losses that came about because of the international financial crisis, we see that they are struggling to get any form of momentum back, to get unemployment back down to the figures before the crisis.

So my point, at this point some of the other side, many of them, might say, well, I am being a little hasty in judging the Minister so harshly and so quickly because, after all, as he pointed out, he did not come here with austerity programmes and so on and plans to cut social spending and so on, in fact, in many instances he increased those things. So you might say, well, “Sen. Henry, you are being a bit rough by claiming”—well, let me remind this honourable Senate that that is how it starts and we will wait and see. This decision has not been thrust upon the Minister yet because we still have a fairly decent revenue base and prices were good. So, hold on. When I say “we” I mean Trinidad and Tobago.
Now, during the ’80s and ’90s let me explain that point, push it a little further. I am sure some of you here would remember and perhaps could identify with some of it. Many spineless politicians, government officials, leaders, some of them ministers of finance, some of them Prime Ministers, all over the globe, what they did, played a kind of funny game with their population. They ran up huge government debts, some of them questionable, some of them partially might even have been legit, but then when they found themselves in trouble, they ran to the IMF for shelter to save their economy and to protect them and to somehow help keep themselves in power.

These dishonest characters, Mr. President, would then have to turn around and implement harsh economic measures later on, but, by that time they would claim, “Well it is the IMF who told us so. It is the IMF advised us. They told us that we have to cut subsidies and cut wages and so on”, and then they could hide behind the fact that they are under austerity measures and they had no choice. So what I am saying is that I am warning the country, just like the hon. Leader of the Opposition, that we are not heading down this potentially dangerous path because we have seen it happen before.

It starts off fairly harmless and it appears to be sort of benign in the sense that, well you run a little deficit here you run a little deficit there, it adds up, you end up in trouble and so on, and repeatedly the Minister has avoided answering questions about, “When do you plan to return to something closer to a balanced budget?” The question was raised. I do not remember hearing an answer. He never answered. He just said, “Well, economic conditions.”

If in times when your budgeted revenue turned out to be much better than expected, which is in your own documents, you still insist that you must run deficits, what then would be the good time, when oil price goes to $200 a barrel? What is the good time to not run a deficit in the eyes of this Minister? So the non-commitment to returning the country to balanced budgets is also worrying. I am sure this confidence that you are trying to build might be further enhanced if you come out and make a public statement about how long you intend to do this, because people are nervous about these things.

People remember what happened in the ’80s and ’90s and people remember what happened to many countries in Latin America and our Caricom neighbours when they found themselves in difficulties. So these things are not trivial things that should be brushed aside. You must make commitments.
Now, of course, no one is saying that you have the perfect crystal ball, but you must give the impression that at least you are thinking along the lines of returning the country to balanced budgets or somewhere very close to it. If you continue with this open-ended policy of running deficits there is only one way we are going.

Now, what has happened with our macroeconomic indicators? As the Minister claims, over and over again, this is about the third or fourth, possibly more times than that, that I have heard the Minister boast about stabilizing the economy and so on, and this year laying the foundation. So what exactly were the macroeconomic variables that were stabilized that were not stable before? I keep waiting to hear an answer to that. The hon. Minister must know that you cannot cherry-pick which variables you find to be stable and then praise yourself for it and then ignore the most basic macroeconomic variables that any country looks at, that is standard across the globe, whether it is the IMF, World Bank, America, OECD or whatever.

When we look at these basic macroeconomic variables, what is the picture? We have said it, we have said it many times before, that which of these major macroeconomic variables were so bad that you came in, in one year, and fixed; reserves, economic growth, unemployment, what? Well, what has happened to our variables? Let us see, since the Minister is so fond of praising himself. In summary, and then I will go into the details.

What has happened to economic growth? By your own admission—elusive. You have failed. You would get an F for that, and when the figures come out later this year, given that we had oil and gas revenues in higher amounts, when we should have been expecting positive economic growth, the projections are that we would have negative growth again for the entire calendar year of 2011.

Even if things pick up a little bit in the last quarter, which seems very unlikely given the state of emergency and the downturn in business activity, the best you could hope for at the end of the year is probably an F plus. That is the best you could hope for. I will upgrade. Chances are I will be man enough to come back and upgrade you to an F plus. So on growth you get an F. [Crosstalk] [Laughter]

Unemployment, since you took office, what has happened? Unemployment, next major macroeconomic indicator, what has happened since? You all know the answer, unemployment—increasing—and, from all indications, nothing is happening to cause it to go in the other direction. So all the main macroeconomic variables, the key ones that matter to people, that cause the basic standard of living to improve for the majority of the population, you are not doing too well.
The only macroeconomic variable of significance that has stabilized somewhat in the recent months is inflation. So we know that, that the inflation rate has dropped but of course a lot of this had to do with the base year factor that prices went up by such large proportions in the previous years that even tiny movements would make the inflation rate look very small.

For example, let me just explain it for the public and the Ministers might learn a little thing too on the other side. If the price of an item went up from $100 to $200, what is the rate of inflation? One hundred per cent. And if that item in the next period goes up from $200 to $202, what is the rate of in relation? One per cent. So you could pat yourself on the back and say you achieved a one-per-cent rate of inflation.

So you could pat yourself on the back—[Interruption]. You will have your chance. You could pat yourself on the back and say you brought down the rate of inflation but the point is, the price of the stuff is still very high. And that is what we are saying, that is why when you run the cameras on people, the ordinary man in the street and woman, not to be sexist, they are saying that they are still having a hard time when they go out to the grocery. [Crosstalk] So while you are saying—[Crosstalk]—so they do not really believe the numbers. In fact, they think the numbers are being fudged because they are saying, “We not seeing any”—[Crosstalk]—and talking about the ordinary people—[Crosstalk].

So people are still in this mode where they feel that something has to be wrong because they are saying that inflation is down and so on but we are not feeling it. They are still feeling the pinch of it and, lo and behold, worse for you over there, the recent—the floods of the last two days and the farmers and so on already saying “Trouble. Trouble. Food prices are going to kick back up again” so you have a task on your hands, Mr. Minister of Food Production, Land and Marine Affairs. You have a big challenge ahead. [Crosstalk] So that is part of what is happening and we cannot hide from it. It is the reality of the economic situation.

What I am amazed at is the explanation, or lack of explanation, as to why did you have positive economic growth even with such better than expected oil revenues. When I say oil, I mean energy sector revenues. I told the Government side in this Senate last year, when they referred to oil as a curse; could you—

Hon. Senator: Could you believe that?

Sen. Dr. L. Henry: Right. I am sure some of you could remember that—well, some of you might not because half of you just came. [Crosstalk] Half of you were not here last year. [Laughter] So some of you may not remember because
you were not here. So that is a hint for some of you sitting here, “eh”. Next year—almost, what, 40 per cent got replaced or 30 per cent, something? So I will just have to remind you all of that. It is a significant number. That is the only point that I wish to make.

Now normally in our type of economy, Mr. President, you expect economic growth—to struggle to find economic growth when you have major oil shocks, negative oil shocks as we had in 2009 and so on, when the price, the bottom fell out from oil prices and so on, that is understandable. You had a negative 3.5 per cent contraction. Opposition, Government, I am sure could agree with that. Any time you have a major energy price contraction we will struggle to get positive economic growth, okay, but that seldom happens when we have better than expected oil prices. It seldom happens. So something is missing. Something needs to be explained, Mr. Minister. Why are we still struggling this year?

So in terms of the steady foundation, which gives a positive connotation in terms of the whole approach to making things better, what do we have? If you lay a foundation for transformation and the foundation is based this past year—at least if that is what the Minister is claiming because he claimed something else last year—the foundation for this year does not look very good. It more looks like quicksand rather than solid concrete, because, the way we are heading, we are sinking, so if you want to build on that, then we are in real trouble.

You are supposed to say, well, you know, show us some signs that you stabilized other than in your words, give us some positive economic growth, some declining unemployment, and then we might believe that you might be on the right track. Give us some positive indicators before you talk about foundation and building on that. You cannot build on declining unemployment, negative growth and so on. That really does not add up.

Now, let me examine what has happened in our type of economy because this is very important. The people out there need to know, and perhaps some of the Ministers on the other side need to know as well. If we examine growth—as I said I would look at them in further detail. Now if we examine our growth pattern, our growth history, after the 1980s when oil prices collapsed in the mid-1980s and we went through a difficult period of recession, about eight or nine years straight of a downward spiral in our economic fortunes, the fortunes, these started to be turned around beginning in terms of the numbers in the mid- to early 1990s. But how did that happen? It took hard decisions.
Some would attribute some of those hard decisions to the NAR government, between '86 and '91, and a lot of those hard decisions to the PNM back in '91—'95. In fact, to be honest, many of you would know that it was partly responsible for the UNC gaining power in 1995 because a lot of hard decisions were made. [Crosstalk] The economist is my friend. You are also my friend too but let the economist and Dr. Tewarie—Sen. Dr. Tewarie, he was part of it too so he might be able to shed some light on it.

So in fact there were a lot of difficult decisions in terms of cutting back on giveaways and so on that the government had in place in those times but not only hard decisions, it would be incomplete if I did not mention also the outstanding and foresighted decision by PNM administration in ’91—’95 to go into LNG production. [Desk thumping] The same LNG that you all benefit from that you look to to finance all of your activities, was started by the hon. Patrick Manning during that period, and his advisors, something—[Crosstalk]. I know it burns you all down in your big toe, but it is the fact and when many of you who benefit from this, come and say, “Oh, we have oil and gas” as though it just appeared from the sky, it was a policy decision taken by the government of the day, a farsighted, visionary decision. [Desk thumping]

Just like when we on this side, under the astute leadership of Dr. Eric Williams, set up the whole Point. Lisas industrial complex which was there, a lot of land available and it was put to good use. Where would this country be without Point. Lisas? Where would the Minister get the 54—well, not 54, he is going to borrow some, but the other—the part of the 54 million that you are not going to borrow—what would that be generating that level of income? So we had significant economic growth starting to emerge through the development of concrete and very good projects that governments of the day, especially which the PNM governments, put in place.

Now thankfully, as the hon. Leader of the Opposition had pointed out in his contribution, when the first UNC administration came in in ’95 under Mr. Panday, he was experienced and smart enough not to cancel the projects that were in train and therefore continued the process of growth. So we had positive economic growth over the five to six years when Mr. Panday was in power. That is a fact. We cannot deny it. The numbers are there. A lot of that was because he saw it fit to continue many of the policies that he met in place. [Crosstalk] No, it is the fact. You want to dispute my facts, hon. Senator? It is a fact.

So when we look at the period coming up from the mid-'90s we had a glorious period of almost 15 years of positive economic expansion, something most countries in the world would be extremely proud to get, in fact, you find most
countries in the world do not get that with the exceptions of the Chinas and the Singapores and so on of the world. [Crosstalk] Yes, they had their time. [Crosstalk] They had their time, in recent times—very, very difficult.

So we had a very—we had nothing to be ashamed of as a country from that perspective and all that time expanding, increasing per capita income significantly. But the significant increases came when the revenue from the LNG sector started to accrue to the government in the early part of the last decade, 2001, 2002, and the records are there—2002, under the same PNM, economic growth, 7.92; 2001 was also positive. I am not accusing that last administration of presiding over negative growth as I said.

Significantly, 2003 with the coming into being with full force of our revenue capability from the LNG sector, economic growth, 14.4 per cent; staggeringly high by any estimation. In 2004, 7.8 per cent; 2005, 5.8 per cent economic growth; 2007 things started to stabilize a bit but still positive economic growth; 2006 13.4 per cent; and I believe this was revised upwards. It used to be listed at 11 or 12 per cent. So significant until 2009 as I mentioned before when oil prices, energy prices, crashed with the global financial crisis and so on, so you would expect that we would struggle.

However, in all that time we still managed to maintain fairly decent levels of employment and relatively modest budget deficits to that period. So what do we have? Beginning 2010 we started to have negative growth. There was a projection that the economy was coming out of its morass in the earlier part, but that was up until May 24, the boasting point for the current Government that happens to be and the Minister himself projected 2.5 per cent in his budget speech last year for economic growth for 2010. Again, it turned out to be a small negative, minus .6 per cent. What we have seen for the first quarter of 2011, same thing, more negative growth, no real prospect yet for any positive growth.

Of course, Mr. President, the Minister skilfully or, well, to put it nicely, without using a more drastic word, avoided in both Houses any commentary on the impact of the state of emergency on his ability to get growth in this economy as though it does not exist and that the impact is not real. As an economist you must—even if you—whether you agree with the state of emergency or not, the economic impact is real, in terms of the slowdown in businesses and the effect that would have on things like your VAT revenue projections in the upcoming fiscal year. Places are hurting because people are being laid off as we know.
So it is not fair or wise to ignore that economic impact. It is going to come back to haunt you. So do not sweep it under the rug as though it is not happening. Now, whether you feel we got other benefits from the state of emergency or not, that is your business. You could, as I say, cherry-pick or not, if you want, and say which certain things you find to be better or improvements or success of the state of emergency, two people getting locked up for parking tickets.

That might be your standard for success and that might make you happy, but the fact is the economic consequences will only be known in the next few months, in the months ahead when the numbers come out for the third quarter and the fourth quarter of this year. I am sure the Minister is not looking forward to them, even though he will have to face it. So in other words, Mr. Minister, your efforts at economic growth were also sabotaged.

Of course, on the issue of revenue that we talked about and many speakers have alluded to, you remain evasive on this issue and to get concrete statements from the Minister is like pulling teeth in terms of serious revenue generation activities. In fact, in the Budget speech the word “revenue” I think is mentioned about six times or so and never in the context of really generating revenue, always in some other context. Getting this Minister of Finance to make commitments to revenue generation, or at least positive comment or statement appears to be like trying to nail Jell-O to a wall. [Laughter]

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

Motion made: That the hon. Senator’s speaking time be extended by 15 minutes. [Sen. P. Beckles]

Question put and agreed to.

Sen. Dr. L. Henry: Thank you. [Desk thumping] That is excellent basket, man. [Crosstalk] Since I was so rudely interrupted [Crosstalk] by the hon. Sen. George, I will repeat that getting this Minister to commit to any serious revenue generation statements or policies is like trying to nail Jell-O to a wall, Mr. President. [Desk thumping] [Crosstalk] At least I have one. [Desk thumping]

Hon. Senators: Ohhhhh!

Sen. Dr. L. Henry: So yes, well, I could have good comic relief on the entire budget, but it is serious business. [Desk thumping] It is serious business that we are talking about here.
So when we look at unemployment, I could go through the numbers again as I did with growth, declining unemployment for about 14 years beginning in the mid-90s, that is the data, down to an historic low of about 4.8 per cent, at some time—well, two times it went down pretty low in 2008 and then again in 2010, the second quarter. Much of it had to do with the elections, unemployment and so on. So, what has happened since, of course, again, unemployment data seems to be on the rise and, of course, we do not have the exact figures from the CSO.

Maybe the hon. Minister of Planning, Economic and Social Restructuring will address that issue when he makes his contribution, but from my basic information, the numbers are not to be taken at face value completely, that are being published by the CSO because my understanding is that the necessary surveys and so on were not done and they are basically giving the public guesstimations based on other procedures that are not the normal procedures in which they come up with these numbers.

So we have the problem of unemployment which one headline in the Express said, “Rise in unemployment a total economic waste.” That is yours to own. But also, since the Minister refuses to provide an explanation as to why there is no economic growth despite such buoyant energy revenues and so on, maybe we should look to some of what is happening in terms of the business confidence that many of our speakers, especially in the Lower House, and you could go through the press, Mr. President, and see it one after the other from late last year to into this year.

“When will confidence return” in the Express. In the Guardian, of November 18, 2010, “Government inaction inhibiting private sector”; and the list could go on and on. I have a whole bunch of them here which spell it out fairly clearly. In the Guardian of this month, sorry, back in January, “Is the private sector pessimism justified”? Trinidad Express: “Is the State of Emergency damaging the economy?” And it goes on and on. And then the Minister says something to the effect, I did not remember the exact quote, “Well the private sector just did not do what they are supposed to do.”

Now, I remember saying in one of the debates last year that you cannot jawbone your way to economic growth. You cannot just get up there and pronounce that, “Well, growth is supposed to happen because I said so, and you are supposed to know the right thing.” We are seeing the failure of such approaches. We do not just get our economy going by “ol’ talk” and by making lofty ideals and promises that we do not deliver on.
Since my time is running out quickly let me get to some of the other issues. I will have skipped some of my contribution to get some of these things in. Now, this Government for example—it all has to do with why we have not had serious economic growth and any kind of upward movement in our indicators over the past year and so on.

This Government came in after years of ridiculing projects like CEPEP and so on. It was the laughing stock for the Opposition. What did you do since you came in? You doubled it. A colleague of mine at the university said well GATE was inefficient, there was all kinds of craziness, you know, serious inefficiencies in the system. I am talking about a Government supporter colleague of mine. So after he sat I said, “So what did you do? You doubled it? So you doubled all the inefficiency and you are proud of that? So that is what you did. The CEPEP, the GATE, you also expanded the GATE programme.

Sen. George: Well the GATE was an expansion of the Dollar for Dollar.

Sen. Dr. L. Henry: Yes.


Sen. Dr. L. Henry: No problem. [Crosstalk] But you expanded it to all kinds of fly-by-night vocational schools and so on, and then, what happened, now this year the Minister has realized the outflow is crucial in that programme, he says, “Well we are going to review GATE”, because obviously it seems that the wastage and the inefficiencies have increased in the past year and a half. So you are going to review GATE and then, well, you say you are just going to review, you are not actually going to cut or do anything yet, you are not making any commitment again, but we will see.

Now, one of the other areas which I would like to touch on before my time expires is the fact that this Government has also swept the whole issue of wage negotiations under the rug by calling this state of emergency. You have basically taken a big problem and said, “Look, we have a room over here, we could hide it and we call that a state of emergency”, and in the next two months while the budget is being read and presented and being defended in both Houses you could pretend that you do not have a labour problem and act as though you had a solution.

The labour movement will not go away. The labour movement will not go away once you lift the state of emergency. Just imagine you call a state of emergency and you prevent workers from having a meeting. What is that? And then you claim you have a commitment to democracy and so on. You stopped the PNM from having a public meeting. [Crosstalk] We know who. You stopped the PNM, a distinguished
party such as the PNM [Desk thumping] which has—[Crosstalk]. Yes, and then you threaten to lock up labour leaders on arrival in Tobago. You stopped them from engaging in any type of activity that could put pressure on you to settle their negotiations, and the same labour leaders who supported you so fervently less than a year and a half ago. We have them sitting in this honourable Chamber, some of them.

So that must have been some turnaround for the labour people to be so vexed with you in such a short space of time. [Crosstalk] No, you are the Government now and they might have problems with you. So all behaviour of this Government so far shows that they are heading to be the most reactionary government in the history of this country. [Desk thumping] It is not what you say, Sen. George, it is what you do. You could say anything you want. It is what you do. [Desk thumping]

So you have bungled the labour movement, you settled with one union and pretend that you settled with all, even though that is far from the truth. Now I also wanted to mention some things about your major capital development initiatives in the small and medium enterprise initiative in which you plan to offer tax incentives for small and medium enterprises to list on the stock exchange. Again, it sounds good, but these things take a lot of time to be implemented and there are a lot of problems.

Listing is not cheap, you have to pay for that, they have to develop expertise, they have to innovate in their bookkeeping and so on, their accounting methods, to come up to standard, so we will not see any fruits of this perhaps at least until a year or more down the road, if it ever takes off. With a lot of these small to medium enterprises, people do not want to give up control so they are very reluctant to come on the market.

Well in terms of the privatization of FCB and so on, well we expect that from you. It is consistent with your neo-liberal outlook and so on. We do not expect anything different. What we hope is when you do it you settle the share at a proper value and you really make it accessible to the population as you propose to do. [Crosstalk] Not necessarily. I have to see your plan. I am not going to say that I oppose it wholeheartedly until I see what you plan to do. Because it is easy to come here and say one thing and when we see the actual implementation it is quite different, Mr. President, and we see that, in fact, so many of their programmes have not been implemented, I probably might even be wasting my time talking about it because it may not happen, if their success rate continues at this level.
The NIB issue, Mr. President, in which you are raising the pensions to $3,000, again, no one would complain about giving our aged population slightly more money. That is a noble objective but you must ask the question: how is it going to be financed? The Minister says “No new taxes” but again admits that the contribution rates would have to be increased. I hope in his wrapping up he will give us a little more detail about this issue and provide a more coherent and feasible answer to the question as to when was the actuarial study done because we are told that the rates can only be raised after the actuarial study is complete. When was that actuarial study done?—and the last one I understand was done in 2007. Is the study being undertaken now? And when will we get that report so that you could have a legal basis for raising the rates? And also, when will the people be able to actually get the $3,000 as promised? Because, clearly, the system as it is now would not be able to sustain the payments, the increased payments over any extended period. So I think that is critical because, as I have been accusing you of making nice statements, good plans and so on, but falling very short in the level of implementation.

So in summation, Mr. President, my main point for the afternoon, apart from my description of the Minister with the Jell-O and all that, was that if you come—apart from it, if you come with more of the same, you will get more of the same. So next year, I would be right here, all things being equal. [Crosstalk] I might be over there? No problem. I am sure I will do a great job. But, Mr. President—[Crosstalk]—criticism is part of life.

So, Mr. President, as I take my seat, I would say that if you come with policies that did not work last year and you enhance those policies this year, they will not work either, you will get more of the same, you will get greater negative results and your whole so-called platform for growth will be real mired in quicksand. It will become a quagmire rather than a foundation. I thank you. [Desk thumping]

Sen. Subhas Ramkhelawan: [Desk thumping] Thank you, Mr. President, for giving me the opportunity to join in this particular debate. It is a very serious issue, the question of how our economy is being run, how our revenues are being generated and the levels of expenditure that we are engaging in and that we have engaged in for a number of years. And so, because it is a serious issue, I plan to deal with this matter very, very seriously and engage the entire community through you, of course, Mr. President, in this particular exercise as to our economy.
Before I do that, it is quite propitious that we are engaging in this debate as our fellow citizens of the Hindu community commence their deliberations and their celebration of Divali and while we also need light, we need prosperity and we need wealth; and I want to extend to the entire Hindu community and the nation as a whole Shubh Divali. Happy Divali. [Desk thumping] It is propitious because we are speaking about wealth, wealth creation or the lack of wealth creation that is taking place right now in our nation.

You know, Mr. President, when we do not raise taxes, when we do not change any impact on our citizenry, we could get into a situation of a fool’s paradise and we could get into a situation believing that everything is hunky-dory, that everything is going along smoothly, because not all of us look at the extent of borrowing that is taking place.

So a man earning $47,000 or even $470,000 but continues to borrow and spend more than he is earning is setting himself up for trouble at some point in time. When that trouble will take place, we do not know. What we do know, is, based on what is happening all around the world, we are setting ourselves to go down a greasy slope, pun intended, because, what happens behaviourally is that, once we as citizens feel that we are being taken care of, there are no more taxes there are no sacrifices being asked of us to be made in the service of the nation, we believe that everything is going along very nicely.

When we fall over that precipice—and that precipice some may call the IMF—it really is not the IMF, it is our lack of attention to what we should be doing, and when we cross that precipice we choose to blame everybody else and then our citizens become enjoined in protest because “You did not tell us that this is what is happening to us. You did not tell us—you did not level with us that we have problems.”

I want to start my discussion on that basis because I get the feeling that the communication to our citizenry, the communication to our nation is that all is well, all is well in the state of Denmark and that worries me. That worries me no end because what it says, instead of making a gradual adjustment to balancing our budget, we will have to continue along this road and then, rather than gradually adjusting down the hill, fall off that proverbial precipice. We have seen it time and time again. We are seeing it all around the world right now and our citizens look at what is happening. They do not need me to repeat. We are seeing it all over the world.
It is also for me, Mr. President, a sense of déjà vu. It is a sense of déjà vu because I remember the 1980s into the 1990s. I remember 13 or maybe even 14 years of consecutive economic decline in this country. I was a younger man—I would not say I was a young man—growing up at that point in time. I remember it very clearly. Behaviourally, what happened with the government, they froze like a “manicou” in the limelight.

The government was unable to adjust down expenses, because, had they adjusted down expenses, they would have paid a political price earlier rather than later. That is how governments behave; and when they behave like that and they do not level, we get into an economic crisis and we also get into a political crisis. So in an attempt to avoid, one, which is the loss of political power, we lose political power but we also have given away the prize of economic stability. I heard my friend, the hon. Minister of Finance, speak to the question of moving from stability to transformation and that is one of the areas that I would like to tap into and speak about much more during this discussion.

I will not delve too much into the arithmetic of the matter because I think many speakers in the other place and speakers here would have spoken to the arithmetic, whether the Minister’s figures are correct, whether his projections are correct and so on. He has the numbers closest to him. I suspect that some of the figures need some more work but I do not think I want to engage him in a debate at this point in time with regard to the numbers.

I am sure he would have looked again at the whole question of the estimates of VAT in an economy that is flattening or declining. I am sure he would look at it and say, if the rate of VAT remains the same and economic activity falls, how are we going to achieve a higher generation of VAT when it does not compute? But he will answer that and he will answer that in his own usual inimitable style and I leave that to him. We have seen, in terms of the earnings on profits and income, that he has remained virtually at the same level as the actual generation in revised estimates in 2011.

Now, Mr. President, you are a man who has moved about this country and you know we have a saying and it is one of my—it is a saying that comes back to me every time we get to this situation. You know the saying, “What sweet in the goat mouth does sour in the bambam”? I am sure if no one else knows it in this particular Senate that my good friend, Sen. Verna St. Rose Greaves, would. All it says is, you know, you could go and enjoy yourself without considering the consequences at the back-end. Do you not know it, through you, Mr. President, Sen. St. Rose Greaves?
So I want to address my attention to the dynamics of this budget rather than the arithmetic and I want to go straight to this notion and this concern about economic growth. A man earning $47,000 spending $54,000, it is like the Government, earning $47 billion in revenues and expending $54.6 billion in revenues and having a gap, a deficit, borrowing $7.6 billion according to our learned Minister, the hon. Minister of Finance.

But you know what? This is not a once in a long time situation. This is something essentially that has been going on for the past three years. So that when you look at the deficits and when you look at deficits and growth in the system, we see that we have had negative growth in 2009, in real terms, 3.3 per cent; we have had negative growth of 0.02 per cent, so fairly flat in 2010; we have had negative growth in 2011, of 1.4 per cent, when the Minister of Finance had predicted last year that we would have had in the vicinity of 2 per cent. That is the growth story. [Interruption] Upwards of 2 per cent, I would say.

However, it is the question of having a deficit for the fourth year that troubles me and ought to trouble every right-thinking citizen. If we had a promise and an undertaking that those deficits, invested as they are in capital expenditure and expansion of the economy, would redound to revenue further down the line, which would vitiate the negative positions that we have had in the past four years, then I would say yes but I think we will need to examine that and see where we are going as far as that is concerned.

In focusing on economic growth, I believe that there are parts of the formula, one of which will have to be, we need to create excitement or some buzz in our economic system where people say, “Yes, I believe. Yes, I believe that what the hon. Minister is saying will come to pass.” And if you cannot believe, then you are going to have something which the Minister himself, by his own reckoning, does not understand. The Minister does not understand why there is no confidence in the economy, and when he comes back I will wait to explain to him why there is no confidence in the economy and I hope that he comes back shortly. I hope that he comes back shortly.

But let us speak to the matter of economic growth. [Interruption] All ears are not the same level of intelligence and capacity.

**Hon. Senators:** Whooo!

**Sen. S. Ramkhelawan:** All ears are not. So we will have to be careful as to whom we send the message, how it is received and sent back. I am not saying that my hon. friend is not intelligent. Far be it from me to say that. He is a very intelligent person but he does not understand some of the things about communication. That much we can say.
The whole question of excitement in the economy is something that has challenged us for some time. For many years, Mr. President, we have found ourselves speaking almost the same talk. We are saying the same things over and over and we are not getting a different result, whatever the administration, and that is a source of worry.

So here we are now where, for the past three or four years, we have not increased our volume input, our production in the economy, so that we are still at oil production of 100,000 barrels and in fact falling. We are still at gas production every year of about 1.2, 1.3 trillion cubic feet and we have not increased production or volume and that really is the heart of our problem.

How are we going to build a new economy that is going to generate growth? Failing which we are going down that slippery slope and it is not going to happen—it is going to happen at a time when we know it is coming, we know it is coming, but when it happens we are unable to do anything about it because we have already used all our ammunition. We have used our ammunition, meaning that we have engaged in deficits that have not essentially dynamized and pushed forward the economy.

So then, when we get to that point, we are getting to the point where we are borrowing for essentially expenditure that is recurrent expenditure and at the point in time when we need to borrow for other purposes, our creditworthiness, our level of debt to GDP could be of such an order that we no longer have the capacity to make those borrowings. Therefore, my one urging to the Government, is, seek to balance the nation’s books. Seek to balance the nation’s books. After four years of deficits—this is the fourth year—what are we going to do next?

I have listened to the hon. Minister in terms of the new spaces that he has spoken to. He has spoken to new spaces in two parts. One is, as I would like to call it, geographical diversification, in establishing businesses in new places, and the other is functional diversification, doing absolutely new things. The challenge, though, I am not convinced that some of the changes that are being suggested will give us that dynamic to take us forward. In other words, what I am hearing is more, shall we say, in the local parlance, more “chirrip-chirrip” ideas that will not give us a big—that jump that we need to get this economy going.

Now, I believe that we have what it takes to create a new dynamized economy and we have to focus on certain areas that will give us that kick, that new movement. What are these areas? I like to call it the triple M—new materials, new manufacturing, new markets because that is the essence of diversification. We
have spent a lot of time, almost the entire century, speaking to diversification as though it is separate and apart totally from everything that we have been doing so far.

We have done a lot so far as a nation. We are turning 50 next year. We have gotten to a point where most other people would be rather envious of us, within the time that we have been able to do it, and this has been done collectively through consecutive administrations. [Desk thumping] Yes we have made some mistakes, but the point is, we are at a place where, if we take bold and decisive moves, we can take this economy into that space, that transformation that the Minister is speaking about, yet still, his checklist as to what will generate transformation does not seem to me to be sufficient to take us forward.

I say new materials, and I have said this before, our manufacturing sector, we need to build an entirely new manufacturing sector, not to replace what is but to expand into manufacturing too. I have said it before. Mr. President, as you know, there are a number of people who facetiously refer to our existing manufacturing sector as a rum and pepper sauce sector. I would not share that view, but when we look around in terms of where the dynamic is to drive out that manufacturing sector, there are not many new stars on the horizon that we can point to that will take us out of the dilemma that we are in. So when we talk about new materials, new manufacturing and new markets, let me speak first to new materials.

Mr. President, new materials are within our reach. What we need are new materials that will allow us a competitive advantage in the trading space and that, as the Minister rightly said, is not necessarily going to be the Caricom market. The Caricom market has already been satiated in my view by Trinidad and Tobago existing products, and therefore, when we talk to new materials, we have to make sure that we build a bridge from what we have here on the ground in commodities to take it to products that can be utilized onshore in end-user manufacturing.

Why is it our manufacturing sector for the past seven, eight, nine, 10 years since the turn of the century, is at a level where the number of jobs in that sector remains at 55,000? We have not created any substantial growth in that sector in terms of jobs and sustainable employment. The facts are there. My learned friend, Sen. George, can go and check them and I am sure he knows them. He does not have to check them—no new jobs in manufacturing. If you call 200 jobs new jobs I will accept then, okay, I am mistaken by 200 jobs, but the manufacturing sector has remained about 8 per cent of our economy, ad nauseam.
The difference between us and so many other countries is, we have the capacity to transform on the ground already, and that is why I say in terms of new materials—I will recite what I have said before. We are producing 12 per cent—small, little Trinidad and Tobago is producing 12 per cent of the world’s methanol, over six million tonnes. Not more than two or three tonnes will be utilized here on the ground. I challenge anybody. All of it is exported. That is why when we speak, when those excellent thinkers who have now left us speak about the plantation economy, I believe that we have not gotten out of that, as we turn 50.

As we turn 50, there are those who bring their capital here and they, of course, need to get a return, that is fine, we have no problems with that, but we have not connected much of our strengths in the external economy with the onshore economy. We have not connected. So new materials, as we start to build out melamine, what are the end-user manufacturing areas that we can go in melamine? It could be laminates, it would be a whole range of things that you can talk about in end-user manufacturing.

I will tell you why it is important that we get to new materials and I would tell you how. We are producing methanol—and I come back to methanol—12 per cent of total production in the world and methanol is now the feedstock and is becoming the feedstock for plastics, all kinds of plastics, from common to very specialized. Therefore, it makes sense for us to take bold moves to redirect that methanol to generate plastics which will form another raw material for end-user manufacturing in this country.

I am sure if the Minister is totally averse to this particular area he will say so. What it takes is some boldness—some vision and some boldness to move that way, because no other country in the Caribbean has that capacity to generate new materials for end-user manufacturing, no other. But what does it take? We will come to the question of whether we should pursue austerity versus stimulus and what is the role of the Government in the question of stimulating the economy.

I believe that we should lean towards stimulating the economy because the public sector has traditionally been a key driver in onshore development, but I believe that if we are going to spend the money and invest the money we must invest it in a very direct way with a rifle approach as opposed to a blunderbuss approach of putting the money there and something is going to happen. [Desk thumping]
It is no rocket science. It is called capital budgeting in most places, where you put your next dollar to the best return and you must be able to determine what that best return will be rather than say, “Let me throw it out there and something will come back like manna from heaven.” That is the discipline, because if we have scarce resources, which is the case, we are running a deficit, we need to make sure that we get the best return for our dollar. So I think the first thing is new materials.

Now, there is the challenge. Because the challenge is that to get from methanol to plastics will require significant capital investment and therein lies the trick of partnership with international players. It is a trick that we are not unaccustomed to, except that we end up where all the commodities go abroad and that project might cost 2 billion or two and a half billion and clearly the local private sector is not ready for that kind of investment and the scope of that investment.

Therefore, what is the role of Government? The role of Government is to get to that place where it is essentially making some of these raw materials available on the ground so that we could create the competitive advantages that we need and that is the question of raw material, and I am saying that we are halfway there. We are in the middle of the river. We just need to build that bridge to get to the other side. That is what we need to do. So we talk about the raw materials and I gave two examples, one of which is on the ground already, melamine, and the other is plastics.

I want to, rather than jump to manufacturing, go to new markets, because if we want to diversify the economy, when you produce six or seven hundred thousand tonnes of plastics, of course, much of it will initially have to be exported but it gives you an on the ground capability for the local private sector to joint venture with other companies in terms of technology and management and so on. The key is that these kinds of end-user manufacturing projects will fit the local private sector because those projects might be US $10 and $15 or $20 million to be able to compete to produce and to export. So that we need to get the best fit in terms of materials, in terms of manufacturing and in terms of markets.

Now I come to the question of new markets when we talk about diversification. When we talk about diversification, we keep talking about new merchant marine and all kinds of things, in the last administration and in this administration. There is no connect. There is no connect where we have competitive advantages, none at all. So it is more like pie in the sky without being able to connect all the dots and create structures where we can actually get things to happen. Therefore, we will keep saying it again, again, again and again, and next year we will come and hear the same thing.
I turn my attention to new markets, Mr. President. Since I was a boy I have been hearing this thing about Trinidad and Tobago as the gateway to Latin America—[Interruption]—and I am pretty old, I will tell you that, and since I was a boy I was hearing it. [Crosstalk] Looks could be deceiving. But, Mr. President, I want to bring to the attention of the national community that if you want diversification and you need new materials, you need new processes and you need new markets, if Trinidad and Tobago is the gateway to Latin America, that gate is safely locked and we do not have the key. I will tell you what the keys are, in case you do not know, but we have brilliant persons on the other side, they know. It is just about moving from description to prescription to execution. Some of the problems are more on the execution side, whichever administration it is.

We do not have one trade agreement for goods and services with Latin America. We have one or two partial agreements with Venezuela, with Colombia and so on. We have one reasonable agreement with Costa Rica. We have recently put together an agreement with Panama but that agreement is for goods only and I will come and tell you why services is important because we are talking about capital markets and regional capital markets and so on. So we just put down one, which is a partial scope agreement, I understand, for the trade of goods.

So when you talk about new markets as part of the diversification dilemma, and you talk about Latin America, it is only—it is talk, it is ol’ talk, it is robber talk, it is gun talk, it is all kind of other talks which I cannot say in this honourable Parliament, but we have not done the work. We have not opened the doors to Latin America and what do we need to do? We need to have trade and services agreements with all of these Latin countries. Singapore has already jumped the gun to do it. China is doing it. Everybody else is doing it.

I could give you an entire list of the trade agreements that Latin America has with the outside world, none of them with Trinidad, and we say we want to be the gateway to Latin America. So the first thing in terms of prescription, you need to get these trade agreements in place, all 14 or 15 of them. Access to a market of 600 million people is limited or denied because we have not made that move for the trade agreement in goods and services.

The second thing that you need in order to tap those new markets would obviously be double taxation agreements. Go and see how many double taxation agreements we have with Latin America and the sum total might be none but yet still every economic issue, everything about Trinidad and Tobago, “We are the gateway to Latin America.” The gate is locked and the lock has rusted and we need to do something about that. I hope that it will happen sooner rather than later.
Of course, if you want to get into services and the capital markets and so on, you need to have reciprocal regulators agreements in terms of the movement of that capital. First you have the double taxation agreement that allows people—why does someone want to invest here if they invest here and they are taxed here and they are taxed at home again? In the Caricom we have the Caricom tax treaty which deals with that so that you do not have to pay tax twice. With Latin America you have none of those, so what is the difficulty? I will come to talk about our capital markets and our regional capital markets if time permits, and what we need to do in that area.

Mr. President, in terms of economic growth, if we do not have a whole new paradigm shift that is bold and visionary, we are not going to make any changes within the short term or even the medium term. Let us as a nation set ourselves the goal that within four years we would have trade agreements, whether partial or not, in services and goods, with the Latin American countries. We invested, some would say wasted or spent, a whole lot of money to have a conference of the Americas, all the heads of Latin America, and we have not leveraged on that and those heads are changing as we speak.

So I say to you, get your house in order or get our house in order. You are the trustee for our house. You are the trustee for our nation. Get our act in order so that we would not have to come back here and say in two or three years’ time that we have another deficit because we want to keep expenditure there, if we drop expenditure we are going to lose an election but we are not generating any additional revenue. That is at the heart of the matter. That is really the heart of the matter, getting economic growth going again, failing which, we are down that slippery slope.

You know, Mr. President, it is the economic veneer of this country that has kept it very much intact for the past 10 or 12 years, notwithstanding the social and other issues that face our nation. But when the crust of that economic veneer is penetrated, you are going to let the genie out of the bottle and you cannot put that genie back into the bottle, and that is the concern that we must have for our nation and if we do not do it, we set ourselves for peril.

So I put to the hon. Minister some of the things that he needs to consider very carefully and the Government needs to consider carefully in terms of economic growth. If you have other solutions, fine, but we need economic growth. I am not stuck to any particular one solution. I am stuck to the notion that we need economic growth. Tell me what is the alternative because I am not seeing or hearing the kinds of alternatives that will dynamize this nation, that will give
confidence to this nation, that the private sector will say, “Yes, I am going to get some new materials in my hand, I am going to have access to new markets, I am going to go out there and look for joint ventures, bring the technology in, and I have the capacity in terms of the size of these projects to be able to do that.”

So Government’s role is to build that bridge to new materials for end-user manufacturing, and, I think once you put that on the table, you will get that buzz that you want about confidence; failing which, every investor that I know is a rational investor unless he is a gambler. He looks at what you are putting on the table and says, “No, this is not going to make sense. This is not going to provide a return”, and I am going to address now, since the hon. Minister—since Sen. George is taking notes for the hon. Minister, I am going to address this question of a lack of confidence in the system.

The hon. Minister is reported to have said that he does not understand why there is no confidence in the system, because interest rates have been the lowest that they have been historically, because inflation is the lowest that it has been historically. What is it that is missing in the formula that will breathe life and breathe confidence into the system? Well I will tell you what rational investors do. It does not matter what interest rates are, how high or how low. It does not matter. What matters, as the bankers well know, being an old banker myself, is spread. It is the spread, not what the interest rate is.

If I could borrow at 50 per cent and I know that I can generate 70 per cent, I am in. If I can borrow at 6 per cent and I cannot generate 6 per cent to provide me with a profit and a return, I am not in. That is the easy answer, hon. Attorney General. That is the easy answer of why there is no confidence in the system, and that is the answer that we collectively have to solve. We have to solve the problem of how, in terms of putting confidence, what do we put new on the table to give the idea to stimulate the notion that economic growth is coming, it is around the corner, it is for us to work together and put all the parts together to bring it to fruition.

If there is only one message, as my learned friend, Sen. Dr. Henry, was giving his only one message, if there is only one message I want to give, it is: how do we get economic growth back on course, and I have made a suggestion.

I want to turn to the question of capital markets and linking capital markets to the region that we have. Now there is another myth that seems to be perpetuated by politicians that we are the regional capital market.

Mr. President: Senator, I intend to let you continue until your full 45 minutes is complete and then we will take the break. We are at 4.38. You have six more minutes.
Sen. S. Ramkhelawan: So I will roll out this notion of capital markets. Now we know, Mr. President, that the capital market properly conceived is the lifeblood of investment. It is the avenue and the channels that investors pursue to raise funds on the one hand and to place funds in viable investments. But, again, what has happened to us in the capital markets, we have not transformed ourselves—and we are talking about economic transformation, we just talked about investment but we want to talk about financing and we want to talk about capital markets. We have not chosen to transform ourselves to being the regional capital market. I want to suggest certain reasons why.

Our securities industry framework is based on a Canadian framework which is about a fortress. “We do not want anybody else to come in here to invest. We do not want anybody to participate in the capital market and we need time to move from a closed off framework of securities market to an open architecture framework of capital markets.” And we like to quote that gold standard which is Singapore.

We like to quote the gold standard and really, what happens is, Singapore started in terms of this area being the conduit for Asian countries and we also have to pick a hinterland in which we can operate and that hinterland must be Latin and Central America. It cannot be anywhere else. Certainly it cannot be the Caricom nations, many of whom have found themselves in difficult situations in terms of the sovereigns, where their debt to GDP is 135 per cent, 155 per cent, 110 per cent, some of the best ones, and therefore, in terms of the capital market we need to think about, as we seek to bring to the Parliament, as we have tried over the past two years, new securities legislation, it must be open architecture legislation where we stand as the conduit rather than we stand as resisting investment flows, putting in the necessary regulatory structure.

But there are other things in the capital market that are delaying or impeding the growth of this market. We have not put in insurance legislation for the past 30 years. Our legislation in the main is the Insurance Act 1980, 1981. Many changes have taken place and probably fundamental is the need for capital adequacy in terms of bringing on to the books of insurance companies risk assets. Well we know where that has gotten us. We know that the lack of oversight, proper oversight, and the lack of capital adequacy rules within the insurance sector, where has that gotten us? People can grow however they want but they do not have to show capital. It is done in the banking sector and I believe that our banking sector is a strong and stable sector but it has not been expanded to the insurance sector.
Thought has not been given to the securities sector. We do not have separate pension fund legislation. Why I say this, is, these are the accumulators of capital for investment. The banking sector deposits would be about $75 billion, in the insurance sector it would be about $20 billion—I am just quoting off the top of my head because I do not know what the adjustment will be with the recent fiasco—the insurance sector is $20 billion, so they are accumulating money, and I come to the question of liquidity but I will leave that, Mr. President, and come back to that when we restart.

Mr. President: Hon. Senators, it is now 4.36, 4.37. I propose to take the tea break at this point and resume at 5.00 p.m.

4.37 p.m.: Sitting suspended.

5.00 p.m.: Sitting resumed.

Mr. President: Before the break I seemed to have taken some Senators by surprise. It is my intention that we would go as long as we can in the interest of efficiency to end this debate. I understand that we will go from day to day, so the breaks I would take would be somewhat shortened. If Senators do wish to take a longer break they are free to do so but the Senate will resume at the time that I indicate in the interest of efficiency.

Sen. Ramkhelawan, you were on liquidity and you have two minutes.

[Laughter]

Sen. S. Ramkhelawan: Thank you, Mr. President. The question of liquidity in our system has been brought about on a structural basis because there are no real viable investment avenues for investors to invest in, so we have accumulated over a number of years but we do not have the kinds of investment opportunities and therefore that liquidity will be stuck in the system.

Therefore the answer again is about creating new investment opportunities. It brings me to the other side of the equation, because these moneys are here waiting for investment, the opportunities are not there and then the question is in order to engender this economic growth of which we speak we have to find ways where we can create a more competitive local private sector, and a local private sector that would see itself participating because returns can be had on those investments.

So, I think the liquidity story is a story that has to be addressed. That is a Central Bank matter. It is a matter where the Central Bank, in addition to having 17 per cent of deposits in reserves now has a liquidity overhang of over $4 billion.
and this is precisely because the investment opportunities that can create banker returns are not there. Now, it is a good problem to have. Even though it is a problem it is a good problem to have.

**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. E. George]*

**Question put and agreed to.**

**Sen. S. Ramkhelawan:** Thank you, Mr. President. Let me just round off some of the comments that I have been making on the capital markets, well, spoken to the legislation that needs to be put in place to allow Trinidad and Tobago as a regional player to be a conduit for the region’s capital, and we have spoken, one, to the Securities Industries Act in terms of legislation. Locally, we need to improve our Insurance Act to make it more effective. We need a Pensions Act, the Pensions Act is not there.

There is one area that I would like to suggest that the Government take a much closer look at. In 1994 we started this discussion of putting in a Mutual Fund Act. Today, there is still no Mutual Fund Act. How could we be a regional capital market if we do not have a Mutual Fund Act? I want to throw the thought out that since we are talking about being a conduit we have the EPA up for ratification some time, but the only part of the EPA that has been fleshed out is the question of trade in goods. I want to appeal to the Government that we need to look very carefully at trades in services, particularly financial services, because I believe that there is good opportunity for Trinidad and Tobago to provide some of those financial services.

Of course it would have to put in place a mutual fund legislation, of course it would have to upgrade the securities legislation. But, be bold, be visionary; look for the opportunities; look for the opportunities where we can tap into larger markets and we can tap into larger markets for financial services for that European area. It is something to consider and think very carefully about and think beyond the box that if we do that and we have the EPA on the one hand, and we open doors to Latin America on the other hand, what a great play it would be, Trinidad and Tobago as a conduit for those flows to and fro. Just a thought.

I move now to the question of some of the areas where we can get a short-term kick in terms of economic growth and I move to some of the sectoral areas, the functional areas. The first is—I have already spoken about capital markets and I would come back to that in a little while. But I think in the area of agriculture I
have spoken on many occasions about an opportunity that is not being utilized in agriculture. I have spoken to the question of having 50,000 acres of arable land lying fallow and no action has been taken for some seven years or more since we did away with the sugarcane industry, and if you want something that can kick-start, there is a place to go.

One of the concerns that I have—I listened some time ago to the hon. Minister of Housing and the Environment and I was deeply concerned when—and I hope that I quote him properly; let me paraphrase. He said, “When we came into Government there were just about 5,000 CEPEP jobs and now we have increased it to 11,000 CEPEP jobs”, and I really wondered whether that was something that a nation should boast about, that they are creating make-work or semi make-work jobs and we are not creating sustainable jobs, and we are fooling the statisticians at the CSO in terms of employment. But the greatest sin is to fool ourselves. We need to get sustainable employment and that must come from areas where we are generating productive value added assets.

So, in the area of agriculture—and I would tie the thread together in a little while. I want to compliment the Minister of Food Production, Land and Marine Affairs for what he has started to do, to get these fallow lands into production. I think it is about 3,000 acres of land in the first instance.

Sen. Bharath: Four thousand, four hundred and twenty three.

Sen. S. Ramkhelawan: I stand corrected, 4,423. He has been able, or he is in the process of getting these lands into the private sector hands where people, actually when they work, have to make profits on their own and the leasing mechanism is to get the lands to them. I think the Minister has gone further to say, “Well this area is best for sweet potato and this land is best for rice” and so on.

So, Minister, I do not often compliment you and through you, Mr. President, I would like to compliment the Minister of Food Production, Land and Marine Affairs for something that he has done and something that ought to have been done as far back as eight years ago, which was to take these lands and put them into production. I am one of those players who believe that if we take CEPEP workers and put them into agriculture, there are those who claim that they will not be productive. But my answer to that is, if they were 30 per cent productive it means that we get more food on the table in terms of food security. There are those who say, “Well, boy, they are going to ‘tief’ out all of that produce” and I say, “So what?”, if that produce stays within the nation it means you have more supply in the context of demand and you are going to get some price softening or a better demand/supply configuration.
Any way you do it we win, because we will take our workers and put them into productive enterprise, we will increase supply, we will increase food security in the nation. So, I do not think—it has been quite some time that I have actually, through you, paid any compliment to the Minister of Food Production, Land and Marine Affairs and I congratulate him. [Interruption] I do not give compliments willy-nilly. I give them deservedly. [Laughter] [Desk thumping] Sen. George has been fishing for a compliment since the beginning of my contribution and he is not going to get any until he does something that deserves compliments. [Laughter]

So, after that commercial break I want to go back to capital markets and I want to—since I am in complimentary mood, I want to compliment the Minister of Finance. I think the Minister of Finance has moved towards a divestment programme that can only help the local capital market and can help investors looking for an opportunity to invest all of those funds that are stuck within the banking system earning zero per cent or 0.1 per cent, if the banks do decide on any particular day that they are taking in funds.

So, I think it is a good move with regard to the matter of the First Citizens Bank, where that would add some 9 per cent to the market capital of the stock exchange. That is, the stock exchange is now about $90 billion in terms of the value of stock listed and that, by our estimates, would add another $9 billion, so I think he is to be complimented even if there is partial divestment. The point is that there would be room for activity and investments by investors who are starved for good investments. The First Citizens Bank has been profitable, at least, for the last five or six years that I have looked.

The question of the listing of the Home Mortgage Bank and the Trinidad and Tobago Mortgage Finance Company again provides opportunity for investment, even though, collectively, they would, in our estimates, be about $2.3 billion of total capital, but it adds in terms of giving diversity and opportunity to the investor base.

The whole question of the so-called Clico Trust Fund in which a big chunk of it, maybe 90 per cent, would be Republic Bank shares, does not really add much in terms of opportunities to investment, but it does give the Clico bond holder the opportunity to encash those bonds from year 11 to 20 at today’s face value, and I think that would create some activity and some buzz in the market. So, in terms of capital market initiatives, I want to congratulate the Minister and compliment him as far as that goes.
Mr. President, I want to speak about this matter of employment. Any government and every government is judged on its ability to create sustainable employment in the system. Sustainable employment is not employment of, shall we say, a make-work nature; sustainable employment is where you have employees who are producing in a profitable framework, at least in a private sector type environment. While we have seen employment at 5.93 and 6 per cent and so on, if you really break this out into employment/underemployment, you would see that we are building up a block of employment that is clearly not sustainable, it is really supported by public sector expenditure. The public sector employs 27 per cent or something like that of the workforce in this country. That is directly, and that really should not be the case, the public sector being a quarter of the overall workforce.

Then there are things that you have to talk about in employment—the energy sector. The more we invest in the energy sector or the larger the energy sector, being 45 per cent of GDP, it still only employs about 3 per cent of the workforce, about 20,000; 20,000 on 600,000 is about 3 per cent of the workforce, despite what the Minister of Planning is saying to me—20 over 600 is 3 per cent, that is how I learned it.

So, if that is the case, we really need to look carefully in terms of how we generate employment. Where are the areas that would create the highest level of sustainable and productive employment? And I come back to manufacturing which employs, in terms of real to GDP and so on, just about 4 per cent or 5 per cent of GDP, employing 55,000, and there is need for us to build that new manufacturing sector. Without it we are going, as I have said before, we are playing at the periphery; we need to go to the heart of the matter, and we have the resources in terms of converting to raw materials to build that new manufacturing sector. And if it is one thing I want to leave here today, if there is one thing I want to leave here today is that we need to strive for that new economy with a boldness of vision.

5.15 p.m.

And I hope that Sen. George takes that particular note and takes it to the Government and to the Cabinet; and that there are ways to do it. It can be done. Then we have to talk about the whole question of how do we dynamize the economy in the short term, in the medium term and in the long term. I would define the medium term—let us say three to five years. The point is that no matter how much exploration we do for gas—moving gas when you find gas—to commercialization, is usually seven, eight, ten years. My friend, Sen. Basharat Ali, would vouch for 10 years.
So while we are doing that, because of the employment capital ratio, what you will find is that you still have only very small employment. Where you will get some employment is in the short-term construction, but at the end of the product you get very light employment relative to the capital. Therefore, change your sights, revisit your objectives as to where you are going on the economic front, because failing that, you are going to fail the nation, and when you fail the nation, we will all be at peril.

We have a number of young people who are coming up and cannot find jobs that they consider worthy. I think it was the hon. Minister of Finance who said, that amongst young people there is a 50 per cent unemployment rate. And we know the reasons for that. Part of it is the level of preparedness of young people to get into the workforce. But the other part of it is that the opportunities for sustainable employment are just not there. We cannot continue to bloat the public sector. We do that at our peril, we fool ourselves. So our choices are limited. But our choices are not outside of our reach. Our choices are about taking what we already have on the ground and what we have built over a long period of time and moving down that value chain and being part of it. The Government’s role must be to participate directly in the stimulation process, but looking for investment returns. I have no problem with us building out infrastructure. But infrastructure is almost like building tall buildings. Build it and they would come.

Infrastructure in terms of a road to Point Fortin, we have to hope and expect and pray that it will come and economic activity will come with that. That is an old theory, but it must be complemented because time is against us. We cannot afford to have three and four more deficits. We cannot even afford to have one more deficit, because by my calculations we are going to be 64 per cent of GDP by the year 2014, if even we have one per cent growth and we continue with these deficits. We know that it is very difficult to cut back expenditure; therefore, we have to generate revenues. And we know that if we generate revenues through additional tax, it is an even greater burden on the economy and investment. So we have to stimulate growth. And out of growth will come revenue; and out of revenue will come jobs—sustainable jobs.

So, Mr. President, in concluding, I really did not want to spend any time on the arithmetic. We have enough arithmeticians or mathematicians in this place. In fact, we have an eminent mathematician sitting right next to me. So I wanted to speak about the dynamic, what we need to do—get to the heart of the matter failing which we have a heavy price to pay as a nation. This is my appeal to the Government. This is my discussion with the citizens of this country to ensure that
we work together to build this better more resilient and capable nation where we will all benefit if the economy—if the pie grows. If the pie remains the same, what we end up doing, when we fight with each other, “we taking ah food from somebody else mouth”, because it is the same size of pie. So what we need to do is grow that pie. I leave you with that and I thank you, Mr. President.

**The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath):** Thank you, Mr. President, for allowing me the opportunity to contribute to the 2012 Appropriation Bill, as well as to report to the nation on the activities of the Ministry of Food Production, Land and Marine Affairs on our plans for the next 12 months and beyond as well as the activities that were undertaken in the last 12 months.

Mr. President, also permit me to thank and congratulate the Minister of Finance for being able to put together a budget of substance which we all on this side support. I know there was talk from the other side that many of us, or some of us, may not—I want to state categorically that all of us on this side support the Minister of Finance in producing a budget of substance under very difficult circumstances, particularly in light of the precarious nature of the world’s economies and, of course, the delicate balance that needs to be found between revenue and expenditure.

Let me also congratulate the PNM for the fashion statement they have made here today and [laughter] with the neckties they are all wearing, Mr. President. They have at last ditched the albatros from around their necks and have circumcised the balisier, hopefully once and for all. We also congratulate them on that, Mr. President.

I just want to deal very quickly with a couple of issues that both Sen. Dr. Henry and Sen. Ramkhelawon spoke at length on and they both revolve around the issue of growth and confidence in the economy. Sen. Dr. Henry talked about the neocolonial supply side of economics, and of course his colleagues nodded in gratified incomprehension [Laughter and desk thumping] it would appear. I just wanted to remind Sen. Dr. Henry that sometimes when one spends a lot of time in academia one tends to lose touch with reality and maybe he needs to be rehabilitated into the real world. [Desk thumping] You see, Mr. President, when one looks at the statements that were made after the budget by the people in the know, and by the people who most feel whether there is confidence or not; you listen to talk about the Trinidad and Tobago Manufacturers Association that Sen. Ramkhelawon spoke of at length just now, and the headline in the Guardian was “T&T manufacturers: Budget has created confidence.” That was the headline in the Guardian on Friday October 14, 2011. And it said:
“Noting that manufacturers were very happy to see”—how much—“of what they requested appear in the Budget, like”—the issue of—“VAT refunds… He said, overall, they are pleased with the Budget. ‘We saw a lot of things we didn’t necessarily request that would be good for the country, like incentives for the renewal of the energy industry.’”

Dominic Hadeed, the President, said the budget created confidence among manufacturers because Minister of Finance, Winston Dookeran, acknowledged all of their requests.

And later on Indira Rampersad stated:

“There was no belt-tightening… budget. People didn’t really lose anything. But it would have been more prudent for the Government to bring that kind of people-centered budget in an election year.”

So she is acknowledging it is a people-centered budget that did not cause people any hardship and heartache.

The Chamber said exactly the same thing:

“The Trinidad and Tobago Chamber of Industry and Commerce is pleased to see that the Government once again utilised the ‘social dialogue’ method to inform the National Budget and that some of the Chamber’s Budget Recommendations have been accepted”

They also went on to say:

“There were also a number of important social initiatives that were identified. It is heartening that these social programmes have been pinpointed, and also they have been incorporated in an overall crime initiatives…

…the Minister addressed the utilization of the public/private partnership model, as well as the establishment of the Public/Private Partnership Unit in the Ministry of Finance.”

The headline on that was “Chamber happy with 2011-2012 budget”.

So, Mr. President, the people who are the ones who are being asked to essentially drive the economy are saying that they are happy with the budget. And of course we got to understand where we are coming from; why is it that we are constrained to a large extent with regard to what we do with the limited funds that we have.
What Sen. Dr. Henry failed to alert the nation of was—because of the fact—this issue of growth stems back, of course, to 2009 which he talked about, when for the first time in 17 years this country suffered negative growth. I think it was 3.3 or 3.5 per cent for the first time in 17 years. And what we are attempting to do is to dig ourselves out of that situation currently. It is because—I want to use parliamentary language as I have done in the other place—of the unfettered indulgence, I call it rather than—some of my colleagues or others outside may say “tiefing”—but I would say unfettered indulgence that created this major black hole where we have had to go necessarily into deficit financing to fund a lot of the projects and to fund a lot of expenditure. And a lot of it—let us be honest—is consumption expenditure. A lot of the funds that we have to find would be to pay for wages and so on.

I also want to come back to the point that Sen. Ramkhelawan was making. It is very important that a lot of that expenditure is focused on creating the avenues to be in a position to repay that funding at some point in time. Because if you continue to borrow—which is not the intention of the Government—if one continues to borrow what then happens is you have a hard core of debt that essentially rolls on and, as Sen. Ramkhelawan has said, you will essentially end with a significantly high proportion of debt to GDP; as he said by 2014, it may be above 60 per cent. That is not the intention. The intention really is to ensure that those moneys that are borrowed are put into productive investment to generate income for the country over a period of time.

I know that Sen. Dr. Henry spent a lot of time—of course he was alluding although he may not have said it, that we should have taxed people or that was an avenue of raising funding. And it goes back to the days of the old PNM. I remember the 80s to be able to leave the country you were taxed, you had to pay a departure tax. Every single thing, even if you brought in apples and grapes at Christmas time there were taxes involved. Everything was taxed. The consumer had to end up bearing the burden and brunt of the excessive expenditure of that then government.

I want to say, as I have said in another place and in another discussion, that there is really nothing wrong with running a deficit, once there is a time frame within which that deficit is going to be reduced and once there is methodology and you know how it is going to be reduced over a period of time.

I just wanted to deal with a couple of those. And I also know that there was some discussion with regard to the level of investment, the types of investment and, really and truly, if one takes the opportunity to read the Budget Statement “from Steady Foundation to Economic Transformation”, there are a number of projects that are outlined in that.
Sen. Ramkhelawan talked about the melamine derivatives and that is actually one of the industries and one of the projects highlighted, melamine derivatives projects, which will go downstream into plastics and laminates and paints and all of those things you talked about. There are several methanol projects on board: Methanol to Acetic Acid, Methanol to Polypropylene, Maleic Anhydride project, the Reliance Bitumen Upgrader project. All of these are large projects which will have downstream benefits to the people of Trinidad and Tobago.

Of course the budget also talks about the possibilities of the solar industrial development plan, which is to develop the solar industry and solar panels in Trinidad and Tobago. The budget also speaks about the development of Invaders Bay.

One of the things that did not come up which is very important is that for the first time this budget has allocated lands specifically for businesses. So just in the same way we have land for the landless, we have land for agriculture, we have land for residence; we are now allocating lands specifically for business. So businesses that want to come to Trinidad or want to invest in Trinidad, or nationals who want to invest in Trinidad, we will have areas of land set aside specifically to do business and to make business easier.

The Minister also spoke about the business incubator project that will develop small businesses. We have spoken at length about the SMEs and its ability to raise cash on the capital market for those businesses between $5 and $50 million. And of course, in addition to all of that, there were really no new taxes—no new taxes. And therefore, that is also an incentive for business people and for young entrepreneurs to invest.

5.30 p.m.

There was also a raising of the ceiling on VAT. They raised the VAT levels so that more entrepreneurial people at the lower end would not have to pay VAT and would have more funds available to themselves. So those are some of the issues that both previous speakers addressed. And I know that the Minister in his winding up, and during the course of the debate others will raise, but I do obviously want to talk about the substantive Ministry which I am responsible for.

I want to say that the budget generally is based on three principles, first of course, job creation. And that has to do a lot with the issue of poverty reduction and closing the equity gap between rich and poor in Trinidad and Tobago. It has
to do with investment and particularly investment in the public sector, but also the public sector/private sector partnerships as the Minister spoke; and it also has to do with security, but not just security of self and national security, but the whole issue of food security. That is really where I want to focus my attention today, because as I said that responsibility falls under my portfolio.

The world has significantly changed over the last 10 years. We have a situation where across the globe we have a burgeoning middle class, we have hundreds of millions of people who are attempting to move up the food chain; eating more meat, more eggs, more milk. As a direct result—particularly in places like India and China and particularly because of that, because these are essentially grain-fed livestock, the requirement for grain continues to increase, for wheat, for corn, for soybeans, for example.

In addition to that, I think we would all agree and we have seen it right here in Trinidad and Tobago, there has been significant changes in weather patterns. There has been unseasonal flooding, there has been unseasonal drought in many places, Australia, Pakistan, India, Russia, Mexico, and what it has led to is these countries curtailing their levels of export to countries like ours that import these grains. The rule of thumb from crop ecologists is that for every 1 per cent celsius increase in temperature above maximum growing temperatures, farmers suffer a 10 per cent decline in harvest—for every 1 per cent increase they suffer a 10 per cent decline in harvest. And that was borne out last year in 2010, when the Russian wheat crop was reduced by 40 per cent as a direct result of a change in weather.

Another factor is the fact that many countries today are utilizing grain for the production of fuel for cars. The United States last year harvested 400 million tons of grain, of which 126 million tons went into ethanol production. Brazil is doing the same thing with sugarcane and the European Union currently has mandated that by 2020 10 per cent of their fuel used will be from, essentially, biofuels or renewables.

Mr. President, since 1970, the population of the world has almost doubled. The United Nations postulates that 216 new mouths reach the dinner table every single night. In other words, there are 216 people born in the world every day that reach the global dinner table; 25,000 die of starvation every day, 18,000 of whom are children. And with every 10 per cent increase in world food prices it pushes a further 40 million people into the poverty range and many of the world’s poorest people who are currently clinging on to the lowest rungs of the economic ladder risk falling off completely, risk losing their grip completely. And that has led to a
lot of civil unrest in many countries across the world, from Mexico, to Uzbekistan, to Yemen. The Haitian Government was toppled in 2008, a lot of it to do with lack of access to food, and we have seen food riots in Mozambique and in places like Egypt and Tunisian over the last few months.

Many countries have started to stockpile food. The Philippines for example, has placed orders for 1.5 million tons of rice per annum for the next three years from Vietnam. So that means they have taken a significant portion of the world’s rice quantities out of the market completely, denying others. Many other countries, China for example, Saudi Arabia, Korea, have actually gone into other countries like Africa and they have actually bought lands or they have leased lands to be able to grow food for themselves to be shipped back to their country. In fact, in 2010 the World Bank estimated that there were 140 million acres of such lands either purchased or leased in other countries where food was going to be shipped back to places like China, and Korea, and Saudi Arabia.

And of course, as land becomes scarcer, water becomes scarcer, temperatures increase. We have a situation where food is quickly becoming the hidden driver of world politics. It is as simple as that; food has now been elevated to the top of the agenda of most countries across the world. Mr. President, just a simple disaggregation of our current imports, which currently stand at $4 billion per annum and have been for the past three or four years, shows that we import in terms of cereal and cereal preparations, $719 million per annum, vegetables and fruits, $718 million; dairy products and birds eggs, $554 million; food preparations, $531 million; meat preparations, $489 million. And those are just some of the larger ones.

I just want to give you an indication what the breakdown of those are: wheat, $206 billion; corn, $138 million; rice, $83 million; potatoes, $96 million worth of potatoes we imported into Trinidad last year; garlic, $45 million; onions, $17 million; tomatoes, $5.5 million worth of tomatoes; lettuce, $6.6 million; carrots, $16 million; and so it goes; bananas, $23 million; grapes $17 million, apples $18 million and tomato paste in packs—of course the raw material for it is tomatoes—$15,800,000 of tomato paste, and the list goes on and on in terms of our imports. We currently import $70 million worth of frozen concentrate for juices in Trinidad and Tobago on an annual basis.

So that puts in perspective what is looming on the world horizon and essentially what we as a Government intend to do about it. Well, first of all let me just say that the previous government as we all know, took essentially a hands-off position on the agriculture sector, which was, at the very least one would say blasé and really at its worst, irresponsible and reckless. Hundreds of millions of
dollars were spent. We are not for a moment suggesting that moneys were not spent. Hundreds of millions of dollars were spent, and really if you all remember, what we remember most, or the only thing we remember was a Minister of Tourism bringing to the House of Parliament one odd size cucumber and holding it up and saying essentially this is what they were very proud of.

And how does that differ from what this Government is doing? In last year’s—and I am going to make a very definitive statement here, I am going to compare everything I said last year with what we have done. So it gives an indication to the population of our accountability.

In last year’s budget statement I stated that we would adopt a very collaborative approach with the stakeholders. And the word stakeholders is a very overused word because it is very nefarious sometimes but we actually went down and we met with over 100 farmers’ groups, over 40 fisherfolk groups, we met with the hotel associations, we met with restaurateurs, we met with the school feeding programme, we met with agro-processors, and we came up with a plan for the agricultural sector, a plan for the agricultural sector that was not a prescription written in the hallowed halls of St. Clair and handed down from upon high and said this is your plan. It was a plan worked out together with the stakeholders, and together we developed in the first instance a one-year plan that was presented to Cabinet and to the country which today forms the basis for the development of agriculture in Trinidad and Tobago.

Mr. President, we all agree that the new agricultural sector must be efficient, it must be business oriented, it must be mechanized with appropriate technology and it must be supported by effective research. Further, there must be an infusion of farmers educated at tertiary level who have an entrepreneurial spirit as well as management skills to be able to add value to the sector. And that meant necessarily that our institutions, our tertiary institutions, our secondary institutions must have a focus on the agricultural sector to be able to churn out what we determined to be “farm-ready graduates” for this sector.

Our self-imposed mandates were that we must create food security for this country, we must reduce our rate of inflation which, when we came into office was 17 per cent—it is less than 1 per cent as we know—to put our people back to long-term productive employment, give them a skill for life, to be the engine of diversification for the economy which we have spoken of for many years, and to, of course, reduce as a direct result of reducing our importation, reduce our outflows of foreign exchange. It was agreed that when we were looking at the allocation of lands that small parcels would be used for vegetables and tree crops, and that larger parcels would be used for root crops like cassava and sweet potatoes.
So let me just quickly talk about each of the areas that we identified that we had to do something about if we were going to kick-start this agriculture sector, and if we were going to make any gains against this looming headwind that we were being faced with.

In last year’s contribution I said that we would deal with this issue of land. Land is a very emotional issue for most people in Trinidad and Tobago and we have in our Ministry—I am saddened to tell you—applications that date back 35 and 40 years where people have made applications for leases or for renewal of leases. And what we said we would do—as a direct result of that, many of these people suffered because prior to this year if you were a farmer and you wanted to access the incentives that the Ministry offered, or you wanted to go to the Agricultural Development Bank and get a loan, you had to have tenure to those lands, and if you did not have tenure you could not access the incentives. I said in my budget contribution last that we would disentangle this whole issue of land tenure from the ability to access incentives and from your ability to access loans at the ADB. I want to inform this House that on January 1, 2011 we disentangled that situation; you no longer as a farmer are required to have tenure of your land to be able to access the incentives that the Ministry has to offer. So it is the first thing that we have done. [Desk thumping] What that has done, it has opened up hundreds of acres that were lying as Sen. Ramkhelawan says, fallow and barren and unproductive, so farmers could come back in, access the incentives, access loans from the ADB and get back to the land and plant.

The second area where we were able to bring more lands into productive use was the whole area of the lands that were allocated to the Caroni farmers. You will remember, Mr. President, that in the VSEP programme of 2003, these farmers were allocated two acres of land as part of their VSEP programme. The previous regime held it up in court. It was a judicial matter and it had been stuck in court for several years. I spoke with the Attorney General and we agreed that the matter would be withdrawn. I also said last year we would start handing out those parcels of land. I want to inform this House that of the 4,187 applications that we have received, 4,187 have been sent on to the Chief State Solicitor; the number of leases that have been prepared are 3,346, and the number of leases executed, 2,725.

5.45 p.m.

Sen. Al-Rawi: All in one year?

Sen. The Hon. V. Bharath: Yes, since we spoke last year. So, the remainder, some of them are still in the system with the Chief State Solicitor, and the others are from people who have not made the applications. We have sent out two advertisements in the newspaper to publicly ask people to come in. We are
sending another one out that will have validity until the end of December of this year, where we are letting people know that this is your final chance to come in and make your application; if you choose not to do so, it is very likely that the lands will revert to the State.

I also want to alert this honourable Senate that lands that were taken, again by the former regime, to put down a steel plant at Esperanza, the Essar Steel plant, this Cabinet has withdrawn that and those lands, 1,000 acres, have now been returned to the two-acre farmers in the area of Esperanza; so that is back into agriculture. [Desk thumping]

Mr. President, we are serious about food security in this country; it is not lip service only. This is the R curve that Sen. Ramkhelawon was speaking about earlier on, where we have identified parcels of lands throughout Trinidad and Tobago, we have identified the crops that you will grow. We are also identifying the methodology by which you will grow those crops because we have found out that in many a case, farmers in Trinidad and Tobago—many farmers—do not understand good agronomic practices, they do not have benchmarks; and we will show them how to get the best yields, and what they must grow in certain areas. This is a distribution of 4,223 acres across the nation. It is only the first tranche. It is the single largest distribution of agricultural lands in the history of Trinidad and Tobago.

To put it in perspective, Mr. President, in the last 16 years—from 1995—2001, the previous amount of lands distributed in totality was 1,500 acres; this is 4,223 in one fell swoop, Mr. President. [Desk thumping]

Sen. Al-Rawi: Thank you, hon. Minister for giving way. If I could just ask two simple questions for clarification if you get the moment; one, the surveys for 4,223 acres, if you could give us some information relative to that; and secondly, the securitization for persons who are basically without the land security and for the cross-checking with the loans. So the incentives having been accessed, if there is no security relative to it, how are the loans, if any, given by the Agricultural Development Bank, secured? Thank you.

Sen. The Hon. V. Bharath: With regard to the surveys, the surveys are ongoing at this point in time. We expect by the time all of the applications are received, all of the surveys would have been completed. With regard to securitization, the crops are actually utilized because the farmer must be cultivating a minimum of 75 per cent of the land to be able to access the incentives.

Sen. Al-Rawi: Thank you.
Sen. The Hon. V. Bharath: And the final thing with regard to the land is that in conjunction, again with the Commissioner of State Lands and his entire department, Pricewaterhouse has started a restructuring of the land division to make it more efficient, to make it more friendly to the population, and to ensure that no longer will leases and enquiries be stuck in the land division for years and years; and creating disadvantages for people. Once the application comes in, it will be dealt with swiftly. That exercise will take about three months to be completed, and we expect to see a brand new face of the Land Division of the Ministry of Food Production, Land and Marine Affairs.

The second area that we needed to deal with is the whole issue of infrastructure. One would recall the recent floods but one would also recall that has been happening for many, many years—drought followed by flood. What happens when we have extremes of weather like flooding and drought, is that the consumer essentially goes on a rollercoaster with regard to prices. One month, tomatoes is $5, the next month it is $20 and so it goes. This has been happening for years; it has been created by years of neglect because there is no infrastructure at all.

Last year, in my budget contribution, I said to deal with the issue of drought that we will put down 100 retention ponds across Trinidad and Tobago as an ongoing exercise. I want to inform this Senate that not only did we put down 100 retention ponds, not only did we put down 200 retention ponds, we put down 300 retention ponds in Trinidad and Tobago this year. [Desk thumping] It is going to be a continuing exercise until we reach about 2,000 retention ponds across Trinidad and Tobago that we believe will give us the level of comfort to deal with droughts in the future.

In addition, we purchased five mobile pumps. Some of these pumps are capable of pumping up to about 12,000 gallons of water per minute out of the Hawkins Drain, the Cunupia River and the Caroni River to deal with issues of flooding. We have desilted over 127 kilometres of waterways and drains over the last year, and we have built, very importantly, 200 kilometres of access roads to allow farmers, not just to be able to get in and plant their crops but also to get out. Many times we have seen farmers with bags, heavy crocus bags on their backs walking out to their vehicles because they are unable to get in.

Let me just say also with regard to these ponds and access roads. What we have done this year, because we know from past experience that a number of infrastructural projects that have been done by the Ministry and by the EMBD and others, have been subject to much query with regard to the quality of these roads.
For the first time this year, we have instituted what is called a “satisfaction survey.” The contractors in these jobs do not get paid until the farmers sign-off that the quality of the roads and the ponds are up to scratch. [Desk thumping] It is no longer left to an officer of the Ministry, an officer of the EMBD, the farmers themselves determine whether or not it is up to scratch. It is only up to this gone weekend, the Member of Parliament for Tabaquite called me. There was a problem with an access road in a place called Massylands, and I know my Director of Land and Water who is here, Mr. Robert Salandy, was out there on Monday morning checking to ensure that what we were being told by the farmers was actually correct. So, therefore, that contractor will not be paid until the works are done to the satisfaction of the Ministry, of the EMBD, and of the farmers themselves. [Desk thumping]

Let me give you a real life example of how these things have changed people’s lives, Mr. President. This is—I am not betraying any confidences here because this was on national television. We visited several farming areas across the country, and we came across a place called Mora. The President of the Mora Allotment food crop area, this is what she said on national television, this is a transcript I think. She said:

I came here in 2003 the area has been farmed since 2005. I became a member of the group three years ago. Since then we have been trying, Mr. Piggott was the last Minister of Agriculture at that time, and we knocked on a number of doors, none of them opened to us in terms of helping us.

I would like to say openly, I did not vote for the People’s Partnership so this is not a PR. People who know me would know that I am on the other side in terms of PNM. I have always supported the PNM for years but I can say since the People’s Partnership under Mr. Vasant Bharath has taken leadership in terms of the Ministry of Agriculture, we have now seen civilization in this area.

People can tell you, some people could not see their families for years because they would not come in here. There were no roads, no access road, just a little track, barely a bicycle could come in here. I could not come in here with my vehicle, it would stick. Sometimes I would reap 400 pounds of pumpkin, I would have to take the pumpkin on my back down to the wagon and then load it back up again. Here was behind God’s back.

I must say thanks to the new Minister; he is farmer friendly. This is the first time that life has come into Mora Allotment. And I want to say thanks to the Minister, and by extension, all the other members of staff who have worked on this particular team.
Mr. President, this is not an exception; wherever we go in Trinidad and Tobago [Desk thumping] because of the access roads and the ponds, we have been able to affect the lives of 3,000 farmers this year on 7,800 hectares of land. That is over 15,000 acres of land this year with regard to our infrastructural programmes.

Last year, I talked in the budget debate about how outdated our incentive programme was. I said that it had not been reviewed for 20 years and I vowed that we, the People’s Partnership Government, would put a new plan of incentives in for the farmers. There was no point putting in infrastructure, there was no point putting in access roads; there was no point putting in ponds, if you did not have an incentive programme to get people to want to come back into agriculture. I am proud to show you our brand new incentive programme, updated and revised, for the first time in 20 years. [Desk thumping]

Mr. President, to give you an indication, for the first time, we have incentives for used tractors which was never the case before. We have an incentive for a combined harvester—because we are looking to encourage rice production—for $200,000. We give you $200,000 against the cost of a combined harvester. We have incentives for the first time for agro processing, for insulation of vehicles, for refrigeration, because we are trying to get the farmer to move out of this primary production, and along the value chain where the real moneys are and where others make the money.

We have incentives for water to build ponds. For the first time, if you decide you want to put your own pond down, the Ministry gives you 75 per cent back on the cost of building that pond. Mr. President, we give you incentives for water pumps, for land preparation, for certain crops like citrus—which I will talk about later on—for cocoa and coffee. We are giving you incentives for post-harvest marketing; again, because we want to encourage farmers to get involved, not just in the primary form of production but in the other forms of production. So, post-harvest facilities, for packaging material—post-harvest equipment, $30,000; to upgrade to HACCP standards which is an international standard, we are giving you $40,000 to upgrade your facilities so that you can start exporting your produce for the first time, for livestock, cattle, goat, sheep, pigs and rabbits.

Agro processing: security; I talked last year about praedial larceny. We are giving incentives to a security system, $30,000. We are giving incentives to be able to fence your property, $25,000. A whole raft of incentives; for aquaculture, for the first time because we know that our fishing resources are being depleted in the oceans, and we have got to develop our second largest form of protein, our
brand new incentive programme and very customer-friendly too. Every farmer can read this, it is not the big bound book that is kept in St. Clair, and it is like a big secret and that you cannot see it.

Sen. Ramlogan: Not like the scholarship fund.

Sen. The Hon. V. Bharath: No, this is an open transparent document that everyone can read.

Mr. President, in last year’s budget debate, I said that one of the biggest scandals in this country was the neglect for the fishing sector. If you ever went to any of these fish landing sites, they were unhygienic; they had no facilities. I said, then, that we pledged to refurbish 13 of these fish-landing sites in my budget contribution last year.

Mr. President, these are fish-landing sites that had nothing. We have given them—I will tell you where they are in a minute—running water, toilet facilities, locker rooms, fish repair nets, boat repair sheds, jetties, slipways, just to be in a position to bring them up, first of all, to national standards and then promote them to international standards.

6.00 p.m.

We have repaired 12 of these so far. I said we would do 13. The 13th is going to be completed by the end of this week and they are at Sans Souci, Otaheite, Fullerton, Balandra, Erin, Morne Diablo, Matelot, Maracas, Carli Bay, Claxton Bay, and Cocorite. All were refurbished and rebuilt with those facilities I spoke about.

[Interuption]

Sen. George: “Dey looking good too.”

Sen. The Hon. V. Bharath: We will upgrade our fisheries legislation this year. It is almost completed drafting. Our fisheries legislation, Mr. President, dates back to 1916. We are working with legislation that dates back almost 100 years. This year, we will complete the fisheries legislation.

Also, just to remind this honourable Senate and the population that it was only a month ago, that I signed into legislation, the amendment to the Turtle and Turtle Eggs Regulations, which now disallows the hunting of turtles in Trinidad and Tobago and it protects a specie that is now endangered across the world. [Desk thumping]

Mr. President, I want to touch on youth and agriculture, because that is very important if our plan is going to work. There is no secret that our farmers’ population is very aged. Many farmers today, and in the past 20 years, would
never have encouraged their children to get involved in agriculture or in farming. It was seen as the place you would go when you did not do well in school. When you had no choice, you would become a farmer because—you could not become a doctor, a lawyer or a teacher.

In fact, even our tertiary institutions did not assist, because they churned out graduates who were not able to go to the land. Many of our graduates who came out of UWI did not even know what a cow udder looked like, let alone milking a cow. They had no clue. They had never been on farms. So, the direct result is that there were hundreds of students who would come out every year and essentially they had nothing to do. There were no opportunities for them. They were lost to the sector. They either went into teaching or they just were lost, completely. They had no jobs, Mr. President. We took great pains to meet with students on several occasions, from UWI, from COSTAATT, UTT and from ECIAF and sat with them to understand what the issues were and how we could deal with them. This is a group that deserves special attention, they deserve special focus, because they are the ones who are going to embrace the new techniques and the new technologies that are available worldwide.

Most of the current crop of farmers, if we are honest with ourselves, they have done their bit in life. They have fulfilled their commitments. They have sent their children to school. They have paid their mortgage on their house. They have paid for their cars. They are not really interested in starting new businesses at this stage of their lives or getting involved in new kinds of farming.

I am happy to tell you that, in conjunction with this tertiary education, we have now agreed that the Ministry of Food Production, Land and Marine Affairs will take on 50 graduates out of these universities and institutes every year and we will find places for them. We have developed a two-year programme that we will put them through, that will teach them: agronomic best practices, international practices—in fact, I have spoken only this week with EARTH University in Costa Rica, where they have a fabulous programme to deal with students and churn out students in ethics, in life and in business, and there are a number of things that they are helping us with to develop this programme. By year’s end, these 50 graduates will be on board learning about the agricultural sector over a two-year programme, then to be let out into the big and wider world. We must change this image that young people have of the sector.

I also want to say that I have a commitment from the University of the West Indies—in 1996, the Faculty of Agriculture was merged into the natural sciences faculty. I am happy to tell you that I have a commitment from UWI, that as from
2012, a new faculty called the Faculty of Food and Agriculture is to be instituted at the University of the West Indies, separate and apart from natural sciences. We are taking it out and we are dealing with this issue of food.

One of the biggest issues and bones of contention has been the issue of the large farms. Those on the other side have continually said, and I have heard some of them recently saying, that we rejected the large farms. We never rejected the large farms. We rejected the expenditure on the large farms. They spent $100 million on putting infrastructure into these farms that really, the value for which was not more than $10 million. We have rejigged it. We have refocused it. We have met with all of the licence holders. One of the big issues we had was the fact that these large farms should not compete with small farmers. So, we have written that into all of our lease contracts now. They must not compete with our small farmers. Their produce must be import substitution or things that we do not grow here in Trinidad and Tobago.

We have commissioned three of them so far: Technology Farms in Orange Grove; Edinburgh Farms in Chaguanas; and Two Brothers Farms in Caroni. The Warren farm is the start of the resuscitation of the rice industry. In years gone by, we were producing about 30 per cent of our consumption of rice in Trinidad and Tobago. Today, it is less than 5 per cent. The commissioning of that farm in Warren is the start of the resuscitation of the rice sector in Trinidad and Tobago. Over the next six months, we will be commissioning a further 3,000 acres of land specifically across the country for the issue of rice.

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. E. George]

Question put.

Sen. Hinds: No!

Mr. President: Sen. The Hon. V. Bharath, I think the ayes have it.

Agreed.

Sen. The Hon. V. Bharath: Thank you, Mr. President. The fact that they said no, I know I am going very well. I know it is hurting where it should hurt. [Laughter]

I want to turn very quickly to some of the agencies that fall under me. Unfortunately, I would not have the opportunity to speak to all of them, but I want to pick out a few. Namdevco is one of those. The mandate of Namdevco is to
facilitate and promote the effective and efficient marketing of agricultural produce and food products, develop and provide information in respect of domestic and export markets, et cetera, et cetera.

Mr. President, I want to alert this honourable Senate that earlier this year, I asked the Central Audit Committee of the Ministry of Finance, Investments Division, to do a systems audit on Namdevco for 2009. The brief was to assess the efficiencies of the policies, procedures, processes and supporting systems relating to the operations of Namdevco. The reading of this report is horrifying. [Interruption]

Hon. Senator: That is under the PNM?

Sen. The Hon. V. Bharath: 2009. I will read some of them. I would not have the time to read all of them. I would give you an example.

Delivery notes at Namdevco were mismanaged. Delivery notes received were either destroyed or misplaced and produce paid for by Namdevco were missing, yet no corrective action was taken by the Chief Executive Officer.

Recommendation—and he has gone into great detail as to what has happened prior to that—is the Fraud Squad should be called in to investigate the operations of the packing house at Namdevco.

Another finding is that:

Payment controls have been bypassed completely in the processing of payments and in addition delivery notes were issued twice from different books for the same produce. Audit could not determine whether the payments were fictitious or the produce was misappropriated.

Recommendation: a full forensic audit should be undertaken or the Fraud Squad should be called in to investigate the fictitious payments or the misappropriation.

There was a difference of $144,779 between the cash book and the receipts. The absence of corrective action indicates that some person is benefiting from this haphazard operation of management or arrangement. It should be noted that the corrective action is at the discretion of the Chief Operating Officer. The tenders committee appears to have been suppressed as there were various goods and services provided to the corporation with no tendering at all.

A review of payments for 2009 revealed that there were significant payments amounting to $5,741,317 for services for which there were no tendering
procedures. It appears that certain companies have a monopoly over contracts for services and the possibility of conflict of interest may exist.

Fixed assets amounting to $1,194,230 were acquired without tendering. Again, sole selective tendering of preferential purchasing seems to be the order of the day.

An analysis of a sample of payments made during 2009 revealed that the payments amounting to $2,840,270 were made without the required tendering. No documentation was seen for a payment made to N. Garcia amounting to $199,596.77, and as such, the legitimacy of the payment could not be determined.

We all know that N. Garcia referred to here was the then Executive Chairman of the organization at the time.

The network of controls had been significantly and systematically eroded as evidenced. It appears that a systematic manipulation by persons in authority, hence no corrective action has been taken. Of paramount importance is the role of the chairman and the board of directors during this period. There appears to have been a dereliction of their duties contrary to section 13(2) of Act No. 16 of 1999.

I want to read one more. A development programme allocated $10, 220,632 and the audit report says:

No documentation was provided to substantiate or account for the funds of this programme, therefore at this point, this is a fictitious item and may even represent funds misappropriated; $10,220,632. A forensic investigation of this item is recommended.

It goes on to many things.

I want to inform this honourable Senate today that this matter has been referred to the Attorney General to take the necessary action as he deems fit.

Mr. President, the other agency under my control, the Estate Management Business Development Corporation, as we all know, was set up as a special purpose vehicle to handle the two-acre farms for the Caroni (1975) Limited workers, as well as the residential plots. This organization, again, has been plagued by whole areas of mismanagement, wasteful expenditure and corruption. In fact, a previous chairman was charged with sexual harassment. The matter was settled out of court to the tune of over $400,000 of taxpayers’ money. Taxpayers’ money was used to settle this matter of charges of sexual harassment; the same chairman. They all know this. Sen. Hinds was in the PA(E)C meeting. The same chairman wrote a Clico policy in his own name for $50 million, on behalf of the company, using company funds, of course.
Another senior executive whose portfolio extended to many agencies within the agricultural sector, had a berth, it would seem, in every port. Lest I am accused of making statements that may be pregnant with presumption, that berth is spelt with an “e” and not an “i”. [Desk thumping and laughter]

Having spent $1.6 billion on infrastructural works between 2002 and 2010, they failed to deliver on their mandate to the VSEP workers. In fact, on the 10 building sites that we are currently working on, they spent $461,114,259. When we went in to try to finish this work, we found that a lot of work that they said they had done, that had been paid for, was never done. We found that a lot of work needed to be completely redone, what had been done, and we found that other works had not been attempted and needed to be done.

The cost to repair work that was already paid for was $77,434,881; to repair work that had been done and had to be repaired. It cost $46,054,641 to do work that was paid for, that was never done. So when, in a lot to cases, you saw all these white PVC pipes sticking up in the air, when you got below there was absolutely nothing. There was nothing. The total additional works was $185 million.

In record time—and I must give significant praise to my staff and the multi-functional team who handled this matter from WASA, T&TEC and the EMBD. In a period of less than, I think it was five months, I want to inform this Senate and the population by extension that 4,000 of these lots are now ready for distribution. [Desk thumping] They are in the areas of Esperanza; Roopsingh; McBean; Sonny Ladoo, Felicity; Exchange 1; Exchange 2; Picton 2; Chin Chin; and Reform.

Organizations are not rogue; it is people who are within them, and we will make sure that the face of the EMBDC is changed away from the reputation that it currently has or had under the previous regime.

Very quickly, the Agricultural Development Bank, again is very crucial to the development of the sector. But, again, there has been very little regard for taxpayers’ funds in this organization also. There are a number of delinquent loans that were granted under the previous regime that have not been called. I would quote two for you. I would not call the people’s name, but an amount was approved in June 2009 for $2,579,880. Not a penny has been paid since then; another one was for $5,390,000. Again, in 2007, one payment of $3,500 has been made against that payment. There is a whole list of them I have here, but not enough time to go through them.
Appropriation Bill 2011

[SEN. THE HON. V. BHARATH]

Wednesday October 19, 2011

6:15 p.m.

Just to give you an indication again of the wanton squandermania which took place, the chairman at the time had an office which cost taxpayers $1 million dollars a year just for that office and a boardroom in a separate building; $4 million over the period of four years. The chairman’s office and the boardroom were in that building and cost taxpayers in this country $4 million, Mr. President. We have now, of course, scuttled the lease on that and are no longer responsible for the payments on that.

Just to give you some highlights. To be able to put in perspective what we are doing in the sector, we have reduced our bank interest rate from between 9 per cent and 11 per cent to 3.5 per cent. The bank this year approved the highest ever number of loans in its 43 year history, the highest quantum, $182 million, an increase of over 30 per cent over the previous year. We have now reduced processing times from between three to four months to less than one week, Mr. President, and we have launched a mobile unit which no longer requires farmers to come into Port of Spain to get a loan, but the mobile unit goes from village to village, community to community [Desk thumping] in the rural areas, it services our people.

Mr. President, in the few minutes I have left, I want to talk very briefly about the next 12 months. We, of course, have recently launched “the Put T & T on your table”. Many of you will know that we have launched for the first time ever, we have sweet potato fries being served in KFC outlets. [Desk thumping]

We will continue our infrastructural works over the next 12 months. Last year, I talked about citrus and I talked about the resuscitation of the citrus industry and the fact that at one time we were net exporters of citrus; we were exporting over a million crates of grapefruit per annum. Today, we are importing $70 million worth of orange juice per year, Mr. President. I said we needed to produce 100,000 disease-free citrus trees every year for the next four years. The time I made that statement we were doing 27,000 trees per annum and my director is here and I said to him, Nazir we have to make sure we do a hundred. He said, “Chief, how are we going to do that?” I said, “I do not care how you do it, we have to do it”. I am happy to tell this honourable Senate that this year we have surpassed 100,000 disease free citrus plants [Desk thumping] and next year we will be doing 150,000 to resuscitate the sector.

The cocoa industry, of course, we have spoken at length of the fact that we have started rehabilitation of the cocoa industry in Trinidad and Tobago. We have started clearing large amounts of estates in Trinidad and Tobago; we have started on best
practice agronomy practices with our young people and our young farmers. A joint venture agreement has already been set up with the Montserrat cocoa farmers and a German company called Roush, Mr. President, in the first instance for training and in the second instance to set up a profit-sharing arrangement between the Trinidad company. The intention, of course, is to create more links of that nature between Trinidad farmers and the end-users in Europe.

Mr. President, the buffalypso: last year when I spoke in Parliament I rued the neglect of the buffalypso herd which had come down from 3,000 to less than 800. They were suffering from something called brucellosis and we were never able to get our heads around it. Last year when I spoke, I said that we were committed to resuscitating the buffalypso industry, because of the high quality of milk that is used for mozzarella cheese in many places like Italy in particular, for the high quality of meat, because of its fat content, Mr. President.

I am happy to tell you that for the first time again since 1992 when brucellosis was discovered to have afflicted these animals, for the first time we are negative brucellosis in Trinidad [Desk thumping] in an entire herd. We have tested for the first time, Mr. President, every single animal in Trinidad and Tobago for brucellosis. We have slaughtered the ones which were positive and we now have a negative brucellosis—[Desk thumping]

Mr. President, in the two minutes I have left, I want to talk very briefly about the commodity items which we will be highlighting next year, which we have indicated would create a food secure nation for us. That would be rice as far as staples are concerned: rice, cassava, sweet potatoes, breadfruit.

Mr. President, I want to tell you that we will be planting in conjunction with the Ministry of Education a breadfruit tree and a fruit tree in every school which has land in Trinidad and Tobago. So that young persons would now grow accustomed to our local fruits and our local staples like breadfruit.

We have also completed the planting of 1,000 fruit trees across Trinidad and Tobago in the last three months in areas—fruits like mango, pineapple, pomme cythere and watermelon—across the country.

We will be focusing our attention again as far as food from animals are concerned, on dairy, sheep, goat, rabbits, buffalypso as we spoke about and, of course, aquaculture. Vegetables we would be looking at: sweet corn, bhaji, dasheen, lettuce, patchoi, melongene, sweet peppers, tomatoes, ochroes, pumpkins and hot peppers. And we want as I said as far as fruits are concerned: citrus, mango, pineapple, for which we will be allocating 150 acres for pineapple...
in the Mora Valley area, Mr. President. Pomme cythere, avocadoes, “sikiye” figs, because of its size and it could fit into a small child’s—[ Interruption ] yes, of course.

Mr. President, in conclusion, I deliberately want to recount the commitments which we made last year, because talk is very cheap and I wanted the national population to hold us to account for the work which we did this year, and to compare what we have achieved as a direct result.

The Governor of the Central Bank is on record as saying that inflation has dropped significantly, we spoke about that briefly. He said, and I quote: “The decrease in food inflation was primarily in the fall in inflation led by the sharp decline in vegetable prices within…” and he goes on to talk about the vegetable sectors which are reduced significantly. He talks about tomatoes, pumpkins, cucumbers, christophenes, and patchoi and a few others.

Mr. President, we see the world, this People’s Partnership sees the world through different lenses. We see the world through a different frame. We have given to the population a spirit of hope, a spirit of possibility that we will resuscitate this sector, that we will create a level of trust and credibility which will ensure that more persons come into the sector.

Mr. President, I want to thank the media which has followed us throughout the country to deliver this message of hope to our citizens. But more than that, I want to thank my staff, because many a time the spotlight is on me as a Minister, the glow is on me as the Minister. But I want to say sometimes that the sunlight which I am bathing in really is just a reflection of the brilliance of the stars I have around me. [ Desk thumping ] Many of them are here today, and together, from my permanent secretary down to my tea lady, they have all played their part in developing this sector.

So I want to finish off by just mentioning something which Sen. Dr. Henry said when he talked about nails and hammers and Jell-O. At the end of the day if the only tool you have is a hammer, then every problem looks like a nail. [ Laughter and desk thumping ] That is essentially how the previous regime ran their business.

Mr. President, I want to thank all—I want to thank you for giving me the opportunity. I want to just conclude by saying that this sector has been very challenging for us, but we will not give up; we will ensure that we are unbending in our will to make sure that it works. It always reminds me of the words of Ulysses, Alfred Lord Tennyson’s poem when the hero in Homer’s Iliad says:
“Though much is taken, much abides;
And though we are not now that strength which in the old days
Moved earth and heaven, that which we are, we are;
One equal temper of heroic hearts,
Made weak by time and fate, but strong in will
To strive, to seek, to find, but never to yield.”
I thank you, Mr. President. [Desk thumping]

Sen. Basharat Ali: Thank you, Mr. President. I did not expect to get so much applause from the Opposition. [Laughing] Mr. President, I thank you for the opportunity to make a contribution to this budget debate. Unlike my friend and colleague—

PROCEDURAL MOTION

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I beg to move that this Senate continue in session until 12.00 midnight.

Question put and agreed to.

APPROPRIATION (FINANCIAL YEAR 2012) BILL, 2011

Sen. B. Ali: Thank you, Mr. President, I start for a second time. [Desk thumping] I thank you for the opportunity to make a contribution on this 2012 budget debate. Unlike my friend here, distinguished economist and finance person, I like arithmetic, especially when I have this little tool here with me. [Displays a calculator]

I propose to spend my time on arithmetic and I choose to go to the budget statement, and there is a section 6 on page 48 which calls itself “Budget Arithmetic”.

May I, Mr. President, just read what that says:

“Budget Arithmetic. I would like to now make a short statement on the state of our finances and the arithmetic of our budget. Our national economy is still at risk and remains vulnerable to external shocks. Notwithstanding, our economy remains resilient and our financial system is strong. We must stay on course in this time of uncertainty.

Our fiscal 2012 budget calculation was based on an oil price of US $75 per barrel and a gas price of US $2.75 per mmbtu. We have estimated a real GDP growth of 1.7 per cent and an average inflation rate of 7 per cent.”

Mr. President, I propose to just look at the arithmetical figures and I leave the rest, economics and finance to the experts on that matter. And really what I wanted to do was to convince myself, or convince every one of us that the parameters used for
calculating this budget, in fact, were of the right order. In order to do that, Mr. President, I had to go back and look at the benchmark crude oil and the benchmark natural gas which we used to determine what may be there for next year.

It is very difficult, because I looked at an analog printout of the fiscal 2010/2011 WTI cushion, which is our benchmark and it looks like this. [Displays a document] I could not for the life of me come to an average on that; normally in the work situation there is a planimeter and you can work out what the figure is. But I was very fortunate, because the day after budget day was—budget was the 10th I think and on the 11th the US Energy Information Administration published their monthly short-term energy and winter fuels outlook.

Mr. President, that gives a number for the year 2012 for WTI, our benchmark crude. The figure as given on this document of October 12, 2011, is $88. From experience I have always deducted $10 from WTI to arrive at the composite value of our own crude oil. So if I take $10 out of $88, I arrive at $78 which is rather close to the number which we have used for our budget. So it is within the range and it may be up or it may be down, but I think it is of the right order, and that is all I can say at this stage, and confirmed by this report which comes out each month; it is good enough for me, because it is a short-term outlook. I am sure if the hon. Minister of Energy and Energy Affairs were here he would have been quoting some consultancy reports as to what it may be.

So that is where we are from the point of view of revenue calculation on the basis of WTI crude, or on the basis of what is our composite crude oil productions.

6.30 p.m.

The natural gas, as you may remember, is the Henry Hub gas which we use as our benchmark, and there we have a strange story because when I look at the figures, once again in another graph, which you can see from there, probably, the range for the fiscal year 2010 is from $3.50 to $3.70 per MMBtu. The method of working out, based on this issue, is to make a number of deductions to get back to the wellhead, and usually our figure is about $2.50, so if we took this average here we would be probably below that figure. But there is still some hope because I believe—and stand to be corrected—that only about 80 per cent of our LNG is being transported or is being disposed of in the United States, and that is where the lowest figure in fact is. In a sheet I have here Henry Hub, which is the US marker, is $4 per MMBtu; the next one is the UKNBP Spot, as they call it, which is $9 per MMBtu, and even better than that, the Netherlands is $10.

So looking at all of those numbers, the Henry Hub figure which as I say is 40 per cent and the rest of our LNG product which goes to north-west Europe and even to Japan and China, and there we have very buoyant prices. In fact, I have another graph
here which shows UK, $10.40; Belgium, $9.89; Korea, $16; Japan, $16. Of course Japan and Korea will attract quite a high freight rate, but on the whole I would have expected, looking at the figures as given to me as I calculated, that we would be over $7 per MMBtus—in my simple calculation. I believe that we can live with and hopefully prosper with the budget assumptions of the hon. Minister of Finance.

When I look at revenue—principal revenue as given in our yellow books from petroleum for fiscal 2012, the estimate is oil income in the taxation $14.1 billion; excise duty, $.1 billion; royalty on oil and gas, $1.95 billion; share of profits under production sharing contracts, $0.7; that comes up to a total of TT$16.85 billion, and that, in my calculation, is about 37 per cent of the total revenue collected. I think it is in the right order of magnitude and I think we are in a position to do a reasonable amount of projections and budget calculations based on these numbers. I must say that in looking at these numbers that I have given here to arrive at $16.85 billion it excludes any share of profits and dividends from energy-based state enterprises, for example, NGC, PPGPL, et cetera, and taxes from the companies like ammonia, and there we have got some interesting figures also. I think it is worth looking at it. Ammonia for example, right now is fetching US $5.90 to US $5.95 per ton in Tampa. That is a high figure. So if we work back that to natural gas, we would be having a very good natural gas price.

Similarly, methanol is presently $459 a ton in the New York market. Once again a very good price and it means that our natural gas backing toward the wellhead will be of a high order. So I am hopeful in fact that we will be on the right path.

As I see the hon. Minister arrive here I must congratulate him. I must tell him that I agree with his numbers and I am expecting that we would be a little bit better than the $75 and $2.75 price. That is my take on that part of the agenda.

I chose not to go into other matters except for the projects because we have no projects at the moment, we have no live projects at the moment, and so I chose to go to the section of the budget called “Strategy for Growth Trade and Investment” and on page 29 there is a listing of—and I have added numbers to them—seven projects. I would like very briefly to go through these projects so that we might get a feel of them, and I think the hon. Minister of Energy and Energy Affairs is looking forward to hearing something so that he would criticize or otherwise what I have to say on this matter.

The projects as I have listed here—the first one is the AUM 2 project: this is the one being done by Methanol Holdings and its partner. I do not know the status of that project in the light of the uncertain position that we have with CL Financial, et
cetera, et cetera. The hon. Minister did give me a briefing on that project, and I have taken some notes on it and I would like to just go through it quickly. He gave me a comparison of the first AUM project to the new AUM 2 project, and has given me some inclusions and some exclusions.

I was a little bit surprised by one product which I have seen in this AUM 2 project and that is ammonium sulphate as a product. The Hon. Minister’s story said it was a new product in Trinidad. It is not a new product. In fact it is probably as old as I am. This is one of the first products that Grace the nitrogen producer in Trinidad did—ammonium sulphate. Many of us who come from the rural area would have heard our father speaking about salt. Salt is ammonium sulphate, so it is not a new product at all and I do not know why it is here now after all of these years.

One story I heard and this may be an apocryphal story, is that it was included by MHTL so that they would get points because this was based on proposals from different entities and they were given evaluation points. So by adding this project, ammonium sulphate, they would have gotten some additional points. I really do not see it. I would like to know what justification there is for bringing this project at this stage because Grace abandoned ammonium sulphate many, many years ago. And in doing dry blends for fertilizer for the local industry we had changed over to urea and they imported NPKs and NP, so to get all the ingredients in a fertilizer which can be applied, by hand almost, as a dry powder.

So I really question ammonium sulphate and I would like the hon. Minister to follow that up and find out why they have done that because Yara, in fact, the new people, they are about third generation there now in fact, so they may have thought also that ammonium sulphate was a new product. I say no.

In looking at the AUM project also, the hon. Minister’s note said that they would be doing urea, ammonium—[Interruption]. In fact the first AUM project has ammonium nitrate and I am surprised that they have gone away from that because that is the first new fertilizer project we had had for a long time: urea ammonium nitrate as a solution, 32 per cent solution, which is shipped to the United States and fetches a good price based on its nitrogen content. So I could not understand why we were getting into that situation of having this product there.

I seem to have missed my page somehow or the other, but I can look at it. I did have the question: is the existing UFC plant—I do not know whether the hon. Minister is aware that there is a UFC plant, urea-formaldehyde concentrate plant
which is owned by an entity called Caribbean Petrochemicals Company Limited. I know very much about that because in the initial stage before it was built I had made proposals for building that plant, urea-formaldehyde concentrate being used to coat pellets of granular urea. And that plant in fact was a Petrotrin plant and it was sold to Handy Equipment or a group representing Handy Equipment. One day I was driving on the Lady Young Road and I saw the sign Caribbean Petrochemicals Company Limited. I asked my dear deceased friend, Barry Barnes, I said: “Oh! Who is that?” He said he did not know and it was only when I saw the last financial statement that was prepared by CFL did I see that listed as a subsidiary, but they were evidently making some urea-formaldehyde products. So I am wondering, and this is to the hon. Minister, when he speaks of that AUM-melamine urea-formaldehyde, whether that is a product that is being made in a new plant or is it that they are using the facility which is further down the road, within the Point Lisas Estate, and where they make UFC for coating urea which is produced by the PCL urea plant, which is a relatively big plant? I had that question and I am not too sure what the answer is.

6.45 p.m.

I also note that melamine produced from the first urea plant is being sold by Southern Chemicals. Southern Chemicals is a company formed by the partners of MHTL and the German partners, and they are the marketing agents for melamine. I would have thought that we would be starting on melamine as a product. As my friend here says, we need to go to the next step. If we do not go to the next step we will be like our former Minister used to speak of “the plantation economy”.

And it not a big project, that particular one, to use the melamine to produce a number of everyday products: from crockery, tiling, and laminates, as my friend says, all of these matters, those are the products I want to see as a next stage, I do not want to see that exported at all because we are then depriving our own people of jobs—those will be technical kinds of jobs but well within the capability of the education that we provide to our young people at the moment.

So, I am not very happy if that is the case from the new AUM plant that we are going to be making other products, I think that is what it is called, yes. Melamine urea, formaldehyde that is what the product is called and it says “saleable products from the project”, but I hope it is made here. That is my point, that it is made here.

So, I would not say any more on this particular project. As I say, I do not know the status, Mr. President. It is a big project—AUM. The first year AUM was US $2 billion, I think it was, and successfully completed. The second AUM project,
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[SEN. ALI]

I do not know whether it is stalled because of all the negotiations that have been taking place with the parent company. So I hope I will get a response from the hon. Minister of Energy and Energy Affairs.

This second project which I think has a reasonably good chance of going is the CariSal project. The CariSal project has been with us since 2007 I think it is. I notice that the total project cost has gone from US $240 million to what I see as the latest as US $400 million. So, I am not sure where that escalation has taken place, but I am tending to support this project because it is a local project in a way and I know the person who has been working on this. The products from this plant, Mr. President, will be 120,000 metric tons per year of caustic soda, so that is a large amount of caustic soda, and they will be also producing 150,000 metric tons pure pellets calcium chloride each year; that is, the pellets of calcium chloride will be exported to be made into bleach. So, it is the kind of small projects which we really need to see going otherwise we will be at a standstill for a very long time.

The third project which was listed, and I am afraid I cannot react to it at all because the data are really very scarce, and that is the Reliance Bitumen Upgrader project. I do not understand what that project is. I understand what they are trying to do, and that is to take our very clean natural gas and use the hydrogen part of it to crack the bitumen and get syncrude, as they call it—synthetic crude.

So, how that project is sponsored or is scoped, I do not know. I think it is early stages yet for us but I think we need to tread carefully because we have not had the best of experiences from some of these Indian companies.

We will remember, or at least I remember Essar Steel which came here hot and sweaty, and when told well, you need to do some downstream work, pulled out. They had business set in Canada and the United States already, so that was the end of Essar Steel which is also a very big company in India.

We are told that Reliance has the biggest refinery in the world. I do not care whether they have the biggest refinery in the world, I want to know what is going to be done here and what is going to be left behind here, because we have deposits—the Minister knows better than I do, I am not in his field, I am not a geologist or a petroleum engineer—that we would have deposits of heavy residues, within the range in which he has given me numbers—7-15 API gravity—and we could be doing that ourselves if it was a viable project. If they are going to use our own indigenous fuel, a heavier part of the fuel, it makes it even worse. Is that fuel going to stay here or is it going to be used by us as an export fuel? And how is the project to be structured with Reliance is a question I want to have answered.
We had some other projects, methanol to polypropylene is one listed. I know that two projects that are being talked about. This methanol to polypropylene project has been with the last government, the previous government, for quite some time. It was destined, I believe, for Union Estate, and it is a big user of gas—165 million standard cubic feet a day of gas and the product was supposed to be 490,000 tons per annum of polypropylene resins.

Mr. President, in 2008 I looked at this project and I had one serious objection, and that was that there was nothing to be left behind, and as I said my quote here:

“The second item I have raised here, and to me this project would not fly unless you have this. I speak of the firm commitment to downstream usage of, at least, part of polypropylene resin; polypropylene resin is a basic material for all the containers for polypropylene products, that you meet in the market: plastics, whether they are containers, carpets, et cetera. We as a minimum should have a commitment to downstream processing to finished products. I have heard mentioned, in the press even, that 100,000 tonnes a year of the polypropylene resin that is the product made from these plants, would be dedicated to downstream development…”

If that is so, then that is a very positive movement but I do not know whether the principles are the same. This Lurgi Caribbean—as some of us may know, Lurgi Caribbean is the subsidiary of Lurgi of Germany, and Lurgi of Germany in fact is a subsidiary of Air Liquide; they were bought over by Air Liquide the French company. So, I do know the status and I am speaking from an Appropriation Bill (Budget) October 08, 2008, that is three years ago that I am talking about and whether it is on or off I do not know.

The alternative project that I have heard mentioned in this respect is MTO and that is methanol to olefins. There they are looking at two olefins, ethylene and propylene. That sounds like a reasonably good project too because you have two different routes to go—the polyethylene route and the polypropylene route. I do not know what the status of it is but I believe that they have been speaking to Government on this one, and I will be interested in finding out how we get to that one.

The other product I see, methanol to acetic acid. Actually, acetic acid’s main producer is BP Chemicals. They have always been. In fact if I am not mistaken they bought the patent from the Monsanto Chemicals and started to build wherever, as they needed, plants for the manufacture of acetic acid. According to their website, the information I found was that they have modified the process and it is now called the Cativa process and here is what the website is saying:
“The Cativa and Monsanto processes are sufficiently similar that they can use the same chemical plant. Initial studies by Monsanto had shown iridium to be less active than rhodium…”—those are the catalysts for the carboalumination of methanol. “Subsequent research however showed that iridium catalyst could be promoted by ruthenium, and this combination”—catalysts could lead—“to a catalyst that is superior to the rhodium-based system. The switch from iridium to iridium also allows the use of less water in the reaction mixture. This change reduces the number of drying columns necessary, decreases formation by-products, such as propionic acid, and suppresses the water gas shift reaction.”

This came out of the blue in the hon. Minister’s contribution but I really could not say anything. I never even heard that they were considering it. BP many, many years ago, and that was probably in the ‘80s when I think Mr. Doddrige Alleyne was my Chairman at NEC—we talked to BP about doing methanol to acetic acid in Trinidad but they said it was not within their ability to do that. They chose destinations where they would want to do it, and Trinidad and Tobago was not one of the designations, so no acetic acid was produced in Trinidad.

And finally, other products there, apart from the one on melamine—and I do not see why we have any melamine projects to be done outside. And I say it again and again, I do not see why we should have any of these small melamine projects to be done outside of Trinidad.

The final project, Mr. President, maleic anhydride project. I remember this very clearly because in the early 70s, when the boom was on the then government asked Texaco what project they would want to do to show their interest in Trinidad and Tobago. At that time Texaco was producing benzene and one route was from benzene to maleic anhydride.

Eventually the whole of the Texaco business fizzled out, but that maleic anhydride process was replaced by the use of butane as a feedstock. And this is where Isegen is coming from. Isegen is a South African company which would like to make a series of products maleic anhydride, maleic acid, tartaric acid, fruitaric acid, all acidulants related to the food industry. I know we have had extensive discussions with them in the previous government.

There is an interesting article in NGC for those who want to read about it in December 2008, “Expanding into the Downstream Energy Sector”, and it tells us all about the manufacture of maleic anhydride and its other products: maleic acid, tartaric acid, fruitaric acid from butanes readily available at Phoenix Park Gas
Processors. So this is a project that will do two things, it will establish trade with South Africa for us if went, and it will also take some of the butanes that are shipped as LPG from Claxton Bay, and be put into use in downstream industry.

7.00 p.m.

So those are the projects which I have looked at. I cannot say—if I have to put one and two, I will put CariSal as the number one project to go on this list.

Outside of that, Mr. President, I would like to raise just a few points. I do not intend to speak for too long. On my list I have EITI, Extractive Industries Transparency Initiative, and I would like very much to congratulate this Government for going back to EITI and becoming a candidate country. [Desk thumping] We have until November 2013, I think, for compliance, for those who know the figures.

This is not the first time. A previous government launched an EITI, the Minister in the Ministry of Finance and the Minister of Energy and Energy Industries, and somehow it flopped. I do not think they bothered to do anything with it and when they went to EITI, they said that their candidacy had lapsed and the government did nothing about it. Their position was that this was meant for those countries that cannot raise finance and which have problems with corruption, et cetera.

I have been asking this question for a number of years: why is it that now we are one of the most progressive companies in the energy sector, why did they choose to become a candidate country, go through the whole process with Touche and are now fully compliant? I think it is really to set an example because Norsk Hydro did not need to do that. They have successfully become a compliant country now and I say hats off to them.

I would like us to be a compliant country. We have so many gaps. There was one journalist who said he knew all our inputs and production. There is one figure for taxes from oil companies—I have it here; that is what I use. Royalties from oil companies is another figure; share production from production-sharing contracts and a third figure, and that is about it.

Having been in the industry for 50-plus years, I do not know what the split is between what we get out of gas and what we get out of crude oil; and whether we are getting a fair share in both cases. So I am all in favour of EITI. We have to expose all our numbers and it is really intended to show that we are committed to transparency, accountability and value for money for anything we do.
I wrote down a bad word here and that bad word is, “subsidy”. Nobody likes to hear the word “subsidy” but, Mr. President, I was around in 1974 when the whole question of subsidies came up. If one goes back into the law books, one would see two laws that were passed at the beginning of 1974. One is the Petroleum Taxes Act where instead of anybody telling you what the crude oil price was, you decided what the tax reference price was. Whether you liked it or not, that is the tax reference on which you paid your taxes. It went through until 1990 or thereabouts, but it worked. The subsidy Act also worked at that time.

One does not realize that in 1973 gasoline was 83 cents a gallon. I was very much involved at the time in the work of the Ministry as the consultant on products. Everybody used to ask me: “What is the new gasoline price going to be?” I would say, “I do not know”. They would say, “Is it $1.15?” I would say, “I do not know; I really do not know”.

Eventually, deceased Permanent Secretary, Frank Rampersad, called me and he said, “Bash, what do you think we should use as our price for motor gasolene?” I said, “$1.10 and everybody will be happy.” The hon. Prime Minister at that time said, “No, let us leave it where it is.” And that is where we have stayed.

Kerosene, they said, was the people’s fuel and it had little or no value; 24 cents a gallon, I think, and there was a lot of skulduggery going on with kerosene. Most of the kerosene that was being subsidized then was going into tractors. There was no subsidy on the diesel fuel so they would mix good kerosene with good diesel and run all the tractors, et cetera. I do not know if they ever found out about it.

Diesel now has substantial subsidies. We have somehow to get out of subsidies and I am not too sure we are going to get out of it through the route of CNG, but by doing it by force. You may find all kinds of trickeries now. Someone may put in a CNG kit in their car, but if there is a subsidy on gasolene, they may continue to use the gasolene and take the cost of the kit as such. So some move must be made and I have always been in favour of it.

Mr. President, when I looked at today’s budget estimates—and I went to the Ministry of Energy and Energy Affairs, Head 40, Households—do you know what the subsidy figure there is? I do not know if you can guess. It is TT $1.8 billion as a shortfall in the surplus subsidy to petroleum products. So people do not care. They use it. I know.
I do not like to say it sometimes, but last month for the Eid-ul-Fitr function, I was invited to the Prime Minister’s Diplomatic Centre. I asked my driver to go home and come back at three o’clock. I saw a whole string of SUVs all running. Their owners were probably inside, but the drivers were keeping cool. Nobody thought of switching off his engine and saving fuel, because first of all, they did not pay for it. If they had to pay for it, it was not going to be that much.

So subsidy is dangerous and sooner or later we have to take a drastic step. I am not sure what the drastic step is. Maybe we need to do it on a slow basis. In fact, in the late 1980s we did that and that was because of the pressure from the oil companies. With the tax reference price, they were being taxed heavily so their profits dropped and the gasoline subsidy, because food prices were high, went up high too. That was the first time, I think, that—

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. N. Dyer-Griffith]

Question put and agreed to.

Sen. B. Ali: Thank you, Mr. President. I thank the charming lady for proposing the extension and I hope I have been making sense for the last 45 minutes that I spoke.

That is about the last item. I do have another item that is close to my heart and that is the road to Point Fortin. I lived in Point Fortin. When I left school at age 18, I went to Point Fortin as a trainee for one year and then the university and back. I then spent 16½ years, virtually living in the refinery in Point Fortin. The roads had been terrible then and are even worse now.

There are those who say that we should not be building a road to nowhere. I cannot understand people who would say that. Point Fortin is a vibrant community. One of our biggest capital facilities is there, Atlantic LNG. Imagine if you have a real disaster in Point Fortin, you have no easy access. Minister of National Security, you may be able to answer. It is a fact and you would not get any development in Point Fortin, housing or otherwise, unless there is a good road. I agree wholeheartedly.

I remember in 1965, a former managing director of Shell (Trinidad) Limited offering the government technical assistance to design the Godineau Bridge to Point Fortin. Of course, our Prime Minister was an arrogant person and he was vexed for the rest of the evening that anybody should suggest that to him and it never happened.
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[SEN. ALI]

It is really an isolated place and, if you want to go to Union Estate now to do any development, it is a mess. People do not stay in Point Fortin. People live outside of Point Fortin and travel, so I am wholly in favour of the road to Point Fortin and I am sure it will open up the area and bring industry and otherwise to Point Fortin.

Mr. President, I thank you very much.

The Minister of Energy and Energy Affairs (Sen. The Hon. Kevin Ramnarine): Thank you very much, Mr. President. I rise to make a contribution to the debate on the national budget for fiscal 2012.

I first commend and congratulate our distinguished Minister of Finance for the very excellent budget that he delivered in the House of Representatives last week. I am also coming after our opening batsman on the government team. I am coming one down, in terms of cricket terminology, that is a position where Vivian Richards used to bat in the 1980s and Brian Lara in the 1990s. So a lot is expected of me today.

I am coming after the very solid innings of our very dependable Minister of Finance, who, as usual, is “Mr. Dependable” when he comes out to bat. I am also coming after the very elegant stroke play of the Minister of Agriculture, Land and Food Production, Sen. The Hon. Vassant Bharath.

Mr. President, Minister Bharath, when he spoke, used one of my favourite lines: “The world has changed and we live in very interesting times.” We live in a situation where the global economy is going through a tremendous convulsion and those convulsions are being felt in Europe, in particular in places like Greece, Portugal, Ireland and Italy. We live in a world where the world’s largest economy, the United States, is experiencing stagnation and where one of the world’s other large economy, Japan, has been stagnant for quite some time.

7.15 p.m.

At present, the unemployment rate in Spain is a staggering 21 per cent. The unemployment rate in the United States of America, as we speak, is 9.1 per cent. When you consider, Mr. President, that Trinidad and Tobago’s unemployment rate is somewhere in the region of 6.3 per cent—that was the last figure I saw—and you consider that our inflation in this country is at a record low, and you consider that the Government of Trinidad and Tobago, over the course of now two national budgets, has not taken away anything from the people of Trinidad and Tobago—with respect to things like GATE and all the social services that are
provided to the people of Trinidad and Tobago—and when you consider that we have not touched the price of fuel to the population of Trinidad, I think the Government has done a tremendous job over the last 18 months. [Desk thumping]

I want to congratulate the Minister of Finance. I have been learning at his feet at the Ministry of Finance. We worked very closely together over the last two months with respect to the preparation of the national budget. I want to congratulate him for staying the course, and for navigating this economy in what are very rough waters.

Mr. President, this is in stark contrast to what happened in the period 2008-2009 when the first blow to the world economy took place, and this was around the time the Lehman Brothers Bank collapsed, and we had the convulsions on Wall Street in September 2008. Back then we were told by the government that the sky would not fall. We remember the words of the former Prime Minister, who is reported to have said—I quote the Newsday dated April 29, 2009. These are the words of the former Prime Minister:

“The economic downturn that you are seeing now...is a mere blip on the record to progress of our country upon which we are embarked—it is merely a blip.”

That blip he was seeing was most likely the general election of May 24, 2010, which turned out not to be a blip but something else that removed that government from the corridors of power.

So, Mr. President, the point is, we are aware of what is happening in the global economy around us. We are aware of the changing tides, but the people of Trinidad and Tobago, by and large, have thus far not been greatly affected by what is happening in the world around us. That does not mean, however, that the Government of Trinidad and Tobago would become complacent. It does not mean that we would not be cautious. We will constantly re-evaluate the situation as regards the world economy and, of course, we will always treat with that information in a responsible manner as we navigate this economy for at least the next three and a half years.

Mr. President, the world’s economy, according to the IMF World Economic Outlook, is set to grow at a moderate pace of 4 per cent in 2012. This is down from a growth rate of 5 per cent in 2010. What growth there is in the world economy is being driven by the East and, in particular, India and China where those two economies now account for 18 per cent of global GDP and are expected to grow between 8 per cent and 9 per cent in 2012. We should also mention that growth is expected to be robust in our neighbouring Latin American countries.
With respect to world oil demand, it continues to increase. World oil demand in 2012 is set to be the highest ever. It is now approaching 19 million barrels of oil per day and, of course, the growth in that demand for oil is again being driven by India and China.

So, Mr. President, we live in very interesting times. What does that mean for a small country like Trinidad and Tobago which has made its mark in the world economy in terms of oil and gas? First of all, I would start off by getting into the meat of the budget. The budget is basically a forecast. The budget is not something written in stone. It is a forecast of revenue and expenditure, where the revenue side of the budget is premised on two major assumptions, and those assumptions are the price of oil and the price of natural gas. These are two things which I intend to spend a bit of time on, because I think they need to be clarified.

The budget mathematics tells us that $18 billion of the $46 billion in revenue, or 38 per cent, will come from the energy sector. My checks with the Ministry of Finance indicate that that is actually a conservative figure, because it does not consider the corporate taxes paid by the companies at the Point Lisas estate and at Atlantic LNG. So the real contribution of energy to Government revenue is somewhere greater than 38 per cent, probably in the high 40s.

The Review of the Economy document which we got as part of our bundle, also tells us that gross domestic product, in terms of constant prices, if we consider that, the energy sector accounts for 43.5 per cent of GDP and that too is a very conservative estimate, because it does not consider the sector’s contribution to electricity, and the sector’s contribution to transport which are all captured in what they call services. So the energy sector continues to be the main driver of the economy. It continues to be the backbone of the economy.

At 39 years of age, after 116 days as the Minister of Energy, I have been entrusted with this great responsibility. I want to pay tribute to Sen. Ali. With the passing of Doddridge Alleyne, Keith Awong, Trevor Boopsingh and, most recently, with the passing of former Minister of Energy, Barry Barnes, Mr. Basharat Ali has now emerged as the elder statesman of the energy sector in Trinidad and Tobago. [Desk thumping] So I consider it a great honour to be standing here as Minister of Energy, at the age of 39, and to be able to learn from people like the Minister of Finance and people like Sen. Ali.

Mr. President, the Minister of Finance has stated that the budget is based on a crude oil price of $75 a barrel. It is widely accepted that Trinidad and Tobago’s export crude—and there are two main types of export crude. There is the calypso
crude, which is produced by BHP Billiton, and there is something called the Galeota Mix which is produced by Repsol. Those crudes are comparable to West Texas Intermediate. There is a third type of crude in Trinidad, if we consider the crude which is produced by Petrotrin and sold to Petrotrin’s own refinery. That crude is a medium-to-heavy type crude.

Mr. President, Trinidad and Tobago’s light crude and condensate prices over the last year averaged somewhere in the region of $95 per barrel. According to the Energy Intelligence Agency, the price of West Texas Intermediate is estimated to be somewhere in the region of $98 per barrel in 2012. Now, there is an issue which I would deal with. West Texas Intermediate is the price of crude at a specific location in the United States of America called Cushing, Oklahoma, and it is a reference crude, so it does not mean that the price that you fetch for a barrel of crude would be that. The price that you receive would be determined with regard to West Texas Intermediate. What has been happening at Cushing, Oklahoma is that there has been a build-up of inventory at Cushing, Oklahoma, somewhere in the region of 60 million barrels of oil per day, because there is no pipeline connecting Cushing Oklahoma to the Gulf Coast where the refineries are in the United States of America.

One oil company came to see me a few days ago, and they told me that they had invested in a railway to take oil from Cushing Oklahoma to the Gulf Coast, which is the first railway constructed in the United States of America since 1930 to do that.

What is happening in the United States of America and Canada is a silent revolution. The United States of America and Canada have long realized that they have to wean themselves off the dependency of foreign oil. For many years people thought that the solution for that was renewable energy, wind and solar and so on, but what has been happening is a silent revolution. They are producing more natural gas from unconventional sources, from shale and, interestingly, the United States of America is producing oil from what is called shale oil in North Dakota.

The third factor is that the United States of America is receiving a lot of crude oil from Canada coming from the tar sands of Athabasca. So, North America is becoming more sufficient in hydrocarbons, not through wind and solar, but by going after unconventional hydrocarbon resources. At the same time, Brazil is emerging as one of the biggest players in the world in the production of crude oil and, at the same, we know that some of the largest oil reserves in the world are in the Faja region of Venezuela. So there is a school of thought that the world is
changing, and that whereas 40 years ago the centre of gravity of supply lay in the
Middle East, and the centre of gravity of demand was in the western world, that is
seemingly beginning to rebalance itself where demand is shifting to the East and
supply is shifting to the West. That is a major geopolitical and geostrategic trend
taking place in the global oil industry.

Mr. President, again, with regard to the oil price, we consulted with a number
of international consultancies, one of them being PIRA, P-I-R-A, and in the opinion
PIRA—I shared that report with Sen. Ali—the West Texas Intermediate price
would stay in a range between $80 per barrel and $90 per barrel for the next year.
So we feel relatively safe that the price of oil will stay in that band.

Mr. President, this morning, the price of oil, West Texas Intermediate, was
somewhere in the region of $86/$87 per barrel. It is also interesting to note that
we are in the month of October, and what that means for those of us who have
been to North America and Europe is that autumn is about to set in. The leaves
are beginning to fall and the birds are starting to migrate, and temperature starts to
fall in those countries. So, therefore, you begin to have an increase in demand for
oil for heating purposes.

We have also noted the increasing demand for oil from Brazil, Russia, India,
Indonesia—an emerging economy, Indonesia, China and South Africa which is now
considered to be one of the faster growing emerging economies in the world. Of
course, there is always the potential for supply disruptions in places like Nigeria and
Libya where the majority of oil production in Libya remains offline.

One of the most significant factors is that 33 per cent of the world’s oil production
remains in the hands of OPEC countries, and those countries for them to balance their
budgets require an oil price in the region of $80 to $90 per barrel. So there is a school
of thought that the OPEC countries will defend an oil price of $80—$90 per barrel. So
based on all those probabilities, because nobody could accurately forecast the future,
we believe that $75 per barrel is a good price on which to base the budget.

Mr. President, this Government has also sought to reactivate the permanent
petroleum pricing committee, and that is very important when one considers there is a
big spread between the price of West Texas Intermediate crude and the other major
marker in the world, Brent crude which is the reference crude that is used to price oil in
Europe and North Africa.

The present administration has been and continues to be forward-thinking and has
taken steps to reactivate the permanent petroleum pricing committee which is a legal
requirement under Act No. 5 of 1981. The committee is chaired by the Permanent
Secretary in the Ministry of Finance and advises the Minister of Finance in
situations where the sale of crude oil, natural gas, petroleum products and petrochemicals between affiliated parties cannot be considered as arm’s length transactions. The committee is mandated to determine the fair market value for a barrel of crude oil and in consultation with all stakeholders to ensure that the price is fair and realistic.

So, Mr. President, we are aware that there could be opportunities for revenue optimization with regard to that differential between the price of Brent and the price of West Texas Intermediate. From all the feedback that we are getting, and even Sen. Ali agrees, it seems that $75 is a fair price on which to base the budget.

7.30 p.m.

The other price which needs to be demystified is the gas price. I want to take some small credit for the introduction of the gas price into the budgeting arrangements of Trinidad and Tobago about five or six years ago. It was a recommendation coming from the then South Chamber of Industry and Commerce, of which I was then a part.

The natural gas price that we used in this budget is $2.75 per MMBtu or millions of British thermal units. People who install air-conditioning units in houses would know a lot about Btus. This is the net back price to the well head. There is a lot of mystery around this price. Last week, those of you who wake up very early in the morning to look at morning shows, would have seen that I was on television almost every morning trying to demystify the gas price. The Opposition in the Lower House came and they still did not get it, so I will try to demystify it once more.

Sen. Abdulah: They still will not get it.

Sen. Al Rawi: Have faith.

Sen. The Hon. K. Rammarine: There are two elements to that gas price, that $2.75 per MMBtu. There is a domestic component and there is an export component. The domestic component relates to the fact that about 40 per cent of the gas produced in this country is sold domestically. That is, it is sold mainly to Point Lisas and to the PowerGen Company. Mr. President, 60 per cent of the gas is sold to Atlantic LNG where it is liquefied, becomes liquefied natural gas and is sold to 21 countries all around the world.

The domestic gas price used in the budget was $2.56 per MMBtu, which was based on an average ammonia price of $400 per metric ton and a methanol price that was pegged to roughly $300 per metric ton. It is expected, as the world
economy improves, that these prices are very conservative. Sen. Ali quoted some of the recent prices, and they are above those two prices I just quoted. So that is the domestic price. It is based on sales from the upstream companies to the NGC and then on to the plants in Point Lisas.

With respect to the export price, it was estimated at $2.90 per MMBtu, and was based on LNG prices net back to the well head in Trinidad and Tobago. The base market for our cargoes is the United States, and Spain. This was when the business was originally set up. But again, what has happened is that the world does not stand still, the world changes. Whereas four or five years ago, 75 per cent of our LNG was going to the United States and 25 per cent was going elsewhere, that ratio has now flipped, to the point where today I was told that only 18 per cent of our liquefied natural gas goes to the United States. It means therefore that 82 per cent is going somewhere else, because we have not dropped production in Point Fortin. So where is that 82 per cent going? That 82 per cent is finding its way to the markets of Argentina, Brazil and Chile, also known as the ABC markets in LNG terminology. It is also finding its way to Europe, and 22 per cent of it this year has found its way to Asia—as far as Asia.

What that means is that Henry Hub, which is the reference price for natural gas in the United States, is no longer a good indicator of the price that we get for our LNG. If anybody is thinking about quoting the Henry Hub price and saying it is now $3.70, so you could never be getting $2.75, then please disabuse yourself of that thought. So the majority of our gas is going to those three markets I spoke about.

What is interesting to note is that the result of the earthquake and the tsunami—and our condolences continue to be with the people of Japan for that very unfortunate incident that happened in March or February of this year—that incident has seen a steady increase in cargoes from Trinidad and Tobago going into the Asian markets. So that in 2011, 22 per cent of our LNG went into Asia, and the very interesting thing is this, the price of natural gas today in the Asian market is somewhere in the region $16.50 per MMBtu. That is a frighteningly high price compared to the price in the United States, which is about $4—$3.70, I think, this morning. So the price of natural gas in Asia is four times the price of natural gas in the United States. Therefore it is really logical that you would try to get your cargoes to make it to Japan, Taiwan, Korea, and even given that the distance is more, the freight cost and so on would never, of course, overshadow the differential in price.
So we expect that in 2012, the European prices would be somewhere in the region of $8.50 to $10 per MMBtu, almost double or more what people get in the United States, and we expect that the prices in Asia would be somewhere in the region of $17 per MMBtu. Therefore based on that explanation, I think I have gone the depth with respect to the gas price, and I think the assumption of $2.75 per MMBtu by the Minister of Finance is a safe assumption.

I would give a little piece of information, because being Minister of Energy and Energy Affairs, one is privy to—and being a person who came from a research background, it is like I am a child in a candy store at the Ministry of Energy and Energy Affairs. With respect to our production sharing contracts, we have about six or seven production sharing contracts in Trinidad that are actually producing hydrocarbons. The figure budgeted in fiscal 2011, with respect to revenue from those PSCs, was somewhere in the region of TT $2.5 billion, and the actual realized figure was somewhere in the region of TT $7.9 billion. Of course, I asked the technocrats in the Ministry to please explain why we realized almost twice the amount of money that we thought we would have realized from these production sharing contracts. There are about six or seven of them.

The explanation was quite simple. The explanation was that we were diverting cargoes, and many of those PSCs (production sharing contracts) were natural gas producing PSCs, and we were diverting cargoes. Currently, rule of thumb, when we divert a cargo from its original point of sale to another city, probably in Europe or Japan, this country gets 50 per cent of the upside. In the case of one company in Trinidad, the Government of Trinidad and Tobago was able to realize US $110 million, simply from the diversion of cargoes.

So the LNG business in the world is not dying. In fact, the LNG business is about to take off in the world, because gas is seen by many to be the fuel of the future. It is seen to be acceptable; it seems to be accessible and it seems to be affordable; the three “As” of natural gas.

Mr. President, the future of Trinidad and Tobago’s revenue stream from natural gas in fiscal 2012 is safe. But what is the sense of good prices, if one does not have the corresponding production. As I have said from day one, as Minister of Energy and Energy Affairs, my No. 1 priority is to increase national oil production, and the reason for that is simple. Of all the moneys that we collect from oil and natural gas, 60 per cent of that revenue comes from oil and 40 per cent of that revenue comes from natural gas. That ratio varies from time to time, but presently that is the ratio.
Therefore it means that we could have a quicker win by increasing oil production. Oil production in Trinidad and Tobago has been in decline. In fiscal 2011, we estimate that oil production will be somewhere in the region of 92,000 barrels of oil per day, which to me is a figure that I am not happy with. It is a figure that we are doing everything in our power to increase. But what has caused that decline over 2010? The main drivers of that decline are that Bhp Billiton, a company that produces oil on the east coast, had a planned shutdown of their Angostura field, because they were installing a gas platform next to their oil producing platform, and their safety policy required that they shut in oil production. That shut-in was supposed to happen for a certain period of time, and there was, of course, an overrun. That is one of the factors leading to the decline in oil production.

The other factor is that companies that are producing condensate, which is a liquid produced gas. We find that the production of condensate in Trinidad is beginning to decline because gas fields are becoming drier and drier. So we have more and more dry gas and less wet gas, which is gas associated with condensate.

There was an incident with regard to Repsol. There was a fire on the Poui 8 facility that caused the shutting of that facility for a couple months in 2011.

Oil production as I said is my priority, because I realize that for me to provide the Minister of Finance with the revenues that he needs to close that deficit gap, the quickest win for Trinidad and Tobago is to increase oil production. As Minister of Energy and Energy Affairs, I quickly sought to understand the problem. Mr. President, 44 per cent of our oil production comes from one company, and that is our state company Petrotrin. Within Petrotrin, there is land production and there is production from Trinmar. It is no secret to anybody in the oil industry that Trinmar is Petrotrin’s jewel in the crown, but Trinmar’s production has been allowed to decline constantly over the years.

I know we are not supposed to refer to contributions from the Lower House, but they were widely reported in the media, on the Internet and so on. I heard talk in the Lower House about oil production, about the lack of drilling and about the energy sector in decline. I sought your permission, Mr. President, today to bring to the Parliament a prop. [Minister displays graph] This is a graph of the production of Trinmar, which is Petrotrin’s asset. This is a graph from the year 1995 to the year 2011. When one looks at the period between 2004 and 2010, one sees an extremely sharp decline in the production of oil from Trinmar. If one looks at the year 2010, one would see life beginning to return to Trinmar. I think this picture paints a thousand words, which is why I sought your permission to
use it in the Parliament today. I think it shows a valuable national asset that has been allowed to go into decay. I am sure the graph is extremely powerful. I thank you for your permission to allow me to use it here today.

Trinmar went into decline and as a consequence of that national revenues fell. But what was happening at the same time in Petrotrin was that they were investing in various projects in the refinery. One of those projects is what they call the gas-to-liquids project, which is a project that has been in the news quite often recently.

That gas-to-liquids project—I will read, if I am so permitted—Petrotrin has spent a total in the region of TT $2.6 billion on the gas-to-liquids project to date. I say to date because there are still things outstanding. A plant is there that is non-operational. Petrotrin is evaluating options as to what to do with that plant. One of the possible options available to the company is for the receiver to sell the plant as scrap metal.

So at the time when you had this decline taking place in Trinmar—and that decline took place, not because of a lack of oil, but because of a lack of focus and a lack of investment in Trinmar—you had a concomitant investment taking place in Petrotrin. My colleague, Sen. Abdulah, who is from the Oilfields Workers Trade Union, would elaborate a bit more when he speaks about it. At that time, a very critical juncture in the history of this country, at a time when oil prices were going through the roof—oil prices were over $100 per barrel—Petrotrin’s strategic decision was to invest in something called the gas-to-liquids plant, and that to me remains the single worst decision in the history of the energy sector of Trinidad and Tobago.


Sen. The Hon. K. Ramnarine: It has impaired the company. I will tell you something more about Petrotrin. It is a company that I have been spending quite a lot of time visiting in the last 116 days.

Petrotrin has only made a loss twice in its existence. It came into existence, I believe, in 1993 through the merger of different companies, Trintoc and Trintopec. It has made a loss twice in those years, and those losses were realized in the years 2009 and 2010, and it was because of the gas-to-liquids plant.

7.45 p.m.

I wish to report to the Parliament that for fiscal 2011—because they follow the same October to September cycle that we follow in the Government—the company’s unaudited after tax profits are TT $2.2 billion. I think that is a tremendous turnaround for Petrotrin. [Desk thumping]
In addition to that, the company, in fiscal 2011, will pay to the Government of Trinidad and Tobago in the form of taxes and royalties, et cetera, approximately $5 billion, so the Minister of Finance will be getting quite a lot of money coming from Petrotrin.

It does not end there, and one of the things that bother me is that I came from the private sector and I used to manage something called the Capital Investment Process, the CIP, at British Gas. That was a process where we aggressively monitored capital expenditure, and one of the greatest sources of cost overrun was inadequate front-end loading, which simply means that you designed the thing badly upfront.

Minister George is in the Ministry of Public Utilities and they have become very good at front-end loading and front-end engineering and design. They completed a project in Navet within budget and on time. We congratulate him for that. [Desk thumping]

There is nothing wrong with these ideas because the refinery had to evolve or die, because the world again was changing and the world was calling for different types of products, and we were getting competition, of course, from the Venezuelans in the Caribbean market. The original estimate for the gasoline optimization project was US $650 million. That cost was then revised to $850 million in the year 2006. So there was a jump of US $200 million. This is not small money; this is US dollars.

In the year 2007 it was revised again to US $918 million. Eventually in the year 2008 it was revised to US $1.38 billion, and at present that project stands at US $1.48 billion. That is the impact of poor front-end loading or poor planning. And there is something called scope creep in these projects where, if you do not plan properly upfront, your “dogs dead”, because you will continue to have issues as you move along with the project. So I give that as a reminder to people who are out there talking about this Government putting the energy sector in decline and the energy sector will crash and it is the worst thing.

The energy sector is in very safe hands. [Desk thumping] And it is in very safe hands because the Minister of Energy listens to people. [Desk thumping]

I will come back again a bit to Petrotrin as we move on, but let us talk about natural gas production in Trinidad and Tobago. Again, natural gas production has remained relatively flat over the last three or four years, at around 4 to 4.3 billion cubic feet per day. The reason for that is that there have simply been no new plants that are being built in Trinidad and Tobago, so therefore we cannot increase
gas production, because there is no new customer. Of course, we are working on getting new customers into Trinidad and Tobago. As I said before, with respect to gas production, 58 per cent of our gas goes to LNG and the remainder of that gas goes to the Point Lisas Industrial Estate.

I now come to some of the comments that were made. I want to come back to those comments. There is a school of thought that there would be no energy sector in Trinidad and Tobago if it were not for the People’s National Movement, and I got that vibration coming across from Sen. Dr. Lester Henry many times, and I heard it in the other place last week. I want to put on record, because the Leader of the Opposition in the other place—and forgive me for referring to that debate; it was widely reported—had said that the energy sector is in decline, and he went on to take credit on behalf of the PNM for Atlantic LNG, and we heard in an earlier contribution how grateful we should be because of Atlantic LNG. But I just want to put on the record that Train 1 was constructed and commissioned in the period 1995—2000, and the first cargo of LNG left this country in April 1999, to be exact.

I also heard them refer to a gas processing plant for which they took credit, and that could only be one plant, the Phoenix Park Gas Processers Plant, a wonderful facility at Point Lisas, one of the best run companies in the Caribbean. That plant was commissioned in the year 1991, and as far as I recall the government of the day would have been the NAR government. So I think we need to show the facts and set the history correct, that the legacy of the energy sector does not only belong to the PNM; it belongs to the UNC administration of 1995—2000; it belongs to the NAR administration of 1986—1991 but, most importantly, it belongs to the people of Trinidad and Tobago who have laboured hard to build and nurture it for 103 years. [Desk thumping]

They went on to give a list of projects that they say we scuttled, or projects which—

Hon. Senator: Like the Jell-O point.

Sen. The Hon. K. Ramarine: Like the Jell-O point, yes—weak. [Laughter] They listed projects and they said the Essar project was a project that we dismantled. Nothing could be further from the truth. Essar withdrew from this country, as a lot of people—Sen. Ali would know; Sen. Abdullah would know—long before this Government came into power. In fact, Essar withdrew from this country—the decision to suspend the Essar project occurred in about mid-2009. So, again, we set the record straight that Essar’s withdrawal from this country did not happen under this Government; it happened in mid-2009 when another government was in office.
I want to elaborate a bit on something called take-or-pay, because there is a burning issue with a company that is our jewelling crown, and that company is the National Gas Company. The previous government caused the National Gas Company to sign three gas sales agreements with three multinational companies. Those companies are: British Gas, Bhp Billiton and EOG Resources, for a collective 550 million standard cubic feet of gas per day.

Having signed those contracts, those companies went off on our east coast and they invested hundreds of millions of US dollars to make gas available for the National Gas Company, because they had a contract. Lo and behold, the projects for which that gas would have gone—three projects—never materialized. Those projects are the Essar project, which, as I said, evaporated under their watch; the Methanol to Polypropylene project, and that was the Lurgi/Basell project, and the third one was the Alutrint project which fell apart under the watch of the previous government.

So what does that mean? It means that the NGC is now stuck with a situation where there are three contracts with three companies, and the NGC is in a take-or-pay situation. They either take the gas or pay for the gas. So that has now created a significant risk with regard to one of our major state enterprises, the National Gas Company of Trinidad and Tobago, and that is something that we have been working with those three companies to mitigate.

They spoke about the Union Estate and they said that we have abandoned the Union Estate. Well, we have not abandoned the Union Estate. In fact, we have significant plans for it, because many of those downstream projects which the Minister of Finance referred to, would have to find a home somewhere and the Point Lisas Estate, as you know, is really running out of space. So we would have to look to the Union Estate as a possible site for some of those plants.

They also spoke about another port called the Point Lisas South and East Port, and Minister Vasant Bharath referred to that when he spoke. That port, if you drive past the National Energy Corporation on Rivulet Road—Minister Karim is a man who lives down on that side; he would drive past there regularly—you would see, surrounding the National Energy Corporation on Rivulet Road, mounds and mounds and mounds, and piles and piles and piles of pipe. That pipe was purchased for the Point Lisas South and East Port. That pipe was purchased to build that port. What happened was that the CEC application for that port was rejected.
I am of the view that a company should first seek to get the CEC and then go to procure materials, but it seemed it happened the other way around under the previous government. I do not necessarily want to blame the hard-working people at the NEC for that. I feel that they were under tremendous political pressure from some invisible force, call it the energy czar, or whatever you want to call it, to deliver that project and to procure that equipment.

So that project, I have written to the chairman of the National Energy Corporation, who is also the chairman of the NGC, Mr. Larry Howai, and I have asked him to have a second look at that project, but only after stakeholder consultation with the people in that area, because those people had a problem with that port being placed there and with Essar coming there. I worked with Minister Bharath and together we agreed that we would give back some of the—in total it was about 3,000 acres of land, and we have thus far given back about one-third of that land to the Caroni farmers who would be producing food from that land, and that is a tremendous accomplishment.

[Desk thumping] As I said, I just wanted to deal with some of the issues that were raised in the other place and I thank you for permitting me that opportunity.

With respect to natural gas reserves, a question was raised as to whether we have enough gas in Trinidad and Tobago, and this is a question which I have been grappling with for the last 116 days. My short answer to that question, whether we have enough gas to do all these projects, is answered like this. Our gas reserves, according to the last Ryder Scott audit, our proven reserves, were 13.5 trillion cubic feet of gas per day, and in the context where we are using 1.5 trillion cubic feet of gas per year, that leaves us with about nine years. If you divide 13.5 by 1.5, you get nine, and people will arrive at the conclusion that we have nine more years of gas left. But the total resource base of this country is estimated at 53 tcf (trillion cubic feet) of gas per day.

What the Ryder Scott Report is telling us is that we have to accelerate activity in the east coast and the north coast of Trinidad and Tobago where the gas is, to prove up our reserves, and this is what we have been doing. Some of you all may have seen—a few days ago I had the pleasure of visiting the West Jaya rig, it is a semi-submersible rig that came into this country to work on behalf of its client, BP, and that rig is going to be here for two years doing a lot of drilling work on the east coast on behalf of BP. That is the answer to declining gas reserves.

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. F. Karim]

Question put and agreed to.
Sen. The Hon. K. Ramnarine: [Desk thumping] Mr. President, it is said time flies when you are having fun. I had no idea that 45 minutes had gone; I thought I was into my 20th minute.

We are accelerating activity with respect to the exploration for natural gas on the north coast and on the east coast. The Government has signed a total of four production sharing contracts last year and we are about to sign two production sharing contracts with BP for exploration activity off the east coast of Tobago, and preceding all that exploration activity is our seismic survey programme that will be taking place before those companies drill their wells.

I have a tremendous amount of information here. I think I will have to come back during the Finance Bill to continue some of the information I have here. But we expect next year that we will have 11 exploration wells drilled in this country and that, to me, is significant activity.

8.00 p.m.

I have reported to the Ministry of Finance and to the Minister of Finance that we expect that next year the total capital expenditure—and this, I understand, is now a conservative figure, because you did not take into consideration moneys being spent by some of the smaller companies would be in the region of US $2.5 billion, which is a significant achievement for a small country like Trinidad and Tobago.

So, Mr. President, I have to deal with the issue of diesel. As you know I went into the Ministry of Energy and Energy Affairs to increase oil production and to increase gas production, and attract foreign direct investment and we ended up on the high seas chasing after illegal bunkering. The subsidy for fiscal 2011, according to the information provided to me, is in the region of TT $4.17 billion. That is divided into two elements; one is the contribution from the oil companies to the subsidy through the production level, and they are contributing $630 million, and the Government of Trinidad and Tobago for fiscal 2011 would be required to pay somewhere in the region of $3.5 billion. So the oil companies contribute about 18 per cent and we contribute the remainder, 82 per cent.

The citizens of this country, of course, enjoy the benefits of having that subsidy. The price of diesel is $1.50 per litre in Trinidad and Tobago. It is highly subsidized and according to our calculations at the Ministry of Energy and Energy Affairs, the real price of diesel in Trinidad is not $1.50 per litre, that is the price with the subsidy, if we were to take that subsidy out, the citizens of this country would be paying $5.26 per litre at the pump. That, of course, shows the level to which the Government is subsidizing diesel.
But I want to announce that, to date, and I want to really say, Mr. President, that my regard and respect for the institution called the coast guard of this country has soared in the last month. I want to put on record my appreciation for what the coast guard is doing. In the last month—six weeks to a month the coast guard has intercepted and detained seven vessels and I had the opportunity as you saw in the newspaper, to tour some of those vessels and to see how those vessels have been modified specifically for the transportation of diesel, and it is estimated that the TT equivalent of diesel, in Guyana, is $6.30 per litre. So if diesel is $1.50 per litre in Trinidad and $6.30 in Guyana, that differential creates an opportunity for illegal bunkering to take place.

Of course, Mr. President, we in the Ministry of Energy and Energy Affairs are not going to sit idly by and allow our country to continue to haemorrhage, and we have been haemorrhaging for some time now. We estimate, and again I would like to keep my estimations—I would like to caveat it by saying that these things are dependent on a number of factors, but we estimate that the loss to this country, from that diesel racket, is somewhere in the region of $1 billion to $1.5 billion per annum. It really is amazing to look at the figures; the demand for diesel in this country has increased by 72 per cent between the years 2005 and 2011. In six years the demand for diesel went up by 72 per cent while for the same period the demand for gasoline went up by about 20 per cent. So it seems that the growth in the demand for gasoline might be more organic and related to the increasing car population, whereas there is certainly an anomaly around the increase in the demand for diesel.

So, we have brought to the Cabinet several recommendations as to how we are going to treat with this issue at the Ministry of Energy and Energy Affairs. Time does not permit me to go into detail as to what those measures are. I would only say that there have been calls by commentators to increase the price of diesel and gasoline and to inflict pain on the population of Trinidad and Tobago. But we in this Government recognize that we would not inflict pain on the citizens of this country, we would inflict pain on those who are plying this illegal trade.

Mr. President, when we looked at the laws we saw that the penalty for engaging in this illegal bunkering trade was woefully inadequate, the penalty was actually a fine of $10,000; which, I am sure many of us in this room could pay, probably not me. [Laughter] We have now sought to increase that penalty. So if you are caught with 40,000 litres of fuel, your fine is now $150,000 and if you are caught with between 40,000 and 160,000 litres of fuel, your fine would be $600,000, and the largest fine is for volumes in excess of 160,000 litres, which is $3 million.

Sen. Drayton: Why not jail time?
Sen. The Hon. K. Ramnarine: We are dealing with that too; we are dealing with the jail time issue, because I feel that people who are engaged in this trade are committing economic genocide on this country. Because that money that is being frittered away and being used to subsidize other economies could be used to build schools, hospitals, roads, highways, et cetera, in Trinidad and Tobago, and it has been going on for a very long time. So we could never really quantify the exact amount of loss or haemorrhage to the economy of Trinidad and Tobago, but we would certainly not sit idly by while these things continue.

Mr. President, Sen. Ali raised several concerns, comments and recommendations about the downstream projects. The Minister of Finance reported, when he spoke to the Lower House last week, that there is $2.5 billion in foreign direct investments in this country coming to the energy sector in 2012, but there could be a further $1.4 billion if certain downstream projects are realized in fiscal 2012. One of those projects is the CariSal project, which, as he said, is a very simple and elegant project that requires a small amount of natural gas to produce what we think is a lot of value.

Another one of those projects is the AUM 2 project, and I have been holding discussions with Minister Dookeran with respect to getting that project going in fiscal 2012. When I come back in the Finance Bill, not too long from now, I would give more detail—Mr. President, could you say how much more time I have?

Sen. George: Seven minutes.

Sen. The Hon. K. Ramnarine: I would give a bit more detail about the other projects. The bitumen upgrader project is a project that is proposed by Reliance Industries of India. They are the largest private sector company in that country; a Fortune 500 company, and one of the largest companies in the world. Their business model is to take bitumen from Colombia, blend it with fuel oil—which is the bottom of the barrel product in our refinery—crack it using natural gas and produce synthetic crude. We are simply at the level of a memorandum of understanding which means an intention to discuss the project. So, it is not a project that has been fully conceptualized, the feasibility is still to be done.

Then, of course, there are two other projects. There is the methanol-to-polyolefins project; nine investors showed interest in this project. It is an investment of $2 billion to $2.5 billion; it is 3,000 construction jobs, 500 permanent jobs, and the deadline for proposals and bids is November 30. We have moved that deadline back based on the recommendations coming from the people who are interested in the project.
The other project is the methanol-to-petrochemicals project, an investment of $1.6 billion; 2,000 construction jobs, 350 permanent jobs, and, we have received five proposals with regard to that project, to date. We would make an announcement with regard to that project by the end of 2011.

So, Mr. President, in winding up I want to say that investors have not lost confidence in Trinidad and Tobago. There is tremendous optimism around this country. This country is seen as a safe and stable place in which to invest. Expatriates actually line up to come to Trinidad and Tobago in the various expat companies in Trinidad and Tobago. We expect that 2012 will be a year of increased activity. There are 11 exploration wells to be drilled. I did not get time to talk about the quarry sector, which also comes under my Ministry, but, I suppose in the Finance Bill I would elaborate on that.

I just want to close by saying that the Ministry of Energy and Energy Affairs has to return to its place of primacy in the energy sector of Trinidad and Tobago. The Ministry of Energy and Energy Affairs was emasculated between 2002 and 2010. What that means is that its regulatory role was diminished and weakened and as a consequence of that Petrotrin ran away; GOP, GTL, the quarry sector ran away; the diesel subsidy ran away, and we must return to the Ministry its proper place in the energy sector of Trinidad and Tobago. That is something that I am committing to do for this country over the next three-and-a-half years.

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

Sen. Shamfa Cudjoe: Mr. President, I want to thank you for the opportunity to make a contribution on this budget 2012. Before I continue I want to thank the Leader of the Opposition, my leader Dr. Keith Rowley, for giving me the opportunity as a young person, as a young woman, to make a valuable contribution to the development of my country and the development of Tobago. [Desk thumping]

I also want to thank everybody who would have supported me, supported the party and supported everything I would have gone through to get here. I remember when I first was appointed a Senator a lot of people got on the radio saying I was too young to do this and I am just thankful for the opportunity to be in my 20s and to be within these walls making contributions.

Mr. President, let me get straight to it. Regarding the budget for 2012, I was not particularly impressed or excited about it. At first, I was looking forward to the budget presentation so much. As a young person involved in youth work and so forth, we look forward to seeing what is in it for young people. As a woman
also, I look forward to seeing what is going on with the gender sensitive elements of the budget and what does it mean for me as a Tobagonian and as a young woman from Tobago. I think for the most part, most of the provisions in the budget and most of the measures in the budget were a regurgitation of the same measures from last year, but according to the Minister of Finance, what he said he would do last year they would do it this year, and I hope that what he said he would do this year is not for next year but really for this year.

Mr. President, I think a fundamental role of a budget is about mobilizing resources towards the development of the people of the country, towards the development of its institutions; it is a feel-good instrument that is supposed to come to life, so people look forward to the budget to see what is in it for me and what can I do to take my country to another level. I think that there are some people still asking questions, how is this budget going to change my life or what is going to make this year better than it was last year. I do not know if there is need for more public education as it relates to the measures, especially for young people, but you find a lot of people still asking questions.

I have been following the debates and the different meetings with the Chamber of Commerce—I think the Minister did a wonderful job. At that meeting also I looked at the one with the Minister of Planning and the Economy, I think that was the one with the First Citizens Bank meeting in trying to explain the budget. However, I think there is need for more public education so that people could really understand what the budget is all about, especially for young people.

[Desk thumping]

A number of persons are going about not really thinking about this and how it is going to impact their lives and they cannot really make a conscious statement or decision as to, okay, is this beneficial to me or not? So there is always need for public education. Now, I know that time is very—this time is going by so fast, so I want to jump straight to Tobago and if I have time I would make comments on some of the national issues that I wanted to discuss. If not, then I would pass them to one of my colleagues. I would have the chance to discuss them at a different time.

8.15 p.m.

Now, as it relates to Tobago, this budget failed to do all the things that it boasted about. For instance, there is inadequate funding for some of our major projects. The Minister spoke a lot about expanding our space and looking for new spaces and so forth. In Tobago we have some major programmes and projects that
we are interested in promoting, that require a significant amount of funding to make them come to reality. Just the way Trinidad is trying to diversify their economy, we are trying to do the same. So the same kind of financial resources and technical resources that are required in Trinidad, to really take the economy forward, are the same that we require in Tobago, for economic transformation and diversification and the advancement of our people.

Now, Mr. President, I want to talk about the allocation for the Tobago House of Assembly. In this year’s budget the Tobago House of Assembly was allocated $2.199 billion; $1.8 billion for recurrent expenditure and $301 million for the development programme. Now this works out to be roughly 4 per cent of the national pie. The same 4 per cent that we have been getting over the years since the Dispute Resolution Committee—since that decision. Now, when you do the calculation it works out to be roughly 4 per cent to the dollar. Now, I notice with interest the response of the Members on the Government Bench, when the allocation was announced. The Minister announced the allocation and everybody went “oooh, aaah”, like this is something spectacular. So I felt like, okay, maybe I missed something; I did not hear properly; I am going to wait until the budget presentation is through, I am going to go back and check the figures. So I was surprised that it worked out to be the same 4.03, because when I heard the “ooohs, and aaahs”, I said, okay, for the Constitutional Reform process the Government—the Anand Ramlogan paper recommends 6.9 per cent. So I said it must have been that since they recommended that in their Green Paper they would have given those allocations, so I said I must check. After I worked it out and it was roughly the same 4 per cent I was like, what is the “ooohing and aaahing” about? [Desk thumping]

Hon. Member: Theatrics

Sen. S. Cudjoe: I was displeased by that. I was discomforted by the “ooohs and aaahs”. Because it came with some sort of fascination, like Tobago was treated generously, overly generously. Like “oooh” you give me something that I do not deserve. I found that very disingenuous, because for the past how many years since this dispute resolution decision, we have been receiving the same 4.03. Even though the Minister said on August 18, 2011, in an interview that he would give Tobago House of Assembly 5 per cent of the budget, we still ended up with the 4.03 per cent. It is not anything to be surprised about, because we expected 4.03 especially from this People’s Partnership Government. We are lucky that there is a Dispute Resolution Committee [Desk thumping] because at
the rate they are going we might have ended up with 1 per cent, 2 per cent, 0.5 per cent. I do not put that past them. So the same 4.03, per cent—are you listening?

[Interruption]

Sen. Bharath: “How much you all get for the last two years?”

Sen. S. Cudjoe: Not two years. The same 4.03 per cent.

Sen. Bharath: “How much you get before under the PNM administration?”


Sen. S. Cudjoe: You need help. Mr. President, so as I said before and that is the attitude, because many people in government, many people do not understand the position of Tobago. Oh, “We love Tobago and so forth, but they do not really understand the position that we have been speaking about on the national stage during the PNM administration and during the People’s Partnership administration under the UNC and so forth. [Crosstalk] No problem, I could make you a little brief on a little piece of paper so you can be up-to-date.

So, Mr. President, this is the least that the Government could have given Tobago to be in accordance with the law. So there is nothing to be really “ooohing and aaahing” about. As you know the Dispute Resolution Commission, the decision came in—I think it was in 2000. In a similar situation when the NAR was in a partnership with the UNC, but the Prime Minister, Mr. Panday, and Mr. Hochoy Charles, who was the Chief Secretary of the Tobago House of Assembly, they were buddies and then they fell out. Prime Minister Panday decided, okay—the UNC decided, “Okay, well we are not friends anymore, we are not buddies like we were in the beginning of the coalition, of the partnership, then we are going to stifle Tobago for funds.” At that time you thought that you were punishing Hochoy Charles or you were punishing the Tobago House of the Assembly, but at the end of the day it was the people of Tobago who were suffering because of this decision.

I remember working in the Tobago House of Assembly, I was fresh out of high school—you know how you live pay cheque to pay cheque out of high school. We were going to the banks trying to get the cheques changed and our salary cheques would bounce. So it would put the Tobago House of the Assembly in a very, very embarrassing position. So, that was the result of the partnership between the NAR and the UNC. Very similar to what is taking place now. The Government gave us the least that they could have possibly given to us if they were supposed to honour the law—and I congratulate them for honouring the law because anything else could have happened.
Now, Mr. President, you see I listened to the Minister of Planning and the Economy at the First Citizens Bank—the hon. Minister of Planning and the Economy, Dr. Tewarie—when he got up on the stage one of the first things he said—people were like, “Okay what is exciting about the budget?” He said, “Let me tell you something, we treated Tobago well”, with a straight face. Anyway, you should be ashamed. [Desk thumping] Mr. President, I think for a very long time the Tobago House of Assembly and Tobagonians at large, have been extremely nice in treating with this situation, both under the UNC and the People’s National Movement because this problem transcends political affiliation. I tell you I am a Tobagonian before I am anything else. And I could leave a party today or tomorrow; I could leave my country and live somewhere else but at the end of the day I am going to be a Tobagonian inside out, every day, all day, 24/7, 365.

Sen. Dr. Tewarie said, “We treated them well.” This gives us the impression that Tobago is coming to the Government cap in hand, like we do not deserve getting 4 per cent. The sad thing, Mr. President, for years Tobagonians have been getting the impression—well, okay, we depend on a fickle and very volatile tourism revenue. But I want to say that Tobago is not just a tourism economy. It is also a gas economy. And anybody who knows anything about Tobago—I was happy to hear Sen. Ramnarine talking about the gas fields, marine space North and East Tobago. I want to educate the national community that those gas fields are among the most lucrative in the marine space of Trinidad and Tobago. If we are talking about international law of the sea, that is in Tobago waters. So if we were getting revenues—yes, it is in Tobago waters.

Hon. Senators: “We in one”, Trinidad and Tobago.

Sen. S. Cudoe: No, I am saying if it were. Are you listening at all? I am saying in—[Crosstalk] Mr. President, can I connect my point? I am on the floor.

Mr. President: Senators, if you would allow Sen. Cudjoe to continue. You may ask for clarification if you want if she gives you leave.

Sen. S. Cudoe: Yes, it is one country as it stands, Mr. President. But in this whole debate of constitutional reform and so forth, there are no Tobagonians that would say, “Okay, we want to secede”, but in the debate and in the consultation these are some of the points that came up. So do not kill the messenger. When you have a chance to talk you speak about it. You are going to have your time.

I do not think that Tobago should be treated as if we have come to the negotiating table when it is budget time, cap in hand, as the Minister of Tobago Development said yesterday, tugging at Trinidad’s skirt tail. What is that? The
comment was made yesterday by the Minister of Tobago Development, that, it is said that tourism is the mainstay of the Tobago economy. But perhaps the mainstay of Tobago’s economy is subventions from Trinidad. Tobago comes tugging at Trinidad’s skirt tail, cap in hand. A Tobagonian said that. And that is not the Tobagonian responsible for the constitutional reform process. So this whole situation, this whole issue of marine space and so forth, you should know that, if you are talking about constitutional reform at all. That is irresponsible.

Mr. President, I am going to move on from that. I am not going to spend too much time about that. Anybody with sense knows what to believe and what not to believe, and I think that each person—whatever you say you have to be able to back it up. I say, “Once a parliamentarian twice a villager.” You are going to have to return to that village and face those people and tell them why you said the things you said while you were here. For the most part, development of a country, development of a people, comes from the money that you spend, the expenditure under the development programme, hence the reason it is called a development programme. And what jumps out at me is that there is no single project under the development programme that truly impacts the diversification of Tobago’s economy and the transformation of our economy, the advancement of our people that was adequately funded.

Mr. President, I want to give you an example; for instance, research and development in agriculture. I heard Sen. Bharath speak so glowingly about the different objectives and the different initiatives of the agricultural programme in Trinidad. I checked my books and—if you compare the kind of money that is being invested in the agricultural division in Trinidad it makes you wonder—market research and development for agriculture in Tobago, $200,000; training and development in post-harvest, $100,000; development of our hot pepper project—which is a major thing in Tobago—$100,000; the Trinidad and Tobago Hospitality and Tourism Institute, $500,000; sports tourism, $100,000. And if I remember the representative for D’Abadie/O’Meara, the Minister of Sports speaking about $300 million to build three recreational facilities in Trinidad and for sports tourism in Tobago we are getting $100,000. To build one of those same recreational facilities in Bacolet in Tobago we got $2 million for that. While the Minister of Sports got $300 million for three of those, which would mean let us say $100 million each, but in Tobago it costs $2 million and there are no “ooohs and aaahs” about that.

The Scarborough beautification project: I remember last year in the budget debate the Minister of Tobago Development was talking about “Scarborough is a shanty town and when tourists came off the boat they say, ‘Where is the way to the town?”’ Now,
for the Scarborough beautification programme, $1 million; for Cove—where we are now doing the factory shells—$3 million. To do the factory shells it is coming up to somewhere about $40 million and that is what was requested.

8.30 p.m.

I saw here yesterday the Minister of Tobago Development with a huge prop saying “This is what is happening at Cove right now” and it was a picture of the sign only, of just the sign only, she said, “This is what is happening at Cove for seven years”. And that is so far from the truth. Anybody who visits Tobago and has a chance to go in there and see what is going on, please go ahead, it is not just a sign there for seven years. So I do not know what impression the Minister was trying to make, but she knows better than I do.

Now we have another project to build mini malls. As you will remember as part of the beautification programme a lot of the vendors in town would have been put out of place and then we are trying to promote small business development in Tobago. So we wanted to do mini malls in different communities. Six communities were selected to put up the mini malls and for that project we got $2.5 million. Now $2.5 million is less than $500,000 per mini mall. It is difficult to build a house today with $500,000, imagine trying to build a mini mall. So for six mini malls we got $2.5 million.

Now the dialysis department in the hospital, $400,000; the oncology unit, $600,000; for the Adventure Housing Estate, $5 million. Now it sounds large but when you compare it to Trinidad—Trinidad, from the records I am seeing, $820 million—$5 million for Tobago. When you listen to it, it does not even sound right. Let me go on. If Members could check their records especially the Draft Estimates of the Development Programme you are going to find some of the things I was talking about. I tried to list; just pick out some like the teacher training programme, $500,000. I will move on from that. So no project where money was requested, all that money was allocated. So this is the situation that we are dealing with in Tobago and we are expected to progress and to advance as fast as Trinidad is.

Sen. Bharath: Senator, would you give way please?

Sen. Hinds: No! No! Let the Senator speak in peace, do not interrupt her.

Sen. S. Cudjoe: Mr. President, yes, and in the same breath holding up the empty picture—the picture of just a sign—the Minister invited investors to come and invest in the empty spot.

Sen. Bharath: Could you give way, please?
Sen. S. Cudjoe: No! We in Tobago know that when we request money from central government you do not get all the money that you request. You know especially that your development programmes and projects are going to be underfunded; we are aware of this even before the budget.

Sen. Bharath: Would you give way please?

Sen. Al-Rawi: Shamfa give way, he cannot be that bad.


Sen. Bharath: Thank you, Senator. I just wanted to inform you, I did go to Tobago about two weeks ago. I met with Chief Secretary of Agriculture, Mr. Gary Melville; I had spoken with Mr. Sandy before, and offered to assist in whatever way I can with the agriculture sector, and that my intention was to offer farmers in Tobago exactly the same incentives in terms of the incentive package and funds from the ADB that farmers in Trinidad had at their disposal. I have to tell you that Mr. Sandy did not take up the offer, and I am now trying to work with Mr. Melville to ensure that the Tobagonian farmers do not suffer in the same way they did under Chief Secretary Sandy. Thank you.

Sen. Hinds: “Yuh see politics.”

Sen. S. Cudjoe: Thank you, Mr. President. Now I am going to tell you something, Mr. President, I am not speaking anything ill as to the character of the Senator, but I do not take the word of the People’s Partnership Government [Desk thumping] I prefer to go and do my research and come back with the right information, so I will follow up on that matter. Because they say a lot of things but when you dig into it sometimes it is not so. So, a lot of the time with this People’s Partnership they say, “Let’s talk about it; Let’s talk about it.” But it is a lot of talking and you check in these books and there is no allocation for it. So it is a lot of talk. You know we can talk about it, “Let us negotiate,” and so forth, but when you get down to it, there is no money to back the talk. It is a lot of talking and no money to back it. So Mr. President, I will move on.

For instance if you look at some of the allocations last year for some of the projects they say that they will do—$8 million for CEPEP, to this day not a red cent transferred to the Tobago House of Assembly for the CEPEP project. A whole financial year has passed and nothing—but we are talking? Anyway, let me move on.

So we are aware even before the budget statement is made that we would not be allocated all the funds that we requested. We get 4 per cent of the budget; that is it. We are also aware, if we run out of money during the course of the year we are not getting extra money especially from this People’s Partnership Government. If
we run out of money mid-year or let us say in August or so, you come and make a request for more money, the first thing they are coming to say “Overspending”, and all these things. We do not have the ability to borrow loans like the central government.

I remember—we the Opposition voted for the budget, they came back two times in January and in June and requested more money and got more money, but the Tobago House of Assembly does not have the ability to do that, we cannot raise bonds, we cannot borrow loans. If we have to borrow loans we have to get the blessing and the authorization from the Minister of Finance and that is not happening with the rate that this Government is going, that is not happening under this People’s Partnership.

So everything that we do in Tobago is based on cash. For instance, the housing projects in Tobago, as I said before, when you check the development programmes, housing projects, you look next to it and you see IDF loans, IDB loans and so forth. Then when you check the books in Tobago when we get $15 million or so for housing, that better do because we do not get proceeds from these loans to do our housing projects in Tobago.

So when I heard the Minister say yesterday, she was so impressed with the projects and the objectives in Trinidad, and we are only building 137 houses at a time. We are building these houses cash. It is not IDB or IDF loans of $820 million to do that. So when you tell the story you either tell it all or you do not tell it at all.

So, Mr. President, the allocation for housing in Tobago this year is $13 million. Let us say we are building a house at $500,000, that adds up to be something like 26 houses in your housing programme. So I am trying to let this Senate and the nation understand what we are working with and dealing with in Tobago. So we know that when we make a proposal for money under our development programme we do not get all of it.

But the Minister of Finance, in all his People’s Partnership yellow bulldozing might, came to us and said yesterday—he came to us in the budget statement, I think it is specifically on page 27—that they are going to make sure that the Tobago House of Assembly spends the money that they have allocated to the Tobago House of Assembly for exactly for what it was allocated. Let me find it, I do not want to mess up. On page 27—I am not going to go back because it is going to run my time. I know everybody heard it. It was the end of the budget speech; if you have your books next to you, page 27, where he said, and we are
going to ensure that the Tobago House of Assembly spends this money for exactly what it was allocated”. I said, okay, it is obvious. And when you spend it, you spend all.

So, Mr. President, if we follow that instruction we would not have anything finished in Tobago, because when you hear the kind of allocation—training programmes $200,000; sports facilities—whilst it is costing $100 million in Trinidad, $2 million in Tobago. So you might get as far as laying the foundation and putting up some bricks, but then you are out of money. So if we follow the instructions of the Minister we are going to end up with more unfinished projects than usual.

Now I will tell you something, the Minister is saying, so spend whatever money you have then come and beg me. Because if you spend all the money you have, you are going to be left with nothing and have cause to go back to central government, to say, “Hey, I started this project, it was underfunded in the first place and I am out of money, are you going to help me out?” From this People’s Partnership Government?—I do not think so, Mr. President.

That is exactly what happened to past Chief Secretary Hochoy Charles; he was friends with the UNC, he played mannish, rough and tough, he spent out all the money that he had and then went back mid-year around July or so to Prime Minister Panday for money and Prime Minister Panday showed him who is man in his own house.

So, we have a system in Tobago, and we have that authorization under the powers allowed to the Tobago House of Assembly, through the Tobago House of Assembly Act that one: you can vire funds to augment funding under the programmes and projects of priority. Because if you know anything about the Tobago House of Assembly and how it is run, and the Tobago House of Assembly Act, you would know that the budget statement, for the Tobago House of Assembly is read somewhere in June or so, way earlier before the national budget is read. We might say we want to spend $20 million on this project and $10 million on that project. And then central government may allocate $5 million and $4 million.

Now obviously you cannot finish the project that you would have set out to do. So what do you do? What the Minister wants us to do is start all these hundreds and hundreds of projects with this little bit of money and then you end up with nothing finished. So the Tobago House of Assembly Act allows us to choose, after the budgetary process in Trinidad and we find out how much we get, then we go back to the drawing board and pick out the items of priority, okay, we think we can get this done and so forth.
So it was so bad with Mr. Hochoy Charles and Prime Minister Panday that even the students that were away in the US and the UK and so forth, on tertiary education programmes, the schools were busy calling the Tobago House of Assembly, because the Tobago House of Assembly was not sending funds out there to take care of them. At that time we did not have GATE, so most people used to go to the US and to the UK. When Prime Minister Panday starved the Tobago House of Assembly of funds there was no money to send to these tertiary intuitions and I did not hear Dr. Baker, in the Lower House he may come here to speak, so it is probably going to be Dr. Baker, Sen. Moheni, and Sen Baynes the big “sampat”. [Crosstalk]

**Mr. President:** Hon. Senators, it is now 8.44 p.m. Dinner was not ready at 8.30 p.m., so I did not break at that time. I propose to take a break now and we will resume at 9.15 p.m.

*8.44 p.m.: Sitting suspended.*

*9.15 p.m.: Sitting resumed.*

**Mr. President:** We hope to have a quorum shortly. [Pause]

Hon. Senators, when we took the break, Sen. Cudjoe was on her feet and I reckon that she has another 25 minutes before the end of her allotted time.

**Sen. S. Cudjoe:** Thank you, Mr. President. Before we went to the break, I was speaking about the fact that in the budget statement, the Minister of Finance was requesting that the Tobago House of Assembly spend the money that was allocated to it on what it was allocated for. I was making the point that the Tobago House of Assembly Act gives us the ability to vire funds to programmes and projects of priority. The Tobago House of Assembly Act also provides for money that was not used in the financial year to be used towards development programmes in the following year.

I was also speaking about situations that may occur and you may have to transfer funds to treat with those issues. Now, if we fall in the trap of spending the money just as it is allocated in the development programme and so on, we would end up with several unfinished projects because the money that is allocated, for instance, $200,000 for a project, is not enough to do so.

You would have seen this around 2000 when there was a similar coalition or partnership with the UNC and NAR in Tobago, and Mr. Hochoy Charles who was the Chief Secretary at that time would have spent all his money and then had to go back to Prime Minister Panday who made him suffer; who stifled the Tobago
House of Assembly for funds and caused Tobagonians to suffer. I was making the point that it got so bad that salary cheques were being bounced in the bank and tertiary education students were stranded out in universities. The universities started calling the Tobago House of Assembly saying, “If you do not send the money, we will send home these students.”

I was saying that I recognized that Hon. Dr. Baker did not speak in the Lower House and he may speak here. For instance, the Ministry of Tobago Development spoke here last year and I do not know if she may return again. It does not matter; I am going to say what I have to say. Hon. Dr. Baker was one of those students, I think, at St. George’s University who was stranded out there during the Hochoy Charles administration when the UNC in Trinidad refused to give the Tobago House of Assembly funding, and the St. George’s University was threatening to send home these students. Mr. Orville London who was the Chief Secretary at the time, and still is the Chief Secretary at this time, thanks to the good PNM and the good heart of the Members of the PNM administration in Tobago, [Desk thumping] they were able to help those students who were about to be thrown out. And Hon. Dr. Baker can tell you that he was one of those students at that time.

So, Mr. President, these are the kinds of budgetary situations that we have to deal with in Tobago, and it is in that context that by the Minister saying that we have to spend the money for exactly what it is allocated for; it is clear that he does not understand the operations of the Tobago House of Assembly and the powers within the Tobago House of Assembly Act.

Now, Mr. President, as I was saying, we have the provision of unspent balances, which is a practice that would have been done since the days when Mr. ANR Robinson was in the Tobago House of Assembly, that the funds that you do not use within a fiscal year, you could use them towards the development programmes in the following year or in the future. So, when you are underfunded, you can use some of those funds. I heard contributions of other Members saying that it is illegal to have unspent balances and so forth, that is not true, and that is a practice that is very long and old in the Tobago House of Assembly.

Another issue that jumps out at me is the auditing of the Tobago House of Assembly books and this Senate and the national community were given the impression that these books were not audited since 2003. In fact, we are up to date to 2010. So, if people do their research—anyway. I will say that there are naysayers in the Lower House and in different circles, and in other quarters, who will try to say that nothing or not much has been achieved by the Tobago House
of Assembly, and give people the impression that Tobagonians are suffering. Tobagonians who are honest, they know what they have been through in the last couple years and they know where we have come from.

I heard in the Lower House yesterday, the Minister was speaking about Tobagonians having to go to Trinidad for a birth paper, and I remember correcting that before in the Senate; that is not true. While I was away in the US and the new electronic birth paper came out in 2007 or so, my mother got—me and my other seven siblings got our electronic birth certificate right there in Tobago and did not have to travel to Trinidad. So, I do not know where that came from—Tobagonians having to travel all the way to Trinidad for birth paper, life so hard and things so bad in Tobago. I think we have to be open and honest with ourselves.

The Tobago House of Assembly is not perfect, we are not living a perfect life in Tobago; there are challenges and there are difficulties just like anywhere else in the world. So, I think it is disingenuous when Tobagonians are sent to Trinidad to fight for Tobago and they end up fighting against Tobago.

Mr. President, I want to bring to the attention of this Senate, a comment made by the Minister of Works. In his contribution, he was saying—

**Mr. President:** Hon. Senator, before you continue, I seem to have misled you earlier on in terms of the time remaining, it should have been 10 minutes—9.27 is, in fact, your cut-off.

**Sen. Hinds:** The original time.

**Mr. President:** Her original 45 minutes time.

**Sen. Al-Rawi:** So three minutes to original.

**Sen. S. Cudjoe:** So, this comment about the Integrity Commission, that he believes that the Tobago House of Assembly should have to file for the Integrity Commission also, that is already in place, and the members of the Tobago House of Assembly have been, in fact, filing under the Integrity Commission Act since the year 2000.

The PNM administration happens to be the only administration that is in leadership in the Tobago House of Assembly to have had to file with the Integrity Commission, and I would like Minister Warner to do his research and tell us how many people on the minority side are up to date and have filed with the Integrity Commission; and tell us those who are still outstanding for 2009 and 2010. These are the things that we have to look at before we come to the House and make these wild allegations.
Mr. President, many people will say that the Tobago House of Assembly has not achieved anything but we have many projects and many programmes that have taken place in the Tobago House of Assembly and I can point to some: the Buccoo Integrated Facility that the Member for Tobago West had referred to as the “Buccoo goat pen” which is a Buccoo community project; the different fish facilities, walk-in centres, health centres, housing settlements. PNM administration is the only administration to have built housing settlements in Tobago. [Desk thumping] Housing settlements in Blenheim, Plymouth, Castara, the Lambeau Heritage Facility, Mount Grace Pavilion, and it goes on, and I could provide a copy of this.

All of these were done with cash; we do not borrow loans or anything of that nature and with our limited capacity as it relates to financial resources, technical resources, we do not bring in foreigners to come and do research and to do plans and so forth, like Trinidad has the ability to do so. So, despite the low funding and the different challenges, the Tobago House of Assembly under the PNM administration has had the ability and was responsible for improving the quality of life for Tobagonians.

You would not hear issues of large retrenchment and so forth in Tobago like you hear in Trinidad. For the most part—for instance, our CEPEP funding was not given for last year. You heard the allocation and you came and said, “We allocated $8 million to Tobago”, but we never received that $8 million, and those CEPEP and URP workers continued to work. Where did the money come from to pay them? It is those same unpaid balances and vired funds.

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. Al-Rawi]

Question put and agreed to.

Sen. S. Cudjoe: Mr. President, do not worry about those who try to paint this bad picture of Tobago, like all is terrible in Tobago.

Now, as the Minister of Finance would have mentioned in his budget statement, we are having some difficulties with tourism just like the other Caribbean countries. In 2008, tourism in Tobago took a hit as a result of the global economic downturn. Some say, “The Tobago House of Assembly killed tourism in Tobago.” But I want to remind this honourable Senate that when the PNM took office in Tobago in 2001, there was only one international carrier coming to Tobago, and bringing 776 passengers per week, and that was British
Airways. The Tobago House of Assembly had collaborated with Grenada and with other entities and had brought Monarch Airlines to Tobago, and later, Excel, Condor, Virgin, Martinair, Lauda, Delta, and different BWIA international flights, even the recent going to New York on a Sunday that started on December 12, 2010. All of that was negotiated by the Tobago House of Assembly in collaboration with the Airports Authority and so forth. We had even gotten to the point in 2005, we were bringing 5,000 international seats here weekly. In 2008, we had passenger arrivals at 891,211 as opposed to 600,000 passengers arriving in Barbados.

You know what I found interesting? When the Tobago House of Assembly or the PNM administration speak about an industry or a sector that is going through difficulties, the first thing the Government jumps up and says is that it is because of poor management and mismanagement, but when the economy takes a hit under the People’s Partnership and things do not go as planned they say the global economic turndown. And I heard Ministers rough up the private sector at the First Citizens Bank meeting and the meeting of Trinidad and Tobago Chamber, telling the private sector, “you need to get up and get.” You know what? That is true.

9.30 p.m.

The private sector needs to get up and get. The same way it is in Trinidad, the same way it is in Tobago. The Government cannot do everything for the citizens in Trinidad and Tobago and it cannot do everything for the private sector. Just the same way Trinidad has that problem with the global economic downturn, we have had that problem in Tobago with tourism. Many would come to the House and say it is the Tobago House of Assembly that killed tourism in Tobago. That is not true. Now, I am not saying that we are doing an excellent job. There is always room for improvement. But, with not enough, a lack of finance and technical resources, it is difficult.

Ministers get on the forefront and say: “I want to see Tobago in the international advertisements like Jamaica, Barbados”, and so forth. I did some research and I recognize that we have been given $65 million for tourism to take care of the entire sector. That is about “US $6 million and something”. Whilst in these countries—$65 million divided by six, is about, let us say $10 million, sorry, thanks, Sen. Maharaj, in tourism funds, and that is the amount of money that we were given to take care of the entire tourism sector in Tobago. But, when you look at Barbados and Jamaica, they are spending US $55 million in advertising, and $35 million in advertising, and because of the drawn-out economic condition in the UK, where most of our passengers come from in the
region, they spend an extra US $5 million in advertising just in the UK. With $65 million alone to take care of the entire tourism sector, that is difficult. Everybody wants to see Tobago on the big screen, but the money to pay for it, that is difficult. So, we have our challenges.

Mr. President, I want to go straight on to—I would run through, very quickly, some of the other points I had. With regard to the areas that the Minister and the Government are saying $510 million more in other areas—usually, prior to the budget, the Tobago House of Assembly and the Government would have that discussion as to what happens to the funds that come out of other Ministries. That negotiation—and consultation—has not happened under this Government. For instance, who consulted the Tobagonians, the people of Tobago or the Tobago House of Assembly on the name of the Magdalena for the new hotel? As you know, names have connotations and different meanings. I remember being a part of the folk choir in secondary school and singing the song about the Magdalena was: “gyul run away, girl run away, gyul run away, she board the Magdalena.” That was about a woman who came, very pretty, very beautiful, and she outsmarted her husband and took his money and bought the Magdalena and went away. It reminds me of this Government which comes very pretty and very sweet to Tobago then, at the end of the day, gives the impression that we do not have any revenues from gas; takes our money and runs away and boards the Magdalena.

Mr. President, there is definitely need for more consultation, and so forth, because in the final analysis only two parties have to partake in Tobago’s development and so forth. We have to find a way to talk more, to work together more and to collaborate more to bring the goods and services to Tobago that are necessary to take Tobagonians and our institutions and our business sector forward. I was very disenchanted, disheartened and discomforted by the mudslinging that has been going on in the private and public domain and all of this could really be avoided.

Mr. President, before I run out of time—for instance, the Minister spoke about building this integrated campus. Last year, I remember that was budgeted for in the budget statement and it did not happen. Now, this year it is budgeted for again and it has moved to Tobago East, and to this date there is no say as to where the site is or what is the location for this integrated campus. Just like early this year when the Prime Minister came to Tobago in May to turn the sod and did not have a site on which to turn the sod. Now, the project has moved to Tobago East and there is still no site on which to turn the sod.
Mr. President, I was waiting for Sen. The Hon. Vasant Bharath to come back to that when he interjected and spoke about he tried so much for the farmers in Tobago to have the same benefits. I made my contacts during the break and the farmers in Tobago do have the very same benefits as the farmers in Trinidad. An Executive Note was passed in the Executive Council in the Tobago House of Assembly and in fact the Tobago farmers have the very same incentives as the farmers in Trinidad. I hope Sen. The Hon. Bharath is listening. So, we have to learn to think way past an election.

For instance, there was no say as to what is the allocation for CEPEP and URP in Tobago for the Tobago House of Assembly this year; no say. The Government has its own parallel CEPEP operating in Tobago, but has not mentioned a figure or spoken to the Tobago House of Assembly about funding for CEPEP and URP in Tobago; no word, no say whatsoever. So we have to find a way to get past this.

Before I close, Mr. President—I have five minutes—I want to speak on two issues. I heard the Minister of Health say that the Scarborough Hospital would be delivered in December and that the people of Tobago have waited for a long time under different administrations for this same Scarborough Hospital. But I have a couple of questions because with respect to the responsibility for health and the hospital in Tobago, there are three areas of responsibility, solely under the central government and solely under the THA and there are areas of overlap.

Now, the handing over of a fully functional hospital, as the contract says, falls under the remit of the central government. I think the public—the Minister speaks about handing over this hospital in December—needs to know that the commissioning of a hospital, the handing over of the hospital, according to the contract, is not just a building. We have had the agreement in the contract for, what is it, fixed furniture and equipment.? And there was also an agreement, under the PNM, to have the non-fixed furniture for the hospital be already in place when it is time to hand over the hospital. So, I hope that the Minister, the Ministry and Nipdec have not departed from that contract, because that is the contract we had with China Railway. It is a turnkey, ready-to-go, ready-to-use operation kind of contract.

I hope that, in an effort to try to get the hospital off their hands, that this is not the kind of game that is being played by turning over an unfinished project to the Tobago House of Assembly and then the Tobago House of Assembly having to think about putting in the fixed furniture, and so forth. I am just throwing it out there, because there are different things that could happen. We are in the month of October and it is two months before Christmas and the Minister is talking about a
fully functional hospital and handing over the hospital in December. And, as far as I am informed, correct me if I am wrong, there have been some difficulties with the non-fixed furniture and the equipment. So, I am hoping that, unless the Minister knows something that I do not know or something really extravagant is happening and we will get it by December—it is possible, according to Sen. Baynes. We would love to see and we would be thankful.

There is much talk about a turnkey. There is much talk about cost overruns, and so forth. I want to place on the record that this contract is a turnkey/fixed price operation, and it is different to what was signed with NH Construction. The deal with NH Construction for the hospital for “$135 and something million” was priced and signed in 1999/2000.

That NH Construction was owned by Ishwar Galbaransingh, the same Ishwar Galbaransingh that got the contract for the—I am very sure of what I speak—yes, Emile Elias. I can read it because, Narace would have made—you want me to read it, but I will run out of time—a contribution about it. You can google it, but this $135 million, the design and so forth of that contract, was for a building only and it was given to Ishwar Galbaransingh and there were problems with the feasibility tests for the soil and the need to build a brace wall and that kind of thing, no intensive care unit. But this new hospital has an intensive care unit and four operating theatres. There was litigation and we went into a new contract with China Railway to give us a fully functional—not just the building, as with NH Construction, but the building and fixed furniture, and equipment, and an agreement was done with the previous government to have non-fixed equipment.

Mr. President, I just want to say the back and forth, the mudslinging, the trying to give Tobago the impression that we are coming cap in hand to the central government is so uncalled for. And in this day and age, where Tobagonians and Trinidadians are more educated, more advanced and more in tune with what is going on, we are asking for a better relationship, more consultation with the Government, and to stop the back and forth about political parties. Take your eyes off the Tobago House of Assembly election. We are Tobagonians. We are a democracy. We are a democratic people in Tobago and when the time comes we will choose who we think is fit to rule the Tobago House of Assembly, but in the meantime, the business of the people of Tobago and the development of Tobago and our people have to go on. With that said, Mr. President, I thank you.

Sen. Helen Drayton: Thank you, Mr. President. I will focus my contribution on a few areas: revenue projection; the business environment; agriculture; feeding ourselves, that is very important; and a few other items. I was very pleased to note
that the TTMA has expressed the view that the budget is a confidence builder. I do hope that they are serious about that, and that confidence will be translated to productive investments.

A lot of hype is usually made about the national budget, and in the final analysis, I think many people treat it as a list of important things to be done; that would satisfy certain social and economic needs and, of course, there is a price tag. But I think we know that a budget is much more than that. It is certainly more than an economic, technical and political document. It is an Appropriation Bill that we bring here, which means that when it is approved, it is translated into law. So, it is a legal document and I do not know how many people ever look at the budget and the appropriation as a binding contract, a legal document.

I have scrutinized it in exactly the same way as I would scrutinize any other Bill that comes before us to be made into law, and I would question the basis for certain things and the platform upon which it is based. But, before I get to the budget, that leads me to the Government’s very nice, glossy bells and whistles medium-term policy framework. I must say that I have read it. I have to admit that I have not yet studied it in-depth but, based on what I have seen, I cannot take much issue with the contents. It is in the vein of documents of its kind and it certainly embellishes the vision that was outlined in the manifesto and it puts specific objectives and strategies to that vision. And, all in all, looking at it, it certainly is well put together. It is well done.

9.45 p.m.

What I am very pleased about is the fact that there are specific measurable goals. I certainly would have liked to see more in certain areas such as education and health in a more tangible, in a more specific way. But for the time-being I want to say that I am pleased, and I certainly would look to see how much innovation is in there, given the title “Innovation for lasting Prosperity”.

The thing is that we are very good at producing beautiful documents, but implementation always remains a very serious concern. If we get to this budget, if indeed some of the programmes mentioned in the budget to facilitate private sector activity, are implemented and the private sector can see viable opportunities, then I imagine that they would be prepared to take up the mantle to deepen the non-energy sector’s contribution to the gross national product.

I have deliberately stayed away from the cliché, that much overburdened word diversification. The non-energy sector’s contribution to GDP is approximately 55.5 per cent, and I want to suggest that what we need to do is to place priority in
growing and expanding the good economies which we have, those which have potential for greater growth; also new ones which would generate foreign exchange revenues, which would create linkages with other markets locally, regionally and internationally; and those that would also provide sustained employment; good jobs which are well paid; and essentially that is the core of diversification.

When I reviewed the budget I asked myself two questions: how would these objectives of foreign exchange earnings, economic linkages, locally, regionally and internationally by the private sector be achieved? This is the basis on which I would gauge this document. Secondly, do we have the capacity to implement all the plans due for 2012? This is important, and it is why I defined the budget in the context of a legal document. Because you see every time a budget is produced and we fall down on implementation, which is the case year after year; I am not saying that good things are not achieved, but what we are doing is going around in circles, we are not getting anywhere with respect to our goals, and we are really making a sham of what is the law.

So we are very weak when it comes to implementation, and this is why I want to recommend in future—and I think it is also what Sen. Ramkhelewan was saying—that instead of a long wish list with price tags, that we concentrate on what is practical to achieve in any given year and that way we will become more focused, more efficient, more accountable and more effective.

We are spending billions annually, but are we really seeing the incremental returns on that expenditure? After last year’s budget, and all the ones before it, I had hoped to see fever-pitch activity in the much touted technology, science and industrial park. By now we should be reaping something in that regard; every year it has been on a budget—the last government and this one. I had hoped that we would see more progress with respect to the motor vehicles authority, and there are many other such projects.

On the social side, I am very disappointed that last year we did not see the package of children’s legislation and no mention has been made of it this year, and I do hope that it would be mentioned later, and it will be forthcoming in 2012. So there have been achievements in terms of the tax collection. Although it fell short of the desired objective. I think that excellent work was done and that was good, I think we have continued on a path of economic stability, and certainly much has been accomplished with respect to agriculture in terms of increasing the acreage, incentives to farmers, the access roads, the new farms, irrigation, and I will talk more about agriculture later on. And, of course, the elderly pensions were introduced; and I think GATE was applied to vocational education.
Sen. Ramkhelewan is not here. He said that Sen. The Hon. Emmanuel George was fishing for compliments, so I am sorry that he is not here, because I want to compliment the Minister of Public Utilities, in that I think WASA has made a lot of progress with respect to plugging leaks, it has laid some good infrastructure. Also, from what I understand, the thousands of people who were not receiving water at least two days a week, that nearly 100 per cent of those persons—I think it is somewhere around 94 per cent—are now receiving water. So commendation.

Now, recently the Government came to Parliament and increased the borrowing ceiling from $38 billion to $70 billion. There was concern not so much with the principle of increasing the limit but, of course, we did not have any information as to what the increase was for. Of course, an increased ceiling does not necessarily mean that the increased capacity will be used.

Currently, the country’s public debt is about 36 per cent of GDP, and I am also very glad to see that all the ugly politicking, and the scaremongering which took place in 2010 to the effect that the economy was in shambles and that the debt ratio was somewhere in the range of El Tucuche; I am very glad to see that that has settled down. Because back then and now, we were—and are—in an enviable position when compared with countries whose debt ratio is over 100 per cent. Of course, debt in itself is not a bad thing if it is used to facilitate expansion of the economy. However, it is precarious if revenue through increased productivity is not at a level to sustain all the social programmes and all the commitments which we have; and note that I said “through increased productivity”.

There is reason for concern for two reasons, first the weak overall global economic climate, the Minister of Finance mentioned global financial contagion. And second, the impact of the global condition on the vulnerable markets which buy our products. And just to give an example—both Jamaica and Barbados depend on tourism, Jamaica’s projected GDP this year is 131 per cent; it accounts for $4.5 billion or 35 per cent of our exports.

Barbados’ GDP projected for this year is 113 per cent, that is the debt to GDP; it accounts for 18 per cent of our exports or $2.4 billion; and these markets are markets which are very vulnerable. It is in that context that I am examining revenue projections. While GDP for Trinidad and Tobago contracted for three consecutive years, we are projecting a contraction for 2011 of 1.4 per cent, and we are projecting growth of 1.7 per cent for 2012.
But how reasonable is that projection? Is it a conservative estimate? It may very well be a very conservative estimate, if only because many of the oil producing markets in the Far East are under pressure in terms of civil unrest, and that is not expected to settle down anytime soon.

The Government has provided some $26 billion in planned investments for public and private sector projects in the energy and agricultural sectors, including $8 billion for capital projects. So the question for 2012 which has to be asked in terms of revenue concerns the gestation period to start up these projects, and by when these projects are likely to generate income. Certainly not in 2012, although there will be downstream activity when the Government begins to spend. And also, to what extent the amount includes the value of contracts already awarded. So I think that answers to these questions are relevant if we are to determine how reasonable these projections are. The reality is that our ratio of debt to GDP can change overnight if oil and gas prices do not hold, and we do not cut our cloth to suit the budget.

For some specific statistics: I noted a projected increase in 2012 for value added tax of $1.8 billion over the revised figure for 2011, or an increase of 39 per cent, nearly 40 per cent. I wonder how realistic this is if trends in the retail distribution and service sector continue under the pressure of the state of emergency, because a lot of businesses in the service sectors are suffering. I will come back to that.

A question I had with the budget statement was the $7.6 billion deficit projected for 2011, all of which seem to have been spent in a short space of two to three months. Now, I imagine some adjustment would have taken place in the accounts, but up to the end of July, looking at the Central Bank reports, not much spending had taken place. This requires some explanation rather than leaving it to speculation that funds are stashed away somewhere, or that they went to finance recurrent expenditure.

What I also noted about the budget statement is that the Minister did not comment on the Government’s fiscal performance. I would have thought that this was integral to a budget debate and the budget presentation if we are to assess the performance of the Government, because that performance could very well be distorted by the price of oil and gas which was much higher than what we benchmarked in the budget. So I was a bit disappointed that we did not see that discussion.
Getting back to the private sector, there has been criticism that there is no entrepreneurship in the sector, that it is lethargic. It is true we have not seen the wave of entrepreneurs as we witnessed in the ’60s, ’70s, and ’80s. But I have a feeling, as I have said before, where we are looking for it we are not going to find it. I think we keep harking back to manufacturing and the mass production of goods, and I am not too sure that is coming back now, not in the context of how the world has gone with globalization. We see in the very North American market how they are struggling with persistent high unemployment bordering 10 per cent for the simple reason, mass production of goods and services where there is high labour cost and other high inputs in the context of transportation and things like that.

To get products which are competitive to market, and compete with China, Thailand and even with Latin America is not an easy situation. It is not that it cannot be done. If you can link up as I said, the linkages, and if you have partners, international partners, who are prepared to produce goods here for export, that is the way to go, but we are a very small market and we have to face the reality with respect to our industrial situation.

There has been investment in the service industries, in information technology, we are doing software development, entertainment, consulting, transportation, tourism, the food industry, cultural events, these things have mushroomed and all have the potential for earning foreign exchange, but these are not labour intensive and the revenues from these things are more discreet on the Treasury than what you would call the manufacture of tangible goods and services.

10.00 p.m.

So this is why Sen. Ramkhelawans was quite right that we need a revolution. We really need to harness the things that we are good at and concentrate on these things rather than coming up with this wishlist every year and 75 per cent of it we cannot get done, but we have spent money on infrastructure which goes to waste. And a question has to be asked: how much of the entrepreneurial brainpower has migrated? How many find the environment hostile? And why should we feel confident? And I have to make this statement: why should the business sector or any reasonable thinking person in this society feel confident with immature behaviour that continues to ferment racial division? [Desk thumping] It is not only gang warfare, it is also corruption and the institutionalization of corruption, and I will come back to that when I respond to the Minister of Energy and Energy Affairs with respect to illegal bunkering.
Now, certainly the melamine project has potential and, according to the budget statement, it will provide the basis for derivative industries including plastics, adhesives, and laminates. The question: can we produce at competitive market prices? Can we compete? If the answer is fair then the budget, the basis, the premise—fine. Of course it mentioned 3,000 jobs in the establishment. I think that the jury will be out on that one. The development of Invaders Bay has a potential for foreign exchange earnings, so too shipbuilding and repair, so too the famous technology, science and industrial park if productive activity commenced in 2012.

There were several concerns expressed by the business community, including improving the industrial relations climate, the sustained implementation of the Public Sector Investment Programme, and they are fed up about talking about measures to increase productivity such as increasing efficiency at our ports. We have been hearing that for five decades. And these concerns are entrenched problems but they could be resolved.

With respect to the industrial relations climate, the responsibility for change and meaningful dialogue rests with both the employer and the employees’ representatives. And I do not know if we want to face the fact that clearly the strategies are not working. Clearly, there needs to be a paradigm shift. Clearly we have to pay respect to the integrity of collective bargaining, the very nature of the word means negotiation.

So that if either side wants to take a fixed position that “I ent moving”, they are not engaging in collective bargaining. It is as simple as that. And if in the collective bargaining process we want to treat all industries exactly the same across the board, then we better had think again. I do not know why we did not seek a simple option of a mediator or simply follow the process of law—the Industrial Court—solve it once and for all.

What I would say to the trade union movement is that in this climate I certainly cannot subscribe to “mashing up” the place. And I would also say to them that what the state of emergency has demonstrated is that you need different strategies. “What worked in the ’50s and the ’60s, ent go work in the 21st Century.” Our young people are shifting the paradigm. It is a new wavelength.

I would urge that the Government give priority to the vexing problem of efficiency at the port and reducing the time it takes to complete procedures to legally operationalize a business. In most developed countries it takes two to 10 business days—in Jamaica, eight days; in Dominica, 24; in Grenada, 15; just to
name a few. In Trinidad and Tobago they say 43 to 50, but sometimes it is as much as 100 days or more just to get property matters sorted out. So when we say that the private sector is lethargic, I do not know why they would want to invest in this environment.

With regard to some of the other pertinent statistics in overall ranking in starting a business we are ranked 74 out of 184 countries overall; registering property, we are 171 out of 183; paying taxes, 91; getting credit and improvement, 32; protecting investors, not bad, 20; trading across border, 51; but hear this one: enforcing contracts, 169. Now those are not very flattering statistics and I think that if even we disagree with the report in the *Global Finance Magazine*, the reality is, it is on the net for the world to see.

So getting back to the private sector and confidence in the business environment, unquestionably, is the fact that at the heart of business confidence are also issues of corruption, bureaucracy, other forms of crime and we cannot talk about—what do we call the medium-term framework—“Innovation for lasting Prosperity”—if we do not want to face facts. Whether the Government wants to accept it or not, the prevailing perception is that corruption and favouritism remain endemic, and that it is brazen. Now, I have no doubt that the spin doctors and the straw polls might say something else, but that is not going to change the price of cocoa. That is the reality.

I think I must deal with the state of emergency and the business environment. I have heard all the praise for the police on their performance and I have no doubt that they deserve praise, but I do not know if there is anything about performance that we should not have expected as taxpayers outside of a state of emergency. But if they are right, that it is all performance and everybody, including the Government, deserves commendation, then what the state of emergency has done is to prove that we have the manpower, that we have the capability, and that it exists within the police service. And the question is: why we cannot do it outside of a state of emergency and sustain it? So what therefore is making the difference? It cannot be powers of arrest given to soldiers, not when you are picking up people for child maintenance or traffic offences—okay? It cannot be that!

It has proven beyond a doubt that a serious question arises on strategic and tactical leadership of the police service and its ability to sustain performance in a state of normalcy. If it could only happen, if we could only reduce crime and come to grips with wanton crime in this situation—under a police system—which demonstrates that we have the capability, then we have to ask questions about leadership.
Appropriation Bill 2011

[SEN. DRAYTON]

It cannot be the fact that police have more powers because there is not anything that is transparent to the public that has been achieved beyond what normal powers could not have achieved. In a state of normalcy drugs worth millions, as much at $500 million and arms are discovered—and often. So is it that the leadership of the police service can only achieve success in getting a force to carry out normal police duties under a state of emergency? I have no doubt—and I am linking this to our whole environment and what we are told.

We said it was intelligence and responding to a bloodbath after a drug haul, and afterwards we said it was crime, and I have no doubt in my mind that is true. But intelligence with respect to impending bloodbaths after a drug haul is nothing new, we have dealt with that before on more than one occasion, and that is fact. So let me state; if the end justifies the means and if the reduction is permanent—commendation, because nobody wants to see 500 people killed a year, no one wants to live under the gun. We certainly want to get rid of those levels of crime.

But what has caused the decline in rampant crime that should cause the business people to feel that their losses now are for a greater gain in the future and that our sacrifices are worth it? Mr. President, it could only be one of two things: the chances of capture, prosecution and loss of liberty are much higher under a state of emergency and consequently to avoid capture they postpone their activity so their system is not disrupted because they are business people, they are entrepreneurs, criminal entrepreneurs; or some hardcore ones are in jail. It could be a combination of both. But, of course, the financing of the kinds of drugs and ammunition that they are talking about, I do not know how to connect it with “little boys with pants below their waist and Rasta who cannot pay child maintenance.” Something is not adding up.

The impact on business, especially the service sector, has been disastrous. The events and banquet management departments of hotels in the first days when the curfew was from 9.00 p.m., they lost as much as 50 per cent of sales a day. Adjustment has taken place but they are still in the region of 30 per cent decline a day. Restaurants and bars are losing as much as 50 per cent. One popular upscale restaurant told me 60 per cent. Caterers and events companies, all these little business people, they are very hard hit. Lay-offs are on the rise and in the downstream industries in the distributive and supply chain there are issues. Now a couple of bankers told me they are beginning to see it because these people have to finance overdrafts, they have to meet financial commitments.
So I close this aspect of my contribution with the analogy of people who go on a crash weight loss programme. They not only regain what they had on before, they put on more, and you know what the doctor tells them: “Look, take the proper diet, exercise, have a gradual loss that you could sustain and you will get rid of it and it would stay off”.

And Jamaica is having success because Jamaica had a state of emergency but it was different circumstances, it was restricted to a particular area. I know our crime is all over the place, I know that, and of course in Jamaica, police were being shot. The people had already picked up arms under gangs against the police, but the Jamaican people were treated like adults. They were told why, they were told how long, they were told when it would be lifted and they were told to be on guard.

I also remember when I was in California coming back here on the anniversary of 9/11, there was a serious national security threat in the States. What did the authorities do? They did not tell the public that we have a security threat and be good children and stay out of a curfew. They said: “You citizens are our first line of defence. We want you to keep your eyes open for three men.” They did sketches of what they looked like; “And if you see any strange vehicles or strange people, these are the numbers that you must call.”

10.15 p.m.

We were told that it was high security, we were told that the curfew was in a few areas, then four or five Ministers tripped up themselves on exactly where the curfew was and whether rights where taken away or not. One said that if you are seen after curfew you will be shot. And that is the difference—that is the difference in the level of professionalism.

So, for those who want to pontificate about the long term gains, and sleeping easier, understand that some of us are neither skeptics nor insensitive to wanton crime. We are not insensitive to the fact that crime has reached crisis proportions and that robust and even drastic measures are necessary, they are necessary.

While a lot of people feel that they are sleeping better, many others cannot, and this leads me to the illegal bunkering because I do not believe in one-sided crime fighting, you know, and talking holier than thou art, but you say that $1.5 billion of our resources are being stolen. And as the Minister of Finance said yesterday, cumulative it was $3.5 billion, and the Government is talking as though they are breaking a bunkering law, where the fine is $10,000.
Appropriation Bill 2011  Wednesday, October 19, 2011

[SEN. DRAYTON]

Anybody who is earning $1 million a week from illegal bunkering, could afford to pay the $150,000. But more than that; they are money laundering, they are bribing, and they are breaking the maritime law, because they are using vessels not for the purpose for which they were registered. They are breaking every single tax law. So you have a money laundering legislation, you have FIU legislation, the Minister praises the coast guard, yet he says it has been going on for years.

I have not heard the Minister of National Security, I have not heard the Commissioner of Police, I have not heard the Prime Minister, I have not heard anyone say that what we want to do is put these people who are raping every single citizen in this country, every child who needs education, every person who needs health service, and put them in a pick-up as they did with the boys in Beetham, and take them down to Guantanamo, because that is what should be done. [Desk thumping]

So do not tell me about crime fighting. The problem in this country, Mr. President, is that we do not understand our Constitution which says, the right to be treated equally under the law. When the Commissioner of Police and his PR people get on television with a big smile on the face, and say boldly that to investigate alleged bribery is sensitive, and he does not see the sensitive nature of putting a young, innocent footballer in jail, what message are you sending? I am linking it with the business environment because that is the environment in which the business has to operate.

The murders have gone down by 70 per cent, I want the Commissioner of Police to tell me whether the detection rate has gone up by 70 per cent because if that “ain’t” gone up, you might as well keep the state of emergency. Understand that!

Let me turn to a much more pleasant topic, it is called agriculture. Mr. President, I feel that we need to go beyond the increase in acreage, access roads, technology and all these important things. I think we need to create—we need something nice in our environment, we need something uplifting, and I think that with agriculture, feeding ourselves, we could create a revolution, and it has potential in terms of lots of exchange earnings.

As I said in a previous contribution, the most important resource in agriculture is an aging resource, it is your farmer. And what we need to do is to create a brand—we need to brand this industry. We need to build the profile as a high-tech, well-paying, noble, prestigious profession among young adults. We need to
begin to inculcate from the primary stage right through the educational curriculum in every school the importance of agriculture, and there are people, creative people, who are doing it.

I do not know if you know that there is a whole series of books—reading books and workbooks for children from primary right up to fifth standard, and it deals with the environment, agriculture, aquaculture, coral reefs, litter, food and nutrition, ozone layer; a whole beautiful series of books.

So when we talk about the educational system, the curriculum has to embrace it in some way, and also the extracurricula activities. We need to envision agriculture: the agricultural, the agronomic family of the 21st Century. We have to create agricultural communities. It is not just acreage; it is not just raking land and planting seeds. You know sometimes I get the impression that we are not really talking agriculture, “we talking”, you know how we used to say in the old days, “yuh farmin”? I am talking agriculture. We have to create the playgrounds, the community centres, entertainment, all that you know, agricultural communities, show vision in terms of the homes—what they should look like. We have to stretch our imagination to create a platform for a sustained buy-local campaign.

I recall the days of “Buy Local,” when you would go to the Savannah, you had all these beautiful floats competing and going around the Savannah. I remember one clearly, I remember seeing a choo-choo train, it was a Lever Brothers’ train when they were manufacturing all their products in Trinidad, entering the stage and each carriage was filled with local produce. I think that we also need to take a month every year—call it an agrifest month, I do not want us to copy anybody, you must build a whole festival around agriculture.

Remember the days of the church harvest when families went to the church with all their produce and you were selling here and there and exchanging the produce that you grew in your gardens, the competitions, all the wonderful things that give meaning to life and create a culture that is so enriching and so noble. So, I propose to the Minister who is doing an excellent job, and you deserve all the commendation that you have gotten today for that, just to shift gears at a higher level and begin to mobilize, not only farmers, but the entire community behind the effort to brand T & T.

There are very many good initiatives in the budget: reducing the mortgage rates;—now the grant for single mothers with special children, I think that is excellent, but I have a problem because I think it discriminates against children
because they do not have a single parent. You could have a home—father, mother but only the father is working, there are five other children, just imagine with today’s prices and everything else—the hardship—and there is a special child, and you are telling me that you are not going to provide the allowance for that child. How are you going to prove the status of a single parent given the peculiarities and the complexities of our society?

So, why put in a means for children and say you are dealing with special children but only special children who live with a single mother? I would ask that you rethink that item.

I think that the deposit insurance increase by 100 per cent is excellent. The increase in the threshold for VAT from 200 to 360; the divestment of First Citizens long overdue. The fact that GATE will now be linked to performance, I strongly advocated that that last year and I think that is excellent. It is excellent as well, long overdue, the accreditation health council, but I would love to see that we just add to this budget—and every year put it in—until it gets done or set a specific deadline, that we want to have accreditation in terms of children’s and elderly homes. Violence against the elderly is on the rise, and we all should be concerned about that.

In terms of public and private sector partnerships, I really do not know exactly what the Minister means when he says that he plans to establish a public/private partnership unit in the Ministry of Finance. There was something that I do not understand, I do not know what it means. I would have thought that private sector input is automatically involved in all government infrastructure projects, if you have a really comprehensive procurement system, and certainly if you want to procure services otherwise, but I do not understand why a unit is necessary.

The National Infrastructure Bank: there are similar banks that exist throughout the States; the European Investment Bank has the same objective as what is proposed here. That infrastructure provides loans and guarantees to government projects, it leverages private sector dollars. How the bank is structured and managed is important and if it could lend cheaper than multilateral agencies then it is a major benefit. It could be another mechanism for intermediation which was done in the ’70s and ’80s, I am, however, more on the side of skepticism about any government-run bank and urge sober reflection. I will be frank, once you have a bank and you have a board and a CEO who are political appointees, I am concerned. And when I read the statement with respect to NIS in the budget it reinforces my concern, because I do not see how you could make a decision to increase NIS pension by 50 per cent, without an actuarial report. And, Mr. President, there is no actuarial report that was done that would inform an increase of 50 per cent.
I am aware that the board and the executive are scrambling to get one done, but we are dealing with an institution that accounts for over 10 per cent of our GDP, and I do not believe that we should be making such decisions outside of such a report because when you add 115,000 self-employed persons, who would not have made a life time contribution, I want to know how you are going to fund it. And when the Government tells me that tax is not an option when it comes to NIS, if you have to increase contributions other than the current projected increases, then you are putting a special tax on lifetime contributors who would have made a contribution for life.

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. Al-Rawi]

Question put and agreed to.

Sen. H. Drayton: So that one has to ask, those who have made a lifetime contribution, what benefits do they get? We are already subsidizing a lot of people who have not paid a cent towards a lifetime benefit.

Under section 56 of the NIS Act it says that:

“Actuarial evaluation must be done.”

I want to assume that while this is mentioned in the budget, that no action will be taken for implementation until the actuarial evaluation is done because we have to take care not to put that fund at risk. And it is exactly for that reason I am skeptical about any government-run bank, if you could make decisions and then go and scramble to justify the decision.

The life sport pilot project I would be very brief on this. Now, improving the sport infrastructure is fine and we need to take a leaf out of the book of Jamaica, who does not have anywhere near our infrastructure, but their athletes continue to perform well above what is expected for a nation their size.

They have a plan and they systematically work it. Sport is being integrated more and more into their lifestyles. They focus on potential champions when they are very young, in terms of emotional, mental, and academic development—it is not just physical—and now their sport is becoming a foreign exchange earner because foreign athletes are going to Jamaica to train and compete with their best.
But with respect to this life sport pilot project, I do hope—and I would imagine, Sen. The hon. Verna St. Rose-Greaves will enlighten me—otherwise I am apt to believe that we catch a “vaps” because right now I am seeing this so-called pilot akin to an URP model. I look forward, as I say, to enlightenment. What could we really hope to achieve in two years? What is this really about if not a contrived programme that more than likely will compound the stigma associated with at-risk, delinquent youth? I am not saying it is so, it is the impression I have, please tell me I am wrong.

10.30 p.m.

I want to make a suggestion just in case. Why not a state-of-the-art sports academy, especially for them, that focuses on their holistic development, with sport excellence at its core; one which gives them a chance to develop productive life skills as well as sports skills?

May I suggest that you look at a curriculum that spans a period of three to five years, which builds esteem, treats youth with dignity and consider including accreditation and partnership with an international academy? I hope you will not come and tell me that all the little boys who cannot perform and are at risk and so on, you will put them in this sports programme with a pilot for two years. I am hoping that it is something more than that.

Very quickly, those who are calling for the property tax, I would urge the Government to take a list of their names and apply the property tax to them. [Laughter] I was totally against any tax where you tell me you will assess my tax based on potential rental income, although I am not renting—I know it is a universal model—and in my most vulnerable years, I am now going to pay a high tax because I maintain my house nice and because of the neighbourhood in which I live. So to all those who want it, apply it.

The gas subsidy is the one and only way that all citizens can benefit from the monetization of natural resources. Apart from this, there are implications of the multiplier effect of an increase in every single thing we buy, the cost of transportation and production would automatically increase and the removal would trigger a price explosion and inflation. What I want to say, however—and as Sen. Ali said—I myself do not like subsidies; I believe that the more social welfare you have the more you keep people in a certain mental frame. But I see this in a different context and what the Government can say right now is: “Okay, it is $3 billion or $4 billion, we are going to cap it there; we are not going to spend more than X per cent of our GDP, if it is .2 or .5 per cent on this subsidy.” This is fine, but it is serving a purpose now and gradual removal is one thing.
National disasters: because of all the flooding we have seen, I urge the Government to tell the ODPM office to stop saying that we are prepared for a national disaster. We have not had an earthquake. We have not even had a storm; it is only rain and we are struggling to cope. Can you imagine if we had a real national disaster? We are the island that is least prepared for a national disaster because we have not gone through what Grenada, Barbados and Jamaica have gone through.

I recall the bacchanal, loss of life and gridlock with the so-called Red Bull thing in Chaguaramas where no member of any authority anticipated what would happen. Remember the tanker that capsized on the highway, the gridlock. What that revealed is that in an emergency there is little room for manoeuvre and, if you need to evacuate people or divert motorists to alternative routes along the East-West Corridor, there is an issue. And we say we are ready for a national disaster.

Inasmuch as we are looking to develop Chaguaramas, there is only one way in and one way out. You cannot develop there to have thousands of people going unless you are going to build a causeway or some other means of transporting people in and out of there. [Interrupt] Helicopters perhaps, yes!

The fourth indication—I have to mention this because we never got a report—is when Dr. Kris Rampersad called for an ambulance for Dr. Pat Bishop and on calling they were told that they had a backlog of requests and they had to look up the address. And we are ready for a national disaster.

Fifth, when we had the fire in Trincity, there were complaints of a lack of adequate supply of breathing apparatus for fire officers. We are ready for a national disaster.

I urge the Government to give the ODPM some measurable objectives. Let them get us in a state of readiness and let them report every quarter. Also, let them know what the consequences are if they fail to meet those standards because we are not ready.

I note that the Minister of Finance has made mention that they will amend the legislation with respect to the statute of limitations. That has to do with the corporate restructure of Clico. I am pleased to see that at least the commitment has been expressed in this legislation.

All in all, I think that there was some commendable work done in 2010. Yes, the Government did quite a few things well. I feel that in this budget there are very good things and if they can implement all that is there to be implemented, great! I commend them for the very impressive documents we have received with respect to the framework.

With that, I thank you, Mr. President.
Sen. Terance Baynes: Thank you, Mr. President, for the sublime privilege afforded me to contribute to this most vital debate. My principal focus would be pretty much the impact of the budget on Tobago, both in terms of the financial resources and policy directions and how they relate to the expressed policy of the direction of the THA as enunciated in their own 2011/2012 budget.

However, before I get into the substance of my contribution, I would seek your leave to put on the record my general impression of and response to the budget from a national perspective. At the risk of sounding corrosively partisan, I congratulate, and perhaps salute, the hon. Minister of Finance for what I deem a decent budget. This is an excellent attempt by the People’s Partnership to respond to the different interests and competing needs within the country, against the backdrop of the current and forecasted global, regional and local economic context.

I would also like to applaud the efforts of the Minister of Planning and the Economy, Sen. The Hon. Dr. Tewarie, the Minister of Energy and Energy Affairs, Sen. Ramnarine and Sen. The Hon. Bharath, the Minister of Food Production, Land and Marine Affairs and all the others on this side who have been engaging the post budget discourse nationally. I find ventilation of the intricacies of the Government’s plans for the future advancement of our country to be quite useful and informative to the population.

I am flabbergasted at the pessimism emanating from the opposite side on this budget. It is as if they looked into a crystal ball and demanded that the prognosis be one of doom and gloom [Desk thumping] so that they can galvanize their game plan for this debate. [Desk thumping]

Last Monday, on prime time television, the major networks, TV6, CNC3, CNMG were inundated with PNM anti-budget sentiment and negativism. If the Opposition wants to wallow in the quagmire of pessimism and doom and gloom and a fictitious pipe dream that this PP Government will collapse, they have earned the right so to do and we must allow them to exercise that right. [Desk thumping] But we on this side shall aspire to mount up to alpine heights of general overall prosperity for all our people, with the underpinnings of hope, optimism and innovative fiscal measures to secure this result.

You know, Sen. Cudjoe made some comments. I am sorry she is not here because a lot of us in Tobago are very proud of her. As a young person, she came on—and I am not ashamed to say that—but I find that today was not a good day at the office for her. [Desk thumping]
Seriously! You know people say when a story is in the air, there is his side, his side and the truth. It is always useful to get another perspective. I know she throws herself around as the authority on Tobago, but she is not. And she cannot be.

The last election is a good indicator—27,000-plus people went to the polls, 15,000-plus voted for the TOP and maybe 13,000 voted for the PNM. Therefore, she cannot be speaking for the entire Tobago.

I must say she speaks for the PNM and she speaks well for them because that is consistent with PNM talk. What we have heard here this evening is what I call postprandial prattle. [Desk thumping] That simply means chit-chat after a meal.

I really did not want to respond to some of the stuff because it is just not a good day so it does not do justice to try to respond. I know it is convention to try to rebut some things, but it just does not do justice and I do not want to waste too much time. It is just not a good day. I do not agree with Sen. Cudjoe and most of what she said. What she said was one-sided. It is a PNM view; it is reflective of the negativism that is a part of the PNM strategy as it relates to the response to the budget. That is what that is. [Desk thumping]

This budget provides some definite policy responses and prescriptions to some of the most challenging situations. We have heard about the fiscal and administrative reactions to the illegal diesel bunkering and so on that seemed to have been flourishing under the former regime, and I am sure they may say beyond that. That is my impression. It provides social relief for the differently-abled.

In a very special way it brings equity to the public pensions payments. It provides the finances requested by the Minister of National Security for sustained and improved safety and so on.

10.45 p.m.

The budget is comprehensive and people-centred. Among many others, the most important thing for me and, perhaps, for the people of Tobago is, it reaffirms the People’s Partnership’s commitment to deliver full internal self-government to Tobago. [Desk thumping]

Mr. President, when you put all these things into an equation, it equals to a people-centred, a people-focused budget, which is consistent with the governance philosophy of the People’s Partnership, hence the mantra of the hon. Prime Minister: “Serve the people, serve the people”, is not just political rhetoric, but
the honest intent of the heart, reinforced by actions to that desired end. [Desk thumping] That being said, Mr. President, I now want to go into a little more substance of this very interesting debate. [Crosstalk]

Mr. President, I want to talk a little about Tobago’s heritage, and this is consistent with the projections of the Tobago House of Assembly. When the budget was delivered this was a part of the plan: sustaining, maintaining Tobago’s heritage and so on. Every right-thinking Tobagonian who knows the political history and struggles of the people of Tobago from as far back as 1899 to present, as I speak, will agree that Tobago’s jackpot in the budget presentation came when the Minister of Finance stated that the People’s Partnership Government is committed to honouring its pledge to take Tobago to full internal self-government, and that the groundwork has been done, and the details about the period for public consultation would be worked out at the level of the offices of the Prime Minister and the Chief Secretary. This commitment, Mr. President, has never been made to Tobago before and must, therefore, be put in its historical context in order for its demonstrative effect as a big prize to come alive.

Mr. President, these are some of the historical facts. The political struggle of the people of Tobago since 1899 has been and continues to be for internal self-government. Since, Independence in 1962, Tobago and Tobagonians have lived with the current constitutional arrangement, but have never been satisfied. We always felt that the arrangement could be improved.

Tobago’s struggle for internal self-government since 1962 has been in the main with a PNM central government. Most of us will recall ANR’s struggles in the Parliament for Tobago’s right to internal self-government in the 1970s against the Williams-led PNM administration, at that time. Mr. President, it is the first time—I need to emphasize this—it is the first time in the history of this country that a political party, even before it got into office, explicitly stated its policy position to deliver full internal self-government for Tobago. [Desk thumping]

The People’s Partnership, in its manifesto for the election of 2010 made its intention clear. The TOP negotiated for internal self-government as it joined the partnership and got the agreement and commitment of the partners. While we in the TOP were securing Tobago’s right for self-determination within the framework of the sovereign Republic of Trinidad and Tobago, the Chief Secretary and the PNM administration in Tobago were telling Tobagonians that the TOP sold out to the UNC.
Upon winning the general election of May 24, 2010 by an overwhelming majority, with despatch, the constitutional foundation to provide for internal self-government for Tobago was prepared by a team of Tobagonians led by Mr. Reginald Dumas who had made a private intervention for public purposes in this matter. The process is now at the stage of a draft Green Paper. A draft Green Paper was sent to the Chief Secretary of the THA for comments on August 09, 2011 by the Attorney General. I have been advised that he has not yet replied.

The People’s Partnership Government, through its Ministry of Finance, during this budget, has made the commitment again, stating that it is committed to taking Tobago to full internal self-government. I am just continuing with the historical facts here, Mr. President.

It is always good for us to take time and record historical developments as they unfold. History is good. Mr. President, it is worth emphasizing here that from May 24, 2010 to present, the People’s Partnership has moved the process aimed at delivering full internal self-government for Tobago from a manifesto promise to a Green Paper. Mr. President, the net effect of this is that what the PNM refused to do for Tobagonians in nearly 50 years—I repeat—in nearly 50 years, the PP Government has done in 18 month with Tobagonians playing the leading role. [Desk thumping] That is a desk thumping thing that requires a second desk thumping. [Desk thumping]

Sen. Al-Rawi: So the NAR did nothing! And Basdeo Panday did nothing!

Sen. T. Baynes: I would not be distracted by you this evening. [Desk thumping] I would not be distracted.

Mr. President, the form of internal self-government, as prescribed in the draft Green Paper, provides the final constitutional authority to the Tobago House of Assembly to deal legislatively and exclusively with matters in the subject areas for which it is constitutionally responsible to the people of Tobago. It also provides for constitutionally guaranteed funding of the THA at a minimum percentage of the national budget. I must interject here. I just remembered this. Sen. Cudjoe was making the point about the amount of money that the THA gets, and she went on to say that if there was no DRC, that this Government would have given the THA 1 per cent. It is depressing to hear stuff like that, because based on this Government’s track record since it has come into power, it has served Tobago well by actions. [Desk thumping]

I must also say that one of the things that really concern us in Tobago is not so much the numbers. The numbers are important; yes we need resources, but it is how the resources are managed is the concern that we have. [Desk thumping] All over the world and in every jurisdiction that you go, people are asking for
accountability. When you get moneys you are supposed to do what you are supposed to do with it. You are supposed to account, and we have a significant problem. For years the lamentation has been that there have been signs and evidence of gross mismanagement in the way things have been done in Tobago. The records are there to show it. That is one of our concerns. So, while on the one hand, there is the need for more resources, there is also a greater need for a responsible approach as it relates to the management of these resources. [Desk thumping]

Mr. President, these provisions when passed into law will have the effect of transforming the legal, administrative and political landscape of the island and its people. It will provide constitutionally the legal and administrative platforms that are needed and are necessary for the Tobago House of Assembly to give meaning and effect to its desire to protect Tobago’s heritage as stated in the 2012 budget statement.

This is the kind of importance and bridge that come with Tobago’s constitutional right for internal self-government. The THA will be constitutionally empowered to take all the legal and administrative steps necessary to secure the island’s heritage.

On the delivery side of this issue, I will submit that it is a reasonable expectation that the process will be completed by fiscal 2012, culminating in full internal self-government for Tobago. The reason I feel comfortable making this prediction is, it appears that the demonstration of the goodwill of this Government to the people of Tobago is going at supersonic speed. I have said, based on the response that I have seen, that Tobago has been served well by the visits that we have seen, by the policy decisions that have been made, by the actions that we have experienced in the last 18 months or so; we feel that we are in good hands as it relates to a central government that is concerned about the people of Tobago.

Mr. President, a few years ago, Mr. ANR Robinson said Tobago had lost its momentum. Perhaps, there was some truth to that, because the type of governance situation that we were in and a significant percentage of the population felt disenfranchised and all of that, and in spite of all these resources that have been around, they just never seemed to trickle down to the average Tobagonian. It seems as if the wealth was kept in small pockets; it seems as if just those people that were sensitive to the PNM’s cause or even if they were in the PNM camps, they seemed to have had the lion share of all the resources. That is how it appeared, but with the advent of the TOP and a new type of political philosophy, a new conversation started in Tobago and the momentum began to build, and being
reinforced and supported now by this PP Government, I am proud to announce to this Senate that Tobago has regained its momentum, and we are moving forward. We believe that we are continually going to be playing a vital role in the development of this nation of Trinidad and Tobago.

Mr. President, I want to just make a few more comments about the matter of health. I know this is something that is almost depressing when you begin to talk about it, but I will do my best. The commitment of the PP Government to deliver the long maligned Scarborough Hospital to Tobagonians in time for Christmas could be classified as the healthiest statement made about this health facility in a long, long time. [Desk thumping] There is nothing for us to gain in repeating and rehashing the sins of mismanagement and sophisticated robbery in the name of variations, and the possible siphoning of materials associated with the construction of this project under the PNM central government and the PNM-led THA. There were all these questions around. It is said that corruption is a crime against development, and this is the reality of the Tobagonian experience with the Scarborough Hospital project and many other construction projects on the island, but there is also a saying that those who do the crime must do the jail time.

In addition, there is a budgeted figure of $447.9 million—programme—to provide for the health and social needs of Tobago. This figure represents a $170.3 million increase on the 2011 allocation to this division of the THA. I think this must be said, because we heard Sen. Cudjoe make a lot of comments about the THA being starved, and there is some conspiracy and so on, but the figures do not say that. The numbers say something completely different.

11.00 p.m.

I remember Sen. Dr. Henry saying that figures are stubborn. I think that was the comment he made about the numbers. The numbers remain there for all to see. All this is happening in a Tobago that is said to have the lowest per capita of persons per health facility ratio in the world. That is what is being said. [Interruption] That is what he said, facts are stubborn things.

The problem that remains is the inability of the island’s management over the last 10 years to build a world-class health facility that could deliver the proper type of health system we think we so rightly deserve. I am confident that Tobagonians will not reward failure at this level, and that they will certainly effect a regime change that is so badly needed, to protect and to secure their health and general well-being at the turn of the next THA elections. [Desk thumping] The result of the last general election speaks to this fact, so I am least worried. I have every faith in our people.
If I may just say a little about tourism. I have heard some comments about tourism and what the state of emergency has done to tourism. But the truth be told, the tourism situation in Tobago has been flat for many years before the state of emergency. We have always been complaining that there have been a lot of resources thrown at it, but there seems to be no real movement, and it is endemic to a lot of the activities that take place in Tobago under the watch of this present PNM administration. With infrastructural development, it is as if it takes a Golgothic trip; it is like watching paint dry on a wall, things just take so long to get done.

The time has really come for some change, and even when the Minister of Finance made the point that we must get value for money, I supported that. I think if you give a man $500 and five children, there is a certain expectation that you have of that man. But if you give that same man $5 million with the same five children, your expectation is supposed to change. That is a reasonable conclusion.

For the past three terms, the Tobago House of Assembly has had in its coffers at least $15 billion, I am certain. When you go to Tobago now, where in Tobago can you honestly say resembles $15 billion? That is a question we must ask honestly. Before we get into the political rambling and all of that, we must ask this honestly. This is a question that we must ask. Where can we actually say that we have seen $15 billion invested in Tobago’s development and advancement? I want an answer to that question. [Interruption] I said at least $15 billion. Over the last three terms, at least, $15 billion would have passed through the coffers. I am asking: what is there to show? Where can we see that $15 billion investment? [Sen. Hinds rises] [Interruption]

Sen. Hinds: Would you give way?

Sen. T. Baynes: I do not feel like giving way. [Desk thumping] I am a new kid on the block, Mr. President. [Laughter]

Hon. Senator: Well done, well done, well done! [Desk thumping]

Sen. T. Baynes: I do not understand all this. I am new, so I guess I am suffering from an acute case of “disaccustomcy”. [Laughter]

Mr. President, Tobago’s economy can be described as services led, tourism driven, Government powered. What this means is that the island’s Government, the THA, must ensure effectiveness and efficiency in all its administrative and public expenditure functions. In this regard, the records of the current Assembly are there for all to review and to come to their own conclusions.
What is the reality? In spite of the millions or billions that have been invested, we have been told that there are several—let me say this too, because sometimes we say this administration did not do anything, it is a figure of speech really. It has to do with that same thing about value for money. If you give a man a task, you ask him and you give him all the resources to do it, you have a certain expectation of that man. If you ask him to move 20 chairs, you give him what he asked you to pay him for that, and you come back and see that he has just moved one chair, you can say he did nothing, and that is an understanding, because what you expected you did not get the value. That is why you hear this rhetoric a lot in the Tobago context, that the present administration has done nothing. It is in the context of the resources that have been made available to them.

Mr. President, the People’s Partnership Government being the Government of Trinidad and Tobago, contrary to what the PNM in Tobago may think or perceive, exercised its responsibility to the island’s tourism sector by setting the Tourism Development Fund at $100 million. It is geared towards protecting sustainability and quality of the tourism product, through the provision of access to the Government guaranteed funding for both existing and new property developers. Relatedly, the People’s Partnership Government worked with the stakeholders in the tourism sector in Tobago and formulated a 15-month action plan designed to reposition the island’s tourism on a growth path. This plan will provide financial incentives for investors in the industry.

Further to that, the PP Government has issued a policy directive to the management of the Magdalena Grand Beach Resort. I want to just say something about that, because I realize that there are a lot of negatives. I heard the Leader of the Opposition in the other place make some analogies, very negative, pretty much the same that Sen. Cudjoe made, but I know the Magdalena has a name. Many beautiful ladies have been named Magdalena, so it is weird. I realize that when you want to make a point, you could make it walk on all fours. If you really want to be negative, you can find anything to be negative about. So I do not understand what the hang-up is with the name and what the implications are. We must put that to rest.

The point is that the Government has been working with the management to work with the Tobago fishermen and farmers, with the aim of building a sustainable and predictable local food supply chain for the resort. If properly implemented, this could be the intervention that has a domino effect on other establishments, thus creating guaranteed local demand markets for the input of the island’s agriculture and fisheries industry. If properly actioned and managed, this could signal the dawn of a new agricultural revolution in Tobago. I see this initiative as being pregnant with opportunities for Tobago.
I want, if I may, to just make a few comments about the tertiary education situation that is going to be happening. The proposed integrated university campus in east Tobago, which will integrate the campuses of UWI, UTT and COSTAATT, is another provision in the 2012 budget that fits neatly into the THA’s proposals to embrace higher education. I know Sen. Cudjoe again made a lot of negative comments about that, as to the fact that they have not found the place to turn the sod and all that kind of stuff. I mean, we have had enough. It is only so much negativism that we could take, but we are encouraged by this move.

The construction of this facility will deliver, in a material way, real and meaningful opportunities for every Tobagonian to embrace higher education at home, with their families and loved ones there to support them. This is significant. We are all aware of the magnitude of sacrifices that Tobagonians were forced to make in order to access and participate in tertiary education. These sacrifices were made in most instances, and are still being made. The issue of additional costs for accommodation, meals, transportation and the wear and tear of travelling back and forth and studying, is one that is very difficult. In some cases, there is a social issue, where it even affected some families negatively, where I am told that a husband or wife may have come and had been coming and they just never went back to Tobago. That is what I was told. This campus in Tobago would assist in mitigating some of these challenges.

So, Mr. President, added to the real indigenous tertiary education opportunities that this project would deliver to the island, would be the collective capacities, skills, training, experiences, institutional capabilities that come with a university. All this will be available to Tobago and Tobagonians to assist us in our efforts in developing the island.

Further, this project, if properly managed, will be the fillip that will transform east Tobago into a university town, thus creating exciting commercial opportunities and employment in these areas for the support services that students, lecturers and administrative staff would need, such as accommodation, banking services, restaurant services, transportation and entertainment, among many others. This will be the new educational growth pole in Tobago, attracting regional and international students and lecturers alike. Mr. President, $8 million has been provided for the commencement of this very important project. This is what we call, to the people of Tobago, “service PP style”. [Desk thumping]

I just need a couple more minutes, and I shall take my seat. Just allow me to make a few more comments, and I will try not to belabour the point, regarding the allocations for the THA this year, which is consistent with what has been
happening. When you are not consistent, it undermines your credibility. Under the former regime, one of the things in Tobago that we always chided the THA for, the Chief Secretary especially, was that after every budget, under the former regime, when we would ask, “How do you feel?” he would always say that he was comfortable. As soon as the regime changed, there is all this dissension. So to me it undermines his credibility, because it is the same amount, so what is it that is different?

11.15 p.m.

All of us know that it is just because there is a different government in power, so all of a sudden it now becomes a situation where you are no longer comfortable with what you have; you are uncomfortable. But the truth be told, the efforts that have been made by this Government to assist Tobago, to furnish Tobago with the resources that it deserves and needs to carry out its programmes, are reasonable. It is people-centred and I do not think, in all honesty, that we can say that the People’s Partnership Government has been treating Tobago badly in the last two budgets that it has presented. [Desk thumping]

That is the thing. We need to be very honest and balanced in what we are saying, and that has been the problem, it appears. That has been so even with some of the contributions that have been made; that there is an attempt to try and demonize the Government, and understanding the kind of climate in which the Partnership is governing, one must be able to appreciate that which has been done; all the efforts that have been made to treat with the national situation.

Again, I think that the People’s Partnership Government is doing an excellent job, and I am not afraid to say that. [Desk thumping]

Hon. Senator: Repeat it.

Sen. T. Baynes: As I prepare to conclude, I will be the first to say that allocations for Tobago can always improve for the funding of its development programmes, but I must also be the first to say that the current executive of the THA needs to do much more in the areas of accountability, accounting for the billions in unspent balances, and transparency.

As I am saying this, I worked at a media house some years ago. I think it was maybe 2003, thereabouts; I am not sure and I can be corrected, but it was that time when there was this Auditor General’s report that was very scandalous; there was some $365 million that could not have been accounted for on the part of the THA and so on, and it was in the public domain. I remember interviewing the
Secretary for Finance in this media house and I asked him the question: Why must the people of Tobago trust you to manage their resources if in your first term there is this scandalous report? I remember him saying that nobody is culpable; really, it was just some recording issues. In fact, what was done, really, was to pass the blame on to some of the public servants. I remember asking him if he would be willing to come back to the Tobago public when the matter has been fixed and to give us the assurance that this would not happen again, and we have not heard anything about that since.

I heard Sen. Cudjoe say that all the reports are up to date as of now, and just as you said with Sen. Bharath, I will have to check that to make sure that is verifiable, because we have some serious issues with that; submitting its financial statements to the Auditor General’s Office on time, and I will continue to say this until I verify those facts. Project management, project design to be completed in 12 months, should not take 10 years as in the current case of a lot of the projects.

In closing, I would say that the 2012 fiscal package as presented by the PP Government—or rather by my Government—has provided real and meaningful opportunities for the people of Trinidad and Tobago. It is the least imperfect budget any government could have presented in the context of the current social and economic conditions. [Desk thumping] Tobago and Tobagonians have been provided for and now it is up to our leaders to mobilize, sensitize, inspire and empower people so that we can take full advantage of the opportunities that await us.

The Government has demonstrated it cares about Tobago and its development. In fact, it is the best thing that has happened to Tobago in a long, long time, and I am not ashamed to say that. [Desk thumping] Mr. President, this PP Government has helped us by its policies, by its demonstration to breathe. [Desk thumping] I live in Tobago. I have lived in Tobago most of my life, so I know what is happening and I have a point of view. I mean, Sen. Cudjoe has her point of view and that is her right, but when we are done today, we have her point of view and we have a point of view of another set of Tobagonians, and then the people will decide. [Desk thumping] The facts will speak for themselves.

That is all that I am trying to say, that the debate must be a balanced one, that Tobago does not belong to the PNM. [Desk thumping] Tobago belongs to the people of Tobago. [Desk thumping] I know there is this feeling that the PNM has the divine right—I use the word, divine; I prefer that—to governance, that nobody else can govern anywhere. Perhaps because they have governed for a lengthy time in this country they figure nobody else can govern. They are quick to talk about
who they cannot trust and all of that, but, you see, when you point your finger at people, you have to remember that there are people on your side we cannot trust either. You understand? [Desk thumping] It is a fact!

So we have to try and get away from this. I was looking at a television interview where the Minister of Health was on and they were asking some questions about the Minister of Works and Infrastructure, and then, of course, Sen. Hinds came on and he went on to talk about in the PNM’s history, he could just name on one of his hands how many PNM officials were in discrepancies in public life, and all of that, but he did not have enough hands for the PP Government. And, you know, as if pricked by his conscience, he had to concede that the issue is not so much about how many people are bad on this side and how many people are bad on that side. You know, there is a Bible story about two men who went up to the temple to pray and one man said, “God forgive me, a sinner”;
the next man said, “I am not a sinner as this man. I am not as sinful as this man”,
as if to say it is about the number of sins.

But the thing is that there are areas of deficiency and people with flaws. None of us is perfect, and so we have to get away from this thing, that while you point a finger, that somebody will be pointing a finger at you. There is now the issue of digging, looking under every rock, to see what can be found.

Mr. President: Are you closing?—or otherwise we would have to take a break.

Sen. T. Baynes: Mr. President, I close by saying that I am thankful that this People’s Partnership Government is now in power; that Tobago is served well by this Government, [Desk thumping] and shall continue to be served. The Government has demonstrated by its actions its willingness so to do.

Thank you very much, Mr. President. [Desk thumping]

Sen. Corinne Baptiste-Mc Knight: I thank you, Mr. President, for the opportunity to intervene in this debate. I wish to thank the hon. Minister of Finance for his presentation here which, together with his document and presentation in the other place, helped me to understand the voluminous documentation that we have received.

I also want to appreciate the document that was prepared by the hon. Minister of Planning and the Economy, which I find helpful, in that I think for the first time I have got a feel of what the Government’s plans are. [Desk thumping] While I will try to frame my comments to cover the range of documentation that we
have had, singling out just a few items here and there, I must thank the colleagues on the Bench who spoke before me, because they have made my job much easier. There is a whole range of stuff that I do not have to mention at all.

That does not include the mention in Innovation about the greening of Government policy. Now, I read that mention and I wondered whether there was any correlation between what was said there and the fact that the responsibility for ICT was removed from the Ministry of Public Administration, because I notice that it says that, in spite of the fact that any government office you walk into you see more computers than officers, “the greening of the Government will begin with Government offices using exclusively recycled paper.”

Now, that strikes me as a little odd, when, in fact, we should be moving towards a paperless government in this day and age. But be that as it may, that was not the strangest thing that I have seen in this set of documentation. I went on to read about mainstreaming gender into development planning, and this rang a bell, and it was not the fact that the Prime Minister had sort of started that debate here when she mentioned it in her meeting in her conference in New York.

You see, I recall that in the late ’60s as a rookie Foreign Service Officer in Washington attached to the OAS Embassy, the CIM, which is the Inter-American Women’s Commission, that body introduced the idea of gender mainstreaming. The idea was to include gender mainstreaming as one of the criteria in assessing countries, because at that time this was the era of the Alliance for Progress, and every member country underwent a country review and the CIM wanted, as a part of the country review, that gender mainstreaming would be included.

11.30 p.m.

What they were thinking at the time was that every project that was assessed should be evaluated in terms of the impact that it had on women and the dispossessed and marginalized populations. This was rejected out of hand by the OAS countries, because they said this would be discriminating against the non-female, non-marginalized population.

Now, 40 years later this concept catches up with Trinidad and Tobago to my surprise, but what concerned me was the fact that throughout all of the documentation I could see no evidence that this had formed any part of the planning that went into these documents. I think that this language is going to cause problems because from all that I can understand, the population out there seems to think that gender equals woman and everybody is asking how is this going to affect the women. So I am just putting the Government on notice that this is a concept that needs to be explained.
Now, Mr. President, I would like to concentrate mainly on some of the social aspects of this budget process, so let me start with the education area. This budget allocates some roughly $6.6-plus billion; roughly 15 per cent of the total budget to education and I am talking here about education from cradle to grave, so that it encompasses mainly the Ministry of Education and the Ministry of Science, Technology and Tertiary Education.

Now the system as it exists and as it is projected in the budget will continue to produce what it now produces, on the one hand you have hundreds of exceptional students, thousands of good students who perform well and become excellent and good citizens; very productive, but, as is mentioned in Innovation for Lasting Prosperity, very correctly, they come out into the workforce, very productive, but missing a vital ingredient. They seem all to be missing that national spirit which allows them to work for their good and the good of the country. Everybody wants to be compensated at the highest level for having sacrificed to study.

I share the view expressed in the medium-term framework, that perhaps it is time that the education curriculum or rather the curricula throughout the period of education should start having some emphasis on civics and personal development, and in that respect I am an unabashed fan of the Servol Adolescent Development Programme, ADP, which they offer for the first three months to every intake. I feel that this should be introduced into the school system and run from primary right through to secondary, because this talks to the personal development of the individual. That, together with civics, and at the tertiary level, since everybody in a tertiary institution in Trinidad and Tobago is entitled to and is enjoying GATE, which means that their tuition is paid for by the taxpayers, I feel that it should be a requirement that every institution enjoying GATE must provide credits in, call it Caribbean Studies. It would be the higher end of civics.

I think that if you really look at universities elsewhere you would find that this was always an option, but I feel that it is time that we take this kind of approach to changing our national culture and making people a little more appreciative of who we are and who we need to be.

Now, that is good for the students who perform and become acceptable citizens, but on the other hand we are also producing a handful of deviants who have to be transformed or at least given some opportunity, some kind of training, because these are the people who become dropouts and then wreak havoc on an unsuspecting public.
I wonder how the current budget tells us that Government is going to be dealing with this, because now I am going on the basis of pronouncements from the Minister of Education, the Minister of National Security and people in social affairs and community development; there is total lack of recognition of the presence of these children and young people. The in-school violence is increasing and when I look at the documentation what do I see? For over 600 primary and secondary schools, in the country, the Ministry of Education has on its establishment 178 guidance officers and this has been so over time. There is no increase in this year’s allocation. This is the establishment. This does not say how many of those posts are filled, and I have a sneaking suspicion that there may be as many as 30 per cent of those posts that are vacant.

Now, add to that, in the Division of School Support Services you have got seven Diagnostic Prescriptive Officers; seven District Health Visitors; 49 Special Education Teachers; 82 Social Workers. I want to underscore two psychologists. Now, for the past two years I have scoured the development scholarship ads; there have been no development scholarships offered for psychologists. In previous years scholarships were offered, so that the last lot of development scholars in psychology should be graduating at the end of this academic year ’11/’12, and that is just a handful. But you have two in a system that recognizes a need, because you cannot tell me you do not need psychologists for schools where children are running amok.

You have 49 Special Education Teachers to service a population that responds to the dictum of our Minister of Education, who tells us that as high as 30 per cent of the children who complete the SEA exam to go into high school to Form I have failed language arts. Basically, anybody who is au courant with the system tells you that at least half of those children are illiterate. I am not talking about functionally illiterate, they cannot read. But the problem also exists at the level of some of the adults. Some of the people that you have in CEPEP and URP, they are there because they are functionally illiterate and we recognize that. We also recognize that papa God put some people on earth who are born to do certain jobs. Every country must have its people who will fill the jobs of CEPEP and URP, because the jobs that they are doing are necessary. They are required. We cannot ever think of not having them, you know. Whatever you call the jobs they have to be filled, but there is nothing that says they have to remain functionally illiterate. You can make it a condition of their employment that they attend ALTA classes and you provide the ALTA classes.
But I do not see anyone thinking of doing that when you have 49 Special Teachers to make up the deficit for children who are in Form 1 and who are not literate. And you know what is worse, every government school has a library, but of the 42 government secondary schools only nine of them have either a Librarian or a Library Assistant. Come on! We have got to do better. I am not telling you anything that anybody in the school system has told me, I get it from your inch and a half book that details the staff in every division of the Ministry and in every school. You can go and check it out yourself.

11.45 p.m.

Now, let us look at the tech/voc. Can the Ministers, the appropriate Ministers, tell me that they are satisfied with the level of tech/voc education to which our secondary school children are exposed? And I use that word purposely, because there was a time when these children did work to the level of City and Guilds, now, they are doing CVQs. Can I give you a really serious joke? You know if I were not so slack I could qualify for a CVQ in plumbing. [Laughter] You see what I mean. You get the Caribbean Vocational Qualifications. It means that I could put up a wash basin; I could fix a leaking sink; and if I walk into one of the assessment centres and do that, depending on the time in which I do it, I might get a second class CVQ. And you are going to tell me that it is good enough for somebody’s son who has an interest in plumbing and is doing that in school, to come out of school with a CVQ and say that you have a certificate and this can take you through life. Come on! We have got to do better than that. You do not think I understand.

Sen. Karim: I will explain it over.

Sen. C. Baptiste-Mc Knight: Yes please. But I feel that children who are doing tech/voc must be given the same opportunity to progress in their chosen fields as those who are doing academic work, who can go on to university and get a bachelors. Some of them can probably go and do industrial arts, et cetera, but where?

Sen. Karim: That is the seamless system.

Sen. C. Baptiste-Mc Knight: It is seamless yes, but we have not got the machine, because where are the institutions here for them to do this higher study. MIC does certain courses. MIC offers excellent courses for craftsmen, at a high level. But how many places are available at MIC? How many kindred institutions
are available? And you are telling me now that GATE is going to be expanded to include tech/voc. You know what you are inviting?—a plethora of foreign institutions coming in here to offer those qualifications at my expense. This is exactly what is happening right now in the tertiary level—[Interruption]

**Sen. Karim:** Would the Senator give way, please?

**Sen. C. Baptiste-Mc Knight:** Only if I get my injury time and I would like to finish talking tonight and not have to go through to tomorrow.

**Sen. Karim:** Thank you very much, Senator. Mr. President, I would want to elaborate a little more in my contribution, but suffice to say, that when we talk about GATE for vocational, we are not talking about foreign institutions, Senator. GATE for vocational, we are talking about—and you only mentioned one, MIC, and we have space at the MIC. MIC is expanding. We have the NESC, the National Energy Skills Centre. We have YTEPP. And I want to also advise that the CVQ is being done now, it has replaced the NEC. I will explain all of that to you. I am sure you will understand when I explain it.

The National Examinations Council which was really a pressure and a burden—and I can tell you that I have taught in the senior comprehensive schools for 20 years. I have been there. The CVQ is a work based qualification and for the record there is no second class CVQ. You either have unit awards or your full qualification. I will explain later on. [Desk thumping] Thank you very much.

**Sen. C. Baptiste-Mc Knight:** I thank the Minister. You are absolutely right. I misspoke when I talked about second class. I meant the units. I would qualify for unit two. I understand about the NEC too, you know, because I am proud to tell you I own the NEC Wireman’s Certificate and the higher one.

**Hon. Member:** I hope they gave you a licence.

**Sen. C. Baptiste-Mc Knight:** No, I do not want a licence. You know why? I do not want to find myself in the same position as the graduates in electrical engineering who get a Wireman’s licence automatically and cannot wire a switch. I have done my homework. Think about it. Think about it, son.

Anyhow, I still maintain that YTEPP is not the equivalent of a tertiary institution. So you cannot tell me that somebody is going to go from high school to YTEPP and come out as a craftsman. Come on. That is not where we are heading. What I am urging is a bit of caution. Think carefully. We are talking about public/private partnership. Go back to the days of getting private firms to offer people apprenticeships so that they can really and truly hone their crafts. If
what I am saying you already have, then the gap is in the information that you are giving us, because I sit here and I hear people telling me, we have this document, we have a draft of this. You have two documents, a Draft National Policy on Development and Implementation of a National Life Skills Curriculum for Personal Development and Employment Enhancement. And then there is another, Draft Policy on Tertiary Education, Technical/Vocational Education and Training and Lifelong Learning in T&T.

Now, I can remember seeing the second one, I cannot remember having seen the first one. But in the documentation it is confused. It was a Green Paper, it became a White Paper. It was a Green Paper that was approved by the Parliament. What is the status of these two drafts? Where are they and how do they fit into this whole scenario?

Mr. President, I would like to say more than a word about GATE. Now, I hear that you want to review GATE. I am totally in favour of reviewing GATE, because GATE as it currently stands, is an edifice which I do not understand whether it is closed, locked, open or ajar. And if you open GATE, where is it taking you? Let me tell you what I mean by that.

GATE as it presently operates is open to rampant abuse. Why? Because it is possible. There are students who have been using GATE for three years and have not yet completed one year, one course.

**Sen. Karim:** Financing failures.

**Sen. C. Baptiste-McKnight:** But financing failures is easy to say. It is why? Is it rocket science to centralize the GATE mechanism and have everybody identified by their pin number? Everybody now has to produce a new birth certificate and every birth certificate comes with a specific pin number. If that number is used to identify people, I do not see how you can have one person just cycling in and out—you know, enjoying the smorgasbord of education that GATE gives you access to. No, that is not good enough. I am all in favour of GATE, but this abuse—not at my expense.

Then there is the other side of GATE because it creates expectations. It allows people to have aspirations that the system is not always conducive to having them fulfil. Let me give you an example from my experience, something that I am familiar with. COSTAATT is offering a four year BSc Nursing Programme. Entry to this programme, you need five CXC passes. Now the five CXC passes do not have to be at one sitting and they could be all 3’s. Additionally, you are required to take a rudimentary English and math exam. [Interruption]
Sen. George: Mr. President, I recall that we had agreed to adjourn this sitting at midnight. However, because the present speaker is in full flight—

Sen. C. Baptiste-McKnight: Tomorrow will be fine. I will recharge my [Inaudible]

Sen. George: I heard you just said that you—[Interruption] So may I close?

Mr. President: If I may indicate, your full time would have ended at 10 past 12.00. So I do not know if that is what the Senator is referring to. You wanted to stay till 10 past 12.00. [Crosstalk]

Sen. C. Baptiste-McKnight: Let me just do 25 minutes tomorrow, so I can sort of concertina everything else I would like to say into that time.

ADJOURNMENT

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I beg to move that this Senate do now adjourn to Thursday, October 20, 2011 at 10.00 a.m.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 11.58 p.m.