

**SENATE**

*Tuesday, October 24, 2017*

The Senate met at 10.00 a.m.

**PRAYERS**

[MADAM PRESIDENT *in the Chair*]

**JOINT SELECT COMMITTEES**

**(ESTABLISHMENT OF)**



**Madam President:** Hon. Senators, I have received the following correspondence from the Speaker of the House of Representatives:

“October 05, 2017

Dear President of the Senate,

Establishment of Joint Select Committee

At a sitting held on Friday September 29, 2017 the House of Representatives agreed as follows –

1) ‘Having regard to the decision of the House made pursuant to Standing Order 79(3) on Friday September 15, 2017:

Be it Resolved That the Gambling (Gaming and Betting) Control Bill, 2016 be referred to a Joint Select Committee for its consideration; and

That this Committee be mandated to adopt the work of the Joint Select Committee in the Second Session, Eleventh Parliament and report by March 31, 2018.’

2. ‘Having regard to the decision of House made pursuant to Standing Order 79(3) on Friday September 15, 2017:

Be it Resolved That the Cybercrime Bill, 2017 be referred to a Joint Select Committee for its consideration; and

That this Committee be mandated to adopt the work of the Joint Select Committee in the Second Session, Eleventh Parliament and report by March 31, 2018.’

I respectfully request that the Senate be informed of these decisions at the earliest convenience please.

Respectfully,

Hon. Bridgid Mary Annisette-George, MP

Speaker”

### **TRIBUTES**

**(MR. CLIVE PANTIN)**

**Madam President:** Hon. Senators, as you are all aware, former Sen. Clive Pantin passed away on Saturday, September 30, 2017 and I now invite you to offer tributes.

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):**

Thank you very much, Madam President. Before I start, let me crave your indulgence as we open the Third Session of the Eleventh Parliament and seeing that I was absent at its opening, I just want to, as Leader of Government Business, formally welcome Sen. Haynes, Sen. Hosein—“ah doh wanna call his first name”—and Sen. Obika to the Senate and I wish them a very fruitful and productive session.

Madam President, today I have the honour to rise and pay tribute on behalf of the Government of the Republic of Trinidad and Tobago and the People’s National Movement to a great son of our soil, Mr. Clive Pantin. Mr. Pantin was born in 1933 and passed away a couple of weeks ago, making him 84 years of age at the time of his passing, meaning that he lived well beyond the biblical “three score and ten”, and I am sure it is because he was a true servant of the *Bible*.

As you are aware, Madam President, the Pantin family has distinguished themselves as an outstanding family who have given yeoman service to the country

of Trinidad and Tobago in the field of religion, education, social work and community development. Clive's late brother Archbishop Anthony Pantin was the youngest and first local archbishop of the diocese of Port of Spain. His other brother, Father Gerard Pantin, among other things, is famous for the formation of SERVOL which still remains today as the model for social intervention in challenged communities. Clive distinguished himself in the field of education having been a teacher at Fatima College and rising to the position of being the first lay principal of that college; an educator par excellence, may I add.

To most people's surprise, Madam President, in 1981, he entered the political arena and contested the Port of Spain South seat for the ONR and lost. But having said that, I am personally convinced that he was one person who entered politics with very noble intentions, in seeking the betterment of his community and the wider Trinidad and Tobago and in particular, the students of Trinidad and Tobago. However, after the NAR victory in 1986, he was appointed a Senator and Minister of Education. He was the first principal of Fatima College to hold such a distinguished office and just for the records, our current Minister of Education was also a former principal of Fatima College. But as an educator, I think he served with distinction.

In 1990, after the death of Mr. Des Vignes during the coup, he contested the Diego Martin Central by-election for the NAR. Regretfully again, he lost, but lost to a newcomer who would go on to distinguish himself in the field of politics, the now deceased Mr. Ken Valley. Again, in 1991, he contested the Diego Martin Central seat and lost again to Mr. Valley. Regretfully for him, I guess, he never experienced the joy of winning a seat. Having said that, he also played football for Casuals and actually he represented Trinidad and Tobago in football.

But, Madam President, of very high note in my humble opinion, after the

1991 election, he took a very distinguished exit from politics and focused his life on education and social work through the Catholic Church. He founded FEEL, which is the Foundation for the Enhancement and Enrichment of Life and he continued this effort until his passing. As a piece of trivia, and this was provided by the Parliament, I see he authored the Spanish textbook *Vamos Amigos*. It really brings back memory because, Madam President, that was my Form 1 Spanish text.

He has left to mourn his children David, Bernard, Thomas, Salma and Anna, nine grandchildren and two great grand and many close friends and relatives. As a matter of fact, Bernard is now currently the head of communication at the NGC which falls under the Ministry of Energy and Energy Industries. So now, on behalf of the Government of Trinidad and Tobago and on behalf of the People's National Movement, I offer our deepest condolences to his close friends, family and relatives. And in closing, Madam President, I say to you, Clive, you have served well. You have served your God well and you have served your country well. May your soul rest in eternal peace, my brother. I thank you.

**Sen. Wade Mark:** Thank you, Madam President. I rise to pay tribute on the passing of one of our exemplary citizens whose monumental contribution to the development and growth of our nation is synonymous with the Pantin family. In this context, it is difficult not to recall on this solemn occasion some of his iconic predecessors who have traversed this earthly plane on a one-way ticket to nirvana and who I am sure are sitting in the hallowed chambers of the grand mansion. Of course, Madam President, I am referring to the venerable Anthony Pantin, former Archbishop of Trinidad and Tobago and his brother Father Gerard Pantin. Today, we celebrate both the life and the passing of yet another Pantin, the last of that trio of indomitable Pantin brothers who straddled our society like the Colossus of Rhodes, the late Clive Pantin.

Madam President, the late Clive Pantin was an extraordinarily talented and multifaceted individual. He was an educator par excellence, a philanthropist, a humanist, a politician and Government Minister and a sportsman of no mean repute. During his tenure as a Senator, he was a Minister of Education and a Minister of Health. He excelled in both areas. He also left an indelible mark as a humanist and social worker which is most fittingly exemplified by his establishment of the Foundation for the Enhancement and Enrichment of Life, also known by the acronym FEEL, which provided a social lifeline for the upliftment and advancement of the less fortunate among us. Those who unfortunately were left behind in the socio-economic development of our society.

He was incomparable in the field of education. He was an exemplary teacher at Fatima College, one of the pre-eminent institutions of secondary education in our country. He created history by becoming the first layperson to be appointed principal of a Catholic institution belonging to the Holy Ghost Fathers. The monuments to his achievements as an educator are the numerous individuals who were the beneficiaries of his teaching and have graduated from the portals of Fatima College to be outstanding pillars of our society, making their contributions to the development of our nation.

Madam President, the luminosity of his achievement is embedded, not only in the areas of education and/or humanism, but equally in the field of societal activism. In the Woodbrook community where he lived, he was an active member of the Woodbrook Action Committee giving concreteness to the view that he was equally active in the work of the community. This provided the launch pad for his active involvement in politics between 1986 and 1991 as a member of the National Alliance for Reconstruction. He was a stalwart, he was a titan, he was a man among men, and unlike King Henry the VIII of Tudor, England, he was

unquestionably a man for all seasons. He was always of the people, with the people and for the people. Truly, a man for all seasons.

During his tenure as a Member of Parliament, he made significant contributions to nine parliamentary Bills. His parliamentary contributions were always informative and fulsome. The debates in Parliament benefited enormously from the depth of his knowledge and the breadth of his vision. Over the eons, Madam President, many great souls, many great pillars of our great nation have been snatched away from our presence by the icy hands of the Grim Reaper known as death. We, today, mourn and celebrate, as I said, his passing, and his life, rather. The situation of our late brother, Clive Pantin, is no less so. The difference, however, is that now we have the indomitable trio of Anthony Pantin, Gerard Pantin and now Clive Pantin.

Madam President, we in this august Chamber can rest comfortably in the fact that we now have the Pantin triumvirate or trinity with our heavenly Father. We remain confident that they are all continuing to serve the interest of the people of Trinidad and Tobago and to fully represent them in that grand mansion in the presence of the Almighty, and to ensure that we remain his divine guidance and protection. Madam President, the passing of the late great Clive Pantin was indeed the passing of a juggernaut. May God bless his memory and keep him in perpetual peace. Condolences are extended to his entire family and friends.

**Madam President:** Sen. Richards.

**Sen. Paul Richards:** Thank you, Madam President. It is an honour to bring tributes to the passing of this great man on behalf of my colleagues on the Independent Bench, and I will start my tribute with a quotation from Douglas MacArthur:

“A true leader has the confidence to stand alone, the courage to make tough

decisions, and the compassion to listen to the needs of others. He does not set out to be a leader, but becomes one by the equality of his actions and the integrity of his...”—intentions.

And I could not think of a more fitting quotation to encapsulate the life and the service of Mr. Pantin. When we think of true leaders in Trinidad and Tobago, Clive Pantin easily stands a giant among men and women. Brother, husband, father, friend, educator, humanitarian and patriot, just a few descriptives that attempt to characterize this amazing human being who, in his 84 years, touched so many lives, helped so many people and walked quietly with grace and dignity.

Clive Pantin was born in 1933 and was involved in many sporting disciplines at St Mary's College and was able to balance sports and academics very well. He was originally educated at Belmont Intermediate for which he was very proud and later at St. Mary's College in Port of Spain. Mr. Pantin graduated from the University of Ireland with a Bachelor of Arts (Hons.) in French and Spanish and returned home to teach at Fatima College. He also obtained the Diploma in Education at the University of the West Indies, Mona, Jamaica, prior to Trinidad and Tobago becoming independent in 1962.

While teaching at Fatima College in the 1960s, Mr. Pantin served as sports master, leading that institution to an Intercol victory in 1965. During the 1960s, Mr. Pantin also became involved in the Wes Hall Youth Cricket League. He was also rewarded for his excellent work as a teacher by being appointed to high positions that were previously held only by priests at Fatima, including that of principal. There was no doubt that during his 24 years he was attached to Fatima College, he made significant contributions towards that institution becoming one of the premier secondary schools in this country and the Caribbean.

As a young sportsman, he played club football at the Port of Spain Football

League when football in front of the Grand Stand at the Queen's Park Savannah was in its heyday. His standard of play was good enough to earn selection for many teams in the north against south classics of the day. He also represented this country from 1957 to 1962 and also represented this country in the discipline of hockey.

His civic-mindedness and caring for people and community and country prompted Mr. Pantin to enter the political arena. In 1981, he resigned from teaching and entered the fray of politics. He did not win the seat he contested and so entered the private sector in the field of personal management. He re-entered politics five years later and was appointed a Senator. He served as Minister of Education and Minister of Health within the one five-year term, during the term of the National Alliance for Reconstruction, 1986 to 1991. He considered his service in education or as Education Minister, as one of the highlights of his career. I am quoting him here now at open quote:

I would say my major role as a Minister of Education, I enjoyed it very much. When you are a principal of a school, you see minor changes but when you see all the schools combined, it is a very tough task.

He also served for a time as Chairman of the National Advisory Committee on Education.

After the defeat of the NAR, Mr. Pantin found FEEL, the Foundation for the Enhancement and Enrichment of Life in 1981. He and his team distributed hampers to about 120 NGOs from the massive warehouse owned by JB Fernandes at Laventille. He established FEEL to be used as an effective vehicle to assist the elevation of poverty and hunger throughout Trinidad and Tobago. His ongoing work as CEO of this charitable organization was widely recognized as one of the helping to improve the quality of life for many underprivileged folk in Trinidad



and Tobago. He was, as was previously indicated, the brother of two inductees at the CIC's Hall of Fame, the late Archbishop Anthony Pantin and Father Gerry Pantin.

I, myself, was privileged to meet Mr. Pantin about 15, 20 years ago and worked closely with him on a Christmas Food Drive called "We Can". We were able to raise monetary donations, clothing and food to help needy individuals for over a year, and the success of this project was primarily because of what Mr. Pantin's name brought. It brought to the project integrity, trust and accountability. His name and word were respected and stood for something, a quality many of today's leaders would do well to emulate. Simply put, Mr. Pantin was giant amongst men and women.

On behalf of my colleagues on the Independent Bench, please allow me to express our deepest condolences to his family, friends and colleagues. May God grant his family, the strength and grace through this difficult period and thank you for sharing Mr. Pantin with a grateful nation. This country is so much better for his service. Madam President, I thank you.

**Madam President:** Hon. Senators, permit me to join with those who have spoken in paying tribute to the late Clive Pantin. It strikes me that we are paying tribute to Clive Pantin in this Chamber because it was in this Chamber that he served as a Senator and Minister of Health and then Education. But as we have heard, Clive Pantin's entire life was premised on a devotion to service, not just at the parliamentary level, but at almost every level of human endeavour. His was a life of service in his family, to his Church and to the many students whom he mentored and whom he called the flowers of the nation. He was a multifaceted, multitalented and from all that I have heard, a generous man. His unstinting focus on his fellow man is highlighted when one looks closely at the name of the

organization he founded, namely the Foundation for Enhancement and Enrichment of Life. Clive Pantin's life exemplifies excellence and we are grateful for his service.

In closing, I am reminded of the words of a famous poet:

“Lives of great men all remind us

We can make our lives sublime,

And, departing, leave behind us

Footprints on the sands of time;”

May his soul rest in peace.

Hon. Senators, we will now observe a minute of silence.

*The Senate stood.*

**Madam President:** Hon. Senators, I will now instruct the Clerk of the Senate to convey to his family the sentiments that have been expressed today.

### **APPROPRIATION (FINANCIAL YEAR 2018) BILL, 2017**

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30<sup>th</sup> day of September, 2018 [*The Minister in the Ministry of Finance*]; read the first time.

*Motion made:* That the next stage be taken later in the proceedings. [*Hon. A. West*]

*Question put and agreed to.*

### **PAPERS LAID**

1. Draft Estimates of Expenditure for the financial year 2018. [*The Minister in the Ministry of Finance (Sen The Hon. Allyson West)*]
2. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2018. [*Sen. The Hon. A. West*]
3. Draft Estimates of Revenue and Expenditure of the Statutory Boards and

- Similar Bodies and of the Tobago House of Assembly for the financial year 2018. [*Sen. The Hon. A. West*]
4. Draft Estimates of Development Programme for the financial year 2018. [*Sen. The Hon. A. West*]
  5. Draft Estimates of Revenue for the financial year 2018. [*Sen. The Hon. A. West*]
  6. Social Sector Investment Programme 2018. [*Sen. The Hon. A. West*]
  7. Public Sector Investment Programme - Trinidad 2018. [*Sen. The Hon. A. West*]
  8. Public Sector Investment Programme - Tobago 2018. [*Sen. The Hon. A. West*]
  9. State Enterprises Investment Programme 2018. [*Sen. The Hon. A. West*]
  10. Review of the Economy 2017. [*Sen. The Hon. A. West*]
  11. Vision 2030 – National Development Strategy 2016—2030. [*Sen. The Hon. A. West*]
  12. Vision 2030 – National Performance Framework 2017—2020. [*Sen. The Hon. A. West*]

**10.30 a.m.**

**GAMBLING (GAMING AND BETTING) CONTROL BILL, 2016**

**AND THE CYBERCRIME BILL, 2017**

**(Referral to Joint Select Committees)**

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):**

Thank you, Madam President. Madam President, having regard to the correspondence from the Speaker of the House in relation to the decision of the House on Friday, September 15, 2017, that the Gambling (Gaming and Betting) Control Bill, 2016, and the Cybercrime Bill, 2017, be referred to respective Joint Select Committees for consideration and that these committees be mandated to

adopt the work of the Joint Select Committees appointed in the Second Session, Eleventh Parliament and report by March 31, 2018.

I beg to move that the Senate concur with the House of Representatives.

*Question put and agreed to.*

**APPROPRIATION (FINANCIAL YEAR 2018) BILL, 2017**

**The Minister in the Ministry of Finance (Sen. The Hon. Allyson West):** Thank you, Madam President. Madam President, I beg to move:

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30<sup>th</sup> day of September, 2018, be read a second time.

For this budget presentation, we have chosen the theme “Changing the Paradigm” as these are unusual times which call for major changes in our thinking, our policies, our institutions, and in our approach to how we live as Trinbagonians. This new paradigm will call for serious adjustments from all sectors of society and from each of us. It calls for a greater sense of personal and collective responsibility. To paraphrase the words of President John F. Kennedy, we need to ask not what our country can do for us but ask instead what we can do for our country. [*Desk thumping*]

Changing the paradigm, Madam President, the characteristics of our current economic and financial paradigm include the continued overdependence on the energy sector; private sectors investment in retail and immediate consumption rather than manufacturing and export; a banking sector that supports consumption rather than investment; failure to develop an effective and efficient tax administration; and inefficient systems such as our procurement process. We have already started to address the weakness in the economy as well as to create the

paradigm which is a precondition for the restoration and economic stability and long-term growth.

Before I move forward in placing this budget in the context of the global economy, let me first commend the outstanding professionalism and dedication of the public officials in the Ministry of Finance, the Ministry of Planning and Development and the other Ministries and Departments who worked tirelessly in the preparation of the National Budget, 2018. [*Desk thumping*]

The global economy, Madam President. The latest projections are for global real GDP growth of around 3.5 per cent in 2017 and 3.6 per cent in 2018, up from an average of 3.2 per cent in 2016, but a far cry from the pre-crisis levels, particularly for the advanced economies and the commodity producing developing countries. Commodity exporting economies, most of which were plunged into adjustment mode to offset the sharp decline in commodity prices, are expected to slowly exit their recessions because of the steady increase in commodity prices. The recovery is likely to be slower for oil-producing economies such as ours, as oil prices are expected to make a much slower rebound. It is in this global context of weak or modest economic growth in many countries, that Trinidad and Tobago must find its way.

Madam President, the total revenue collected by the Government in 2017 was some \$10billion less than budgeted. This was caused by weaker than expected performance in some sectors of the economy; the challenges faced by the Government in divesting some assets; the underperformance of the revenue collection agencies. It is for this reason that a significant component of our fiscal policy would be to address tax administration.

Madam President, development in the second half of 2017, confirmed the

assessment of the recently concluded IMF Article IV Consultation Mission that the TT economy is on the cusp of a moderate recovery. To ensure and support this turnaround, we need to redouble our efforts to reduce the large fiscal imbalance and to accelerate the structural reforms that are needed for economic diversification. The medium-term recovery will again be driven by the energy sector. However, the policies being put in place are expected to elicit a stronger response from the non-energy sector.

Madam President, the initiatives being pursued, specifically in the area of natural gas, include a new tax regime to provide incentives for increased exploration and production, the gas sales agreement to be finalized with Venezuela, further exploration activity, and the continuation of technical work in the evaluation of the gas master plan. We are building capacity to guard against transfer pricing practices that erode potential revenue flows to Trinidad and Tobago, and it is our intention to bring legislation to the Parliament in 2018 that will strengthen our ability to address such commercial arrangements.

Madam President, we need to introduce a number of fiscal reforms more in keeping with our global fiscal sustainability. Negotiations between the energy companies and the Government are well advanced and we expect to be in a position to present the new oil and gas fiscal regime before the end of this year. That said, Madam President, we recognize the urgent need to enhance revenue collection in other areas and to identify new revenue streams.

Madam President, property values in Trinidad and Tobago have increased significantly since property valuations were last undertaken under the then existing land and building tax regime. Over the years, as property values increased, property taxes did not keep pace. The time has come when property owners must

begin to contribute a share of these benefits to assist in financing the country's development and providing funds for the servicing of the communities in which their properties are located.

Madam President, it is not the Government's intention to introduce taxes which place too heavy a burden on the population, which is why the new tax regime under the Property Tax Act does several things. It introduces rates of tax that are lower than those that applied under the Land and Building Taxes Act and the Municipal Corporations Act. It introduces lower rates of tax for agricultural and residential property. It removes the discrimination that previously existed in the application of different rates and different assessments in different areas of the country and it contains a provision that allows for a temporary or permanent waiver of tax for persons who are unable to bear the cost of the tax. We are confident that these measures will result in property tax rates that are reasonable and equitable.

Madam President, currently Trinidad and Tobago is the home of a gaming industry worth approximately \$15 billion to \$20 billion, from which we collect very little tax. Actually, the rate of compliance by member clubs and amusement gaming operators is recorded to be less than 10 per cent and 7 per cent, respectively. The proposed gaming legislation is to be laid in Parliament soon, and we are hopeful that with the support of our friends on the other side, who in fact crafted the Bill, that legislation will be in place in 2018. In the interim, we propose to more rigorously enforce the current legislation which provide some limited regulation of the industry.

Madam President, the purpose of this debate is to provide for the service of Trinidad and Tobago, which requires the collection and management of the public

revenue. We therefore need to talk about tax administration. Madam President, the Government of Trinidad and Tobago has taken a decision to establish a semi-autonomous revenue authority, the Trinidad and Tobago Revenue Authority, which will be responsible for the collection and protection of government revenue.

Madam President, to those who ask why we cannot fix the problems by reforming the existing agencies, the Inland Revenue Division and the Customs and Excise Division, we should remind them that successive governments have tried and failed in that task, going back at least 30 years.

The challenges in the current system, identified by a multi-stakeholder, non-political committee are as follows: deficient human resource management; inadequate management capability, accountability and training; inadequate staff development, training and accountability; lack of control over and accountability for budgetary allocations; inadequate employee compensation packages; high incidence of corruption and corrupt practices; inefficient systems for internal investigation and enforcement; inadequate information exchange and coordination between the administrations and the various taxes levied; poor customer relations; anti-business rules and regulations; lack of appropriate information technology systems; poor physical infrastructure and accommodation; deficiencies in the legislative framework.

Madam President, those issues that could have been addressed within the present institutional legislative and regulatory context have been addressed, at least in part. For example, the Government has made available impressive and modern physical accommodation and extensive investments in both hardware and software have been made to improve the ICT capacity of the two agencies.

On the other hand, Madam President, attempts have been made to address



the other issues but with little success. For example, countless appeals and requests have been made to the Service Commissions to fill vacant posts, however, in the face of inadequate responses, successive governments have had to resort to engaging employees on term contracts; a less than ideal arrangement.

Significant investments have been made in training in all areas of deficiency, with little discernable improvement in the level of service to taxpayers. The relatively successful establishment of a sub-office in 1989 to introduce VAT was short-lived because of the reintegration of that sub-office back into the broader tax administration unit.

Madam President, it is not only the structural and institutional inadequacies that hinder the effectiveness of our tax administration. There are also other issues relating to fairness, equity and justice.

A recent study undertaken by economists at the University of the West Indies estimated the tax gap in Trinidad and Tobago, that is, the difference between the taxes that should be collected and the taxes that are collected, to be between 11 and 18 per cent. In financial terms, the gap was estimated to be between \$12 billion and \$15 billion, with corporation tax gap estimate being between \$5.1 billion and \$6.6 billion and the VAT gap estimated to be between \$1.9 billion and \$2.4 billion. An effective tax system is one in which taxpayers are motivated to freely comply. One of the criteria for such a system includes equitable distribution of the tax burden.

In Trinidad and Tobago, there is serious concern regarding the equity in the administration of the taxes. There are many economic actors in the society who are earning a good living and are clearly avoiding their fair share of taxes, while benefiting from the services provided by the State. In other words, we have wage

earners who are relentlessly taxed by the week or the month, who may be living from pay cheque to pay cheque, while a wide range of persons making quite a good living are not bearing their share of tax. This is regressive and repressive.

It is in this context, Madam President, that the Government has looked at good practice options to address tax administration. Case studies have demonstrated the benefits of having a semi-autonomous revenue authority as the centerpiece of the tax administration system. A 2004 World Bank Policy Research Paper has argued that the semi-autonomous revenue authority model, properly designed, can serve to improve tax administration in a rapid and comprehensive manner. Case studies researched by reputable international institutions have convinced us, Madam President, that a well-structured revenue authority not only facilitates coordination and collaboration between the two main tax collection offices, but also allows for the recruitment, assessment, and proper reward of specialized staff, which is not always possible in the traditional public service.

Madam President, we will engage the national community, including labour and business organizations, in an outreach and education programme with a view to sharing with them all aspects relating to the new institution. We propose to have the revenue authority operational in 2018.

Permit me, Madam President, to enumerate some of the key provisions of the policy decision taken to establish the TTRA. In the transition, contrary to the noise that is out there, all current staff of the Inland Revenue Division and the Customs and Excise Division, will have the option to transition to the TTRA at terms and conditions no less favourable than those they currently enjoy. Indeed, staff in the TTRA can expect job enrichment, greater scope for professional development and enhanced terms and conditions.

Pensions and other such benefits will transition with them. Staff who do not wish to transition to the TTRA will have the option of remaining in the public service. Madam President, there are obvious unsustainable weaknesses in the structure of central government's expenditure, particularly in the explosive growth of transfers and subsidies. While we have made some headway in the area of fuel subsidies, more is required.

Consistent with the need to cut our waste and duplication, the Government has engaged the World Bank to conduct a public expenditure review starting with the major areas of expenditure. The study will focus on improving the efficiency of our spending on health, education and social services and developing systems to improve targeting and preventing overlapping of our social safety network. We expect that implementation of measures to improve the efficiency and targeting of these subsidies and transfers could produce significant savings without depriving the deserving beneficiaries of these programmes.

Complementary to that expenditure, Madam President, the expenditure management initiative, we anticipate greater efficiency and effectiveness with the full rollout shortly of the new procurement regime.

Madam President, in seeking to walk the talk of diversification of the economy, we are focusing on six broad areas:

- Business facilitation;
- Export promotion;
- Business incentive programme;
- Business process outsourcing;
- Yachting; and
- The creative industries.

My colleagues will provide more detail on the actions we have taken in respect of the Single Electronic Window, the introduction of an automatic system for the approval of construction permits and the like. However, we recognize that more needs to be done, in respect of business facilitation and we are committed to getting it done.

Madam President, there are several export promotion initiatives, including the licensing of Exim Bank as a forex trader to address the forex need of exporters.

Our new business development incentive programme, Madam President, is geared towards the stimulation of at least 500 small to medium-size business through the allocation of \$50 million in the 2018 budget for the provision of grants to support the vision of entrepreneurs.

Madam President, financial services is one of the sectors which our diversification strategy is focused on. We are therefore moving towards making Trinidad and Tobago a preferred location for business process outsourcing (BPO) and making Trinidad and Tobago an international finance centre. The Trinidad and Tobago International Finance Centre is in the process of expanding its BPO operations by attracting foreign BPO firms who will use local labour to service their offshore clients.

A new yachting policy will be rolled out, laying the groundwork for the enhancement of the competitiveness of the Trinidad and Tobago Yachting Industry and niching this market as the premiere designation for yacht repair services. Madam President, nothing could more starkly demonstrate the benefits of Trinidad and Tobago embarking on this path than the current hurricane season which witnessed two successive Category 5 hurricanes, which wreaked havoc on our Caribbean and North American neighbours. The need is there and we must move

with dispatch to fill that need.

In the creative industry sector, a potential revenue earner is an artiste's portfolio development programme and the export ready academy, which will assist local artistes in the production, marketing and export of their skills.

Madam President, we continue to pursue innovations in tourism and agriculture, including the new incentives for farmers. Madam President, the Ministers of Trade and Agriculture, my colleagues, will elaborate on these exciting initiatives, which have been and are being introduced in their respective areas to promote these objectives.

For our housing market, we intend to shift the HDC's focus away from the provision of housing for middle-income earners and return this activity to the private sector where it belongs. We will support this activity through grants to persons who construct and sell such accommodation, in accordance with Government policy. We will return HDC's focus to the provision of affordable housing for lower and lower middle-income families, with an emphasis on rental accommodation. This shift, Madam President, will be driven by a ministerial oversight committee.

Madam President, apart from the rural infrastructure initiatives to ease traffic congestion, we will introduce a demerit point system as part of the traffic regulations system. We will also reform and modernize the motor vehicle registration system and replace the ageing fleet of Public Transport Service Corporation.

Madam President, while we recognize that the removal of the fuel subsidy will impact the providers of goods and services, including those persons in the private sector who provide public transportation services, let us not forget that the

Government, even in these trying times, continues to lend support to the maxi-taxi owners and operators who enjoy exemptions from motor vehicle tax, VAT and import duties. The objectives of those release is to assist in keeping the price of public transportation affordable to all. Increasing access to health care will be achieved through continued construction of the Arima and Point Fortin hospitals [*Desk thumping*] and the commissioning, in 2018, of the Couva medical and training facility.

Madam President, we are improving the delivery systems and processes in the suite of social sector programmes, while ensuring that the social expenditure is well targeted to cater for the vulnerable and defenseless.

Madam President, we are now positioning sport tourism as a viable, incipient industry for economic diversification. We plan to focus on three major revenue-generating avenues: sport services, sport events and sport infrastructure, given that these areas require very little capital investment, as a result of the already existing infrastructure and framework.

Madam President, addressing crime and criminality will continue to be our number one priority, given its implication for the quality of life of our citizens and for the safety and security of persons wishing to visit or do business in Trinidad and Tobago. To this end, this Government is placing even greater effort in the incoming year into crime reduction. We recognize the need for stronger collaboration between the Government and non-governmental sectors, law enforcement agencies and the populace.

Madam President, we propose to launch the national crime prevention programme, which will constitute a holistic approach to crime fighting. It will impact crime prevention through community empowerment, which is a key factor

in returning safety and security to the national community. It will employ resources in law enforcement, Government Ministries and communities across Trinidad and Tobago. Some focus areas will be the strengthening of our crime detection capability and enhancing our border control efforts.

Madam President, as we continue to refine our national security strategy, we are pursuing a number of initiatives which are either in the planning or implementation phases. We are optimistic that our efforts have begun to bear fruit and we stand committed to continue to invest resources strategically and work with our partners in making crime reduction a reality.

Madam President, I now turn my attention to Tobago. The budgetary allocation for the Tobago House of Assembly for fiscal 2018, is \$2.1936 billion, of which \$1.86 billion will be for recurrent expenditure, \$315.683 million for capital expenditure and \$18 million for the Unemployment Relief Programme. This allocation to the Assembly represents 4.34 per cent of the national budget.

Further, the THA has obtained an international credit rating and we are presently in discussions with the THA, with respect to giving approval to the Assembly to borrow money in 2018 to accelerate its development programme. A further \$1.09 billion is allocated to facilitate work in Tobago by Government Ministries. This will cater for ongoing construction on the Old Grange and Roxborough Police Stations, the construction of a desalination plant and the expansion of the power generating capacity at Cove Power Plant. [*Desk thumping*] Critically, Madam President, draft legislation to grant self-government and a greater devolution of powers to Tobago is before Cabinet and in this fiscal year we will table the legislation before Parliament. [*Desk thumping*]

The budgeted revenue for 2018 is predicated on an oil price of US \$52 and a

gas price of \$2.75 per MMBtu. It should be noted that our assumed oil price is below the International Monetary Fund forecast of US \$56.20 per barrel for 2018, and lower than the current oil price forecast made by the World Bank, the United States energy information administration and the International Energy Agency.

Madam President, based on these assumptions we are projecting total revenue of \$45.741 billion, broken down as follows:

- Oil revenue, \$6.412 billion;
- Non-oil revenue of \$32.910 billion;
- Capital revenue of \$6.419 billion.

Total expenditure, net of capital repayments and sinking fund contributions is estimated at \$50.501 billion.

Madam President, we are continuing to build an inclusive society with major allocations of expenditure for 2018, on security, education and health. The specifics are as follows:

- Education and training, \$7.2905 billion;
- National security, \$6.2371 billion;
- Health, \$6.0278 billion;
- Public utilities, \$3.5454 billion;
- Works and transportation, \$3.0912 billion;
- Rural development and local government, \$1.8494 billion;
- Housing, \$1.0052 billion; and
- Agriculture, \$544 million.

Madam President, as we move towards rebalancing our fiscal accounts and ensuring that our expenditure is brought in alignment with our revenue, while at



the same time creating the necessary conditions for putting the economy on a path of sustainable growth and development, we are utilizing all available financing options for transitioning the economy. We propose to secure from the domestic capital market, the sum of \$4.5 billion, or 3 per cent of GDP. We propose also to continue our sale of assets programme, including repayments relating to the CLF/Clico rescue plan and to withdraw from the restructured Heritage and Stabilisation Fund to generate an amount of approximately \$7.5 billion or 4.4 per cent of GDP.

Madam President, the measures presented in the budget for fiscal year 2017/2018, provides for the following:

- Removal of the incentives currently available to CNG passenger vehicles with engine sizes exceeding 1599cc;
- Increase in motor vehicle tax and customs duty on private passenger vehicles with engine sizes exceeding 1599cc and not exceeding 1999cc by 25 per cent;
- Duty and tax exemption on all motor cycles with engine sizes under 300 cc;
- Increase in the motor vehicle inspection fee from \$165 to \$300;

**11.00 a.m.**

- Harmonization of customs import duty on all tyres at 30per cent new or used, with the exception of tyres for buses and lorries which will remain at 15per cent;
- Implementation of an environmental tax of 20per cent per tyre on all tyres imported into Trinidad and Tobago;
- Increase in all wholesale margins for premium, super and regular

gasoline from 14.5 cents to 19.5 cents, and for diesel and kerosene from 9.5 cents to 14.5 cents which would increase the price of super gasoline from \$3.58 cents per litre to \$3.97 cents per litre, and the price of diesel from \$2.30 per litre to \$3.41 per litre;

- Introduction of a 12.5 per cent royalty rate on the extraction of all gas, condensate and oil, based on fair market values set by the Petroleum Pricing Committee;
- Increase the base corporation tax bracket for all companies to 30per cent;
- Introduce a new tax bracket at 35 per cent for commercial banks;
- Increase the rate of duty on all mechanical games of chance for gambling from 20 per cent to 40 per cent;
- Introduce a 10 per cent tax on all cash winnings by the National Lotteries Control Board;
- Introduce a flat device tax of \$120,000 on electronic roulette devices;
- Increase the gaming tax from \$3,000 to \$6,000 in respect to each amusement game;
- Increase the taxes of gaming tables and other devices by public members' clubs.

In fact, Madam President, we propose to double the rates that currently apply.

- Increase the licence fees for certain categories of private hospitals as follows:
  - Those with less than 30 beds, \$25,000 per year;
  - Those with beds between 30 and 60, \$50,000 per year; and

- Those with more than 60 beds, \$100,000 per year.
- Increase the penalty for persons found guilty of an offence under the Private Hospitals Act from \$10,000 to \$100,000 and increase the penalty for continuing offence from \$200 per day to \$1,500 per day;
- Increase in reimbursement of the expenditure and the cost of work per room from 25 per cent to 15 per cent and increase the maximum reimbursement limit from \$750,000 to \$1.5 million under the Trinidad and Tobago Hotel/Guest Room stock upgrade programme.

Under the small approved tourism properties programme, we propose to increase the reimbursement of the expenditure and the cost of work per room from 20 per cent to 40 per cent as well as the maximum reimbursement limit from \$75,000 to \$150,000.

We will increase the government subsidy of interest charged by financial institutions to such entities for new and restructured loans from 2 per cent to 5 per cent. We will re-establish the export allowance to manufacturers. We will establish an agricultural financial support programme with grants for new and existing farmers up to \$100,000 per farmer. Introduction of a house construction incentive programme up to \$100,000 to encourage private developers—this is the house construction programme—to construct houses to satisfy the current demand for affordable housing.

Madam President, this budget is about changing the paradigm, the paradigm that whets our appetite for imported goods over indigenous products, the paradigm that causes us to resist change in business processes, the paradigm that demotivates us from paying tax, the paradigm that fuels our reliance on oil and gas, the paradigm that propels us into the workforce rather than stimulates us to develop

our entrepreneurial skills, the paradigm that leads us to believe that we are all entitled to have jobs, but that it is okay for us to not actually earn our salaries.

That old paradigm is no longer consistent with our present economic circumstance and stifles our inherent creativity and ingenuity. The new paradigm calls for collective support and action, a cultural shift, responsibility of all of us both in this Chamber and outside of this Chamber. We must embrace this transformation; the time is now; sustainable growth is within our reach; Vision 2030 is on the horizon.

It has been an honour, Madam President, to make this presentation. I thank you and I beg to move.

*Question proposed.*

**Madam President:** Sen. Mark.

**Sen. Wade Mark:** [*Desk thumping*] Thank you, Madam President. Before I commence my contribution to the Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30<sup>th</sup> day of September, 2018, may I extend my warmest congratulations to the hon. Kamla Persad-Bissessar, Leader of the Opposition and Political Leader of the United National Congress and the alternative Prime Minister for this Republic on her excellent and brilliant contribution to the 2018 budget, and her absolutely clear vision and road map outlined to achieve economic recovery and social development through innovation, creativity and transformative measures aimed at driving our thrust toward the fourth industrial revolution in this country.

Madam President, may I also take this opportunity to congratulate my other colleagues who made very decisive contributions and incisive contributions, and I also want to take the opportunity to recognize the Sen. The Hon. Allyson

West who is making her, I would imagine, maiden contribution to the budget here this morning—

**Sen. Khan:** Maiden budget presentation.

**Sen. W. Mark:** Maiden budget contribution. Madam President, we are living in absolutely dangerous times, and if we are to avoid growing disharmony, social calamity and possible civil unrest in our beautiful twin island Republic State, we must be very cautious about the choices we make when applying fiscal measures and policies to address our country's current economic challenges. Indeed, we should be embarking upon a course of development that would lead ultimately to a more equal, more just, more peaceful and more dignified society.

Madam President, it was the late Martin Luther King Jr. who said, some 50 years ago, that,

“We must rapidly begin the shift from a ‘thing-oriented’ society to a ‘person-oriented’ society. When machines and computers, profit motives and property rights are”—no longer considered—“more important than people...”

The gap between the rich and everyone else is now wider than ever and the drive to achieve productive employment with strong social protection provision appears to have been thrown into reverse gear as this PNM Government seeks to reinvent itself as an enabler and facilitator rather than a provider. There is a growing sense of disillusionment, of betrayal, bewildering frustration and corroding bitterness, leading to fear and anxiety in a population whose dreams for a brighter and better tomorrow are increasingly being shattered and whose collective hopes and aspirations are being completely obliterated.

The economic framework under which this country currently operates has

generated an unprecedented concentration of economic power and wealth in the hands of a small number of people. They are the super elite, the group that the celebrated political sociologist, C. Wright Mills, referred to in his classic work *The Power Elite*, he says being compounded by the absence of a clear and well-thought-out economic strategy to lift the society out of its current economic doldrums. It is a challenge, if not urgently addressed and resolved, will ultimately deliver our economy and country firmly and completely into the arms of the International Monetary Fund.

There is every indication, Madam President, that we have already been delivered into the arms of the great economic Satan, [*Desk thumping*] the IMF. At present, the rate of decline of this country's foreign exchange reserves which stood at US \$8.5 billion at the end of September 2017 and given our high propensity to import, we are looking at a recipe for economic chaos and disaster.

The country has got to pause for a cause. We are on the wrong road. Under this PNM regime, the country is heading in the wrong direction. Only someone suffering from a severe bout of the hubris syndrome would not be able to discern the inevitable catastrophe awaiting our beloved country if we do not change course and rethink public policy.

Madam President, if we are to secure decent jobs, secure homes, a safe environment, a better future for our children, a Government that listens and positively responds to the people's concerns, then we are heading towards an inescapable precipice and deathtrap. Time is fast running out, the truth is that prosperity for all cannot be delivered by any IMF-inspired austerity-thinking politicians, rent-seeking companies and/or selfish bankers. What is needed urgently is a new deal which would focus on economic growth, productive well-

paying jobs and reducing income inequality in our country. [*Desk thumping*]

Fiscal policy must be used to generate internal-led growth and promote exports to secure new revenue streams for our nation, placing job creation and full employment at the centre of its policy agenda. Fiscal and monetary policy, Madam President, must work in tandem to finance major capital investment projects and programmes that will create social cohesion and genuine sustainable development.

**11.15 a.m.**

In promoting sustainable development, we must take measures which can be implemented through a clear national plan. In this regard, the United Nation's 2030 Agenda for Sustainable Development codified in a series of goals, targets and indicators what sustainable development should be. What we need to achieve, Madam President—and to achieve these growing demands and obligations—requires bold and inspired political leadership which is clearly absent in this hopeless, clueless and visionless PNM Government. [*Desk thumping*]

Madam President, austerity measures under this Government will only result in more harm than good. The imposition of this neoliberal model on the population by this imbecilic Rowley-led Government will only lead to rising inequality, continued negative economic growth [*Desk thumping*] and parlous social conditions which are already manifesting themselves in rising crime, deteriorating health care services, declining education standards, accelerating poverty, marginalization and exclusion.

Madam President, the PNM Government is faced with the twin evils of growing budget deficits and rising debt levels, which have assumed frightening proportions as this country embarks upon a programme of borrowing to service existing loans. [*Desk thumping*] This, Madam President, ought to raise alarm

bells.

Madam President, let us look at fiscal sustainability. Fiscal sustainability is the ability of a Government to ensure that prudent levels of revenues are realized in order to facilitate its projected expenditure and investment initiatives and programmes for the budgeted fiscal year in question. We on this side of the House will demonstrate the inability of this Government to achieve fiscal sustainability and fiscal capacity in 2018.

Madam President, the PNM Government has predicated its 2018 budget on an oil price of US \$52 a barrel and a gas price of \$2.75 per MMBtu in comparison to 2017 when it was US \$48 and \$2.25 per MMBtu. Madam President, the IMF has suggested in its latest oil forecast for 2018, issued in its *World Economic Outlook* in October, a price of US \$50 per barrel. The EIA in its September 2017 review forecast oil at US \$49.58 per barrel. JP Morgan, a reputable investment firm in the United States, has also forecasted an oil price for 2018 of US \$42 on the basis that shale oil production would grow whilst OPEC's oil production cut has no exit strategy for 2018. Madam President, the reality in 2017 is that oil prices averaged US \$49.19 in comparison to the projected estimated 2017 forecast of \$48 per barrel and a gas price average of \$3 per MMBtu compared to US \$2.25 per MMBtu projected by the Government.

Madam President, in the 2017 midterm review, which the Government presented to this Parliament in 2016, an array of measures were adopted, aimed at recalibrating Government's revenue estimates on the basis of an adjusted oil price of \$35 and a gas price of \$2. Madam President, the fiscal measures also introduced by the Government in the midterm review included unconscionable increases in the prices of super gasoline and diesel fuel by an additional 15 per cent and other



measures.

Madam President, given the patent miscalculations and utter failure by the Rowley-led Government to properly assess and evaluate the volatility of international oil and gas prices as well as the collective opinions of reputable forecasters and key international stakeholders in the global oil industry, it is our considered judgment that the oil and gas prices forecast for 2018 is a strategic move by this Government to create the flexibility so as to facilitate its further assault on the Heritage and Stabilisation Fund. [*Desk thumping*] Madam President, the burning question that is on the lips of the vast majority of our people is: What contingencies does the Government have in place to safeguard the national interest in fiscal 2018 when these policies and measures fail?

Madam President, when we look at the declining fiscal capacity and rising debt levels in our country, what do we see? We see a huge budgetary deficit of \$12.6 billion in fiscal 2017, representing the largest fiscal deficit since 1956. [*Desk thumping*] Given a projected deficit of \$4.7 billion in 2018 as well as Government's inability to realize—we are predicting their inability to realize their \$6.4 billion in capital revenue receipts. Madam President, the estimated budget deficit could well reach \$11.2 billion in 2018. [*Desk thumping*] Madam President, could you imagine between 2017 and 2018 we could reach some \$24 billion in budget deficits. [*Desk thumping*] Madam President, where are we going with this?

When we take into account, Madam President, the high average propensity to import, it demonstrates the gravity of the deteriorating economic situation in our country. Madam President, at 2017, our GDP remains at the same level as at 2007. That is approximately \$148 billion at nominal prices. Our imports in 2007 stood at 31 per cent of GDP. Today in 2017 it is at 52 per cent and our GDP at nominal

prices remains at \$148 billion.

Madam President, when is this haemorrhaging going to stop? This country faces catastrophic repercussions, particularly as it concerns our foreign exchange reserves. Madam President, it has been estimated that when they came into office, they inherited an \$11.5 billion in reserves or the equivalent of 12.9 months' import cover. [*Desk thumping*] But, Madam President, what has happened? In less than two years, we are down to \$8.5 billion and only 10 months' cover. At the rate that we are going, within 20 months we will be zero and we will be heading towards the IMF at the rate that we are going. [*Desk thumping*]

Madam President, recently the Central Bank in its 2017 September Bulletin revealed that both balance of payments on the capital and the current account were in deficit. This represents an outflow of our foreign exchange by key players in this economy. When we look at what is taking place with the Republic Bank Financial Holdings, we understand from a report in the newspapers that they bought a bank in Ghana call HFC, and we are being told that they need US \$120 million to inject fresh capital into that bank. Where is Republic Bank going to get that money to inject into the Bank of Ghana?

Madam President, this is a very serious matter. It is a matter that I believe requires the Central Bank's intervention, because the Central Bank distributes our scarce foreign exchange to commercial banks, and these commercial banks are supposed to distribute those things to maintain stability in our economy, not to maintain their subsidiaries in other countries.

So, Madam President, we are calling on the Central Bank to perform an urgent, special forensic audit on Republic Bank Holdings to determine whether this country's scarce foreign exchange resources, amounting to millions of dollars

issued by the Central Bank, are being used by others, or is being frittered away by the rejuvenated parasitic oligarchy.

Madam President, these resources are distributed, as I said, by the commercial banks, and we know that this bank called Republic Financial Holdings has a subsidiary overseas. So we are calling on that bank to explain to this country how these activities that they are involved in overseas are contributing to a net inflow and not a net outflow of foreign exchange. Madam President, it is very serious. And do you know why, Madam President? The total public debt of our country stands at close to \$95 billion with its external component at \$22 billion. The debt to GDP is racing towards 65 per cent.

Madam President, when you combine the debt with the fiscal challenges that we have and the huge voracious appetite of this Government to borrow, we are heading towards the debt trap [*Desk thumping*] and we are heading towards the International Monetary Fund. [*Desk thumping*] Madam President, if you look at interest payments for the last three years, you will see where it is rising. In 2015, \$3.4 billion; in 2016, it gone to \$3.7 billion and at the end of 2017, \$4.5 billion. Madam President, the debt of every woman, man and child is equivalent to \$70,423, Madam President. [*Desk thumping*] This is a looming catastrophe in this country.

When we look at the kind of austerity measures that they have introduced here, it is because of the incompetence and the anti-people philosophy of this regime called the PNM. Madam President, there is an explosion of fear, disappointment and disenchantment across large segments of our country. The working people are under severe pressure in this land because of the kind of measures introduced by this Government.

Madam President, we must do everything we can to avoid, at all cost, any calamity in this country. That is what our duty is, but the working class and the middle class and the vulnerable are traumatized, severely traumatized, by the measures introduced by this Government, Madam President. This regime, Madam President, has seen thousands of workers being thrown on the breadline over the last few months, 24 months to be precise. I would not burden you with the names of the companies and the number of workers, only to say that thousands of workers have been dumped on the garbage heap of this society.

Madam President, these measures are bringing workers pain and hardship. These measures are insensitive and cruel. They are having deleterious and debilitating impact on the poor and the working people. We are, therefore, proposing a new rethink of development is needed in this country, a new policy direction, a sine qua non to rekindle growth, generate jobs and protect the poor, the weak, the vulnerable and the marginalized in our country. Madam President, a new mandate is absolutely required. The PNM social contract has been breached. Fresh election should be called in this country. [*Desk thumping*] The Government has not only broken its social contract with the people, but has lost its political legitimacy to rule this country. [*Desk thumping*]

Madam President, I would like to deal with the issue of the challenges in the declining economy, some of the challenges. There is an alarming decline, if you are not aware, in the labour force participation rate in this country which is a cause for serious concern. The labour force participation rate has been steadily declining over the last few years, and this declining participation trend has worsened over the last 24 months. Madam President, it stood at 59.8 per cent at the end of the first quarter of 2017, the lowest since 1995.

This participation rate pales into insignificance when you compare it with 87 per cent labour force participation rate in Iceland, 70 per cent in Belize, 65 per cent in Jamaica, 74 per cent in the Bahamas and, Madam President, 74.8 per cent in Sweden. Madam President, there are several causative factors responsible for this relatively low labour force participation rate inclusive of an ageing population. Some of these include: a high level of school dropouts; the astronomical murder rate, which may also have led to the resignation of spouses from their jobs to look after dependants; and, Madam President, an exponential growth in the number of discouraged workers. These factors, Madam President, were highlighted at a conference that the Government held recently at the HYATT Regency. Madam President, whatever may be the factors responsible for this decline, the truth is that the low level of labour force participation rate is having a negative effect on national output and productivity and, consequently, economic growth and social development.

Madam President, when this situation of declining labour force participation is combined with the murder of over 6,400 able-bodied young men and women whose average age is around 29 years since 2006, one begins to fully understand the profound impact of crime and violence on the productive sector of our national economy.

Madam President, there is also the phenomenon of underemployment. We have estimated a loss of some \$2 billion annually in economic value, as well as the rising unemployment rate in our country. Madam President, we have to do something about the labour participation rate, the decline, the rise in the dependency rate coupled with absolutely no change to the retirement age. The total outlay of pensions will continue to rise on the already overburdened shoulders

of a shrinking employment force.

Madam President, employment declined from 623,300 at the end of 2015 to 611,100 at the end of the first quarter of January to March 2017. The working class has not been able to secure, through collective bargaining, any new collective agreements since the arrival of this “red and ready” brigade. Indeed, Madam President, the latest Central Bank Economic Bulletin revealed a major contraction in what is called the index of average earnings, which has declined by 3.1 per cent during the first half of 2017. Madam President, do you know what that means? It means that workers are becoming poorer in this country. [*Desk thumping*]

Madam President, in the face of these rising prices manifested in these measures announced by the Government comes the announcement from both the Minister of Public Utilities and the Chairman of the RIC that they have already taken a decision—particularly the Chairman of the RIC—to increase rates for electricity and water even before a public hearing has taken place in this country. [*Desk thumping*] They have already predetermined that there will be an increase in water and electricity rates. That is a travesty of justice. It is almost like an illegality that is taking place.

Madam President, I am sorry that my friend is not here, the Minister of Labour and Small Enterprise Development, because the hon. Minister of Labour and Small Enterprise Development promised this country, in October of 2016, that there will be a provision in which a Canadian company named Hire Pro Drivers would be able to identify some 35,000 long-haul trucking vacancies in Canada that could be filled by nationals of this country, and even hinted the strong possibility of workers even securing permanent residence. Madam President, I am sorry that the Minister is not here, because I wanted to ask the Minister: Was that a hoax or

was it designed to mamaguy and fool the working class? She has to answer.

But, Madam President, amidst all that is going on, we cannot escape the importance of social dialogue. We have to engage our social partners. We have to bring all our social partners together in meaningful discussions and establish what is called a social compact that will deal with the issues in addressing or facing our nation. Madam President, I recall in their manifesto, they gave about 16 to 17 manifesto promises to labour. Not one has been fulfilled. [*Desk thumping*] They have not kept one promise. Every promise they have made has failed. They have failed to implement those manifesto promises.

So, Madam President, when we examine what is taking place under this Government, we see that this Government has been completely kidnapped by the super elite in this country. Madam President, and as I speak about the super elite, I want to tell you what I have observed and I want to share it with you. Madam President, do you know what is happening? You may have read the following. A company by the name of Massy recently obtained a Bureau de Change licence to buy and sell foreign currency notes, coins and traveller's cheques. This is despite the fact that this same company, Madam President, is an authorized dealer and has a licence issued by the Central Bank to conduct business as a non-bank financial institution. So they now have two licences, and they break the queue in order to get up front and they get this licence.

Madam President, I want to ask the question, through you: What is the link between that Neal & Massy or Massy Communications and the decision to sell their loss-making Massy Communications to TSTT for \$250 million. Is there a link between those two transactions? I ask the question, Madam President, because up to this time, no due diligence has been made public about this

transaction. It is shrouded in mystery and secrecy. This Government is a secret society. They do not provide information to the public.

Madam President, there is another matter that the public would like information on and it deals with this—it occurred in May of 2015. The public would like to know whether a board member of this same conglomerate obtained, free of charge, several computers and other equipment for delivery to a Member of Parliament on the ruling party's bench to fight the last general election. How has this transaction been accounted for at the Massy conglomerate, which is a publicly trading company? Has it been written off on the asset register?

**Madam President:** Sen. Mark, you have five more minutes.

**Sen. W. Mark:** Are the auditors and shareholders aware of this transaction? What type of personnel information is involved here? Madam President, these are matters that we would like the Government as well as Massy to answer.

Madam President, it has been brought to our attention, and I want to let you know as well, because there appears to be an attempt to hijack our democracy. There is a clear and present danger involving the Government's systematic undermining of our country's independent institutions. Information has reached us that the Public Service Commission recently took the unprecedented and astonishing decision to appoint a junior member of staff who is a contract officer as the new Chief Elections Officer of the Elections and Boundaries Commission. What is even worse, we understand that that person who was appointed to a public office as a contract officer is the first cousin of the Minister of Public Administration and Communications. We want clarification on this, and we want to know why is the Public Service Commission breaking and breaching well-established regulations in the public service. [*Desk thumping*]



Madam President, I cannot detain you any longer. I think I have to wrap up and I want to do so by telling you the IMF-inspired austerity fiscal measures are disproportionately aimed at placing the burden of the fiscal adjustment on the middle class and the vulnerable strata of our society. These PNM programmes of fiscal choices in the 2018 budget will not lead to growth, expansion, development and transformation. Madam President, I want to tell you and this honourable House that a budget is not merely about taxing to bring revenue and expenditure into fiscal balance and prosperity. Prof. Joel Slemrod said that prosperity depends not only on the level of taxes but also on what the money is used for.

Madam President, I also want to close by sharing these very powerful words of wisdom issued from the pen of the third President of the United States of America, and the gentleman who wrote the majestic words on the Declaration of American Independence, Thomas Jefferson—I think the Minister in the Ministry of Finance would do well to note these words of wisdom:

“The care of human life and happiness, and not their destruction, is the first and only object of...government.” [*Desk thumping*]

That is the only object you have. [*Desk thumping*] Thomas Jefferson said that:

“The care of human life and happiness, and not their destruction, is the first and only object of good government.” [*Desk thumping*]

Madam President, we cannot tell the Government what to do. We can only advise them. We think that the time has come when they have lost their legitimacy to run this country. I think that the Government should step aside, call fresh elections and let the people decide, Madam President, on the way forward. [*Desk thumping*] I thank you very much for allowing me to contribute. [*Desk thumping*]

**11.45 a.m.**

**Madam President:** Sen. Shrikissoon. [*Desk thumping*]

**Sen. Taurel Shrikissoon:** Thank you, Madam President. I must say that I appreciated that welcome. [*Laughter*] Thank you, Madam President, for allowing me and for recognizing me, and allowing me to contribute to this debate. I would really like to take this opportunity on behalf of the Independent Bench to welcome Sen. Haynes, Sen. Hosein and Sen. Obika, if I pronounced it that correctly, to the Senate and to be part of the Senate family. [*Desk thumping*] I thought it would have been a good place to welcome them. I would also like to thank my colleagues on the Independent Bench and my coordinator for allowing me the opportunity to commence debate on the budget presentation, fiscal package 2018, on behalf of our bench, and so I trust that I do them well and this country well.

I would like to take this opportunity to acknowledge the work and effort of the Minister of Finance and his Minister in the Ministry of Finance, and their team, and all public officials who aided in preparing the budget documents for fiscal 2018, and I think that that is an effort that we need to also recognize, the hard-working members of our country. But at this time I want to get straight into my contribution so that I would be able to manage time a little bit better. Madam President, over the years we have had several budget themes, and I have noted in the budget presentation of the Minister that he made a reference to a five-year cycle of data being presented and that was in keeping with the UN's Statistics Division benchmark, and so I would like to use the same five-year benchmark so that I would be able to cross administrations.

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

In 2012, we had a budget theme, From Steady Foundation to Economic Transformation; 2013, Stimulating Growth, Generating Prosperity; 2014, Sustaining Growth, Securing Prosperity; 2015, Empowering our People Through

Sustained Economic Growth and Prosperity; 2016, Restoring Confidence and Rebuilding Trust: Let us do this together; 2017, Shaping a Brighter Future: A Blueprint for Transformation and Growth; and 2018, Changing the Paradigm: Putting the Economy on a Sustainable Path. Mr. Vice-President, if you analyse the macroeconomic situation of our country you would realize that over the period 2012 to 2015, we have had declines. We had a relatively stable GDP, but from 2016 to 2018 our GDP has been on the decline. How is it at the end of this level of expenditure that we would have put into our GDP, we are suffering from a declining GDP? Our debt position, as Sen. Mark says, is shooting through the roof, so that you have a debt expansion over the period 2012 to 2017 of over 45 per cent.

As Sen. Mark says again, net foreign reserves falling, a depreciating currency. Our level of productivity lower than that of 2012, according to the *Review of the Economy*; declining credit ratings, continuous budget deficits. Mr. Vice-President, my point is this, how can we present documents in this House and talk about sustainable economic growth, transformation, securing a pathway, a future when we actually have in result decreases in GDP, contraction of the economy, increasing public debt, decreasing foreign reserves, declining productivity, falling credit ratings and our ninth consecutive year of budget deficits. It is saying to me that the macroeconomic position, the result of it is not in keeping with the intent of budget documents. And if this is the result of the output of those policies, it is simply saying to me, we are doing it wrong. We are doing it wrong. We cannot prescribe a theme and have results that are inconsistent with the theme and say that we are on the right path. [*Desk thumping*]

Sen. Mark touched on budget deficits and I would like to touch on that as

well. As I said before, this is our ninth consecutive year of budget deficits, and I said in my opening contribution, in budget 2016, contribution, that we need to capture the runaway horse of Government expenditure. We need to do it, and so far it has been left unbridled. What is more is that over the period of 2012 to 2015 we had increases in expenditure greater than that of increases in revenue, and that is why we had the deficit. What we are having now is decreases in expenditure, for which I would like to commend the Government bringing it down from a high of 59 to probably 50 right now, but what you have is a fall in revenue at a faster rate than the reduction in expenditure. So while 2012 to 2015 we had increasing expenditure beyond increase in revenue, in 2016 to 2018 we are having decreases in expenditure at a lower rate than the decreases in the revenue.

So in either way we are having deficits, and what has happened here is that the plans are now for Trinidad and Tobago crystalized and sunk as budget deficits. We are having it no matter what the economic condition is, and I am very much concerned about that. And to finance these budget deficits, we are having a sale of assets programme that seems to be a fixture of Trinidad and Tobago's economic plan. Where are we going after all of the assets are sold, and it is simply saying that expenditure has run away from revenue.

I just want to touch on this point for a brief moment in terms of creating deficits. We have heard in this honourable House by the Minister in the Ministry of Finance that estimated revenue is about \$45 billion, but when you want to talk about budget deficits you have to talk about core revenue versus expenditure, not core revenue plus financing. If you want to bring this economy back together, you have to bring it to a place where core revenue is equal at least to expenditure [*Desk thumping*] and then you can have a turn.

Any time somebody is presenting a budget deficit in this honourable House and core revenue is not equal to at least at a bare minimum expenditure, there cannot be a turn of macroeconomic statistics in this country. So as long as core revenue continues to be less than expenditure we are having problems, because if you choose to finance it through sale of assets, you are diluting the asset structure of Trinidad, and that is not sustainable. [*Desk thumping*] We have heard that the budget deficit for 2018 is in the vicinity of about \$6 billion or \$7 billion. In 2017, we realized a budget deficit of close to \$12 billion. If you analysed what really happened in 2017, current revenue was \$36.13 billion; expenditure, \$50.48 billion; deficit, \$14.34 billion; financing, which is not revenue, financing, \$1.7 billion, bringing the deficit that we realized to in the vicinity of 12. So that is the reality. What is happening in 2018, budget expenditure \$50.5 billion; core revenue, \$37.3 billion; deficit, \$13 billion, in where expenditure outstrips revenue financed by borrowing \$4.5 billion; capital revenue, an estimate 6.5, leaving a gap of two, and probably a dip into the Heritage and Stabilisation Fund to finance that deficit.

So for a realized deficit of \$12 billion in 2017, we have a projected deficit of \$13 billion before financing. How can we fix an economy with that level of expenditure, outstripping revenue, and a debt profile that is shooting through the roof?—which brings me to my next point, debt profile.

Mr. Vice-President, since over the years we have had an increase in the debt expansion of this country. Over the period 2015 to 2017 we have had external debts almost doubling, \$13 billion to \$23 billion; domestic borrowing increasing by approximately 33 per cent, and taking net public sector debt up over the period by close to 25 per cent. I want to remind Sen. Khan of this statistic when we first debated borrowing limits in 2016, that he gave an assurance that the debt profile of

this country would not exceed 65 per cent of GDP—up to 65 per cent, if he said. Well, as it is, we are at 63 per cent. And, according to the estimates of revenue, borrowing this year will total just over \$6 billion which will take us well beyond the 65 per cent if GDP remains the same, which more than likely it will in a contracting economy.

So I really want to urge some element of restraint with respect to borrowing. And why am I urging restraint with respect to borrowing, because that is the way we are going. When the Government expenditure exceeds revenue there are two ways that you could borrow. You could borrow externally or you could borrow from the domestic market. When you borrow externally there is a commitment in foreign exchange which is a reserve that is actually falling, and with the decline in credit ratings across the world, as has been presented for Trinidad and Tobago, you would be borrowing at a higher rate; that is if you go externally. And if you go internally, meaning on the domestic market, which is really where the problem is, when you borrow domestically from the commercial banks, the first point is you crowd private sector investment out by competing for the same bit of funds, the same sector that we are trying to build a robust economy through.

The second point with respect to borrowing on the domestic market, if we follow what is going on through the monetary, the Draft Financial Stability Report of 2016 by the Central Bank, you would realize that in Trinidad and Tobago there was an increase in debt expansion among the citizens, and given the harsh economic times that are confronting us, non-performing loans is increasing in the commercial banking sector because of the inability to service the loans. When consumers have the inability to service their debt, the banks have to carry a higher liquidity profile or structure in order to sustain this level of default, but what

happens is as the banks choose to carry, or has to carry this increase in liquidity, you have investments from the Government, Government papers, Treasury Notes coming into commercial banks now for funding.

So the banks have a requirement now in a position to say, “aye”, listen, we have to carry higher liquidity reserves to fund the non-performing loans, but here it is we also have a request from Government at the same time as we carry increased buffers for access for funding, for increased funding. So what does that do, it weakens the asset structure and liquidity profile of commercial banks. Where am I going with this? As revenue falls for the Government, credit ratings fall. If, should the banks run into a liquidity problem they cannot attract the value of the paper that they are holding from the Government because credit ratings are down, and so they will have to sell it at a discounted rate. And if the revenue anticipation of the Government does not materialize then there may be delayed payments on this. What are we creating, in borrowing on the domestic market we are creating a systemic financial risk to the entire economy of Trinidad and Tobago. [*Desk thumping*] So there is caution. While runaway expenditure needs to be financed, it has implications if you borrow externally for the foreign exchange rate, and internal, and on the domestic market for the systematic financial risk that sovereign debt impairment presents to Trinidad and Tobago. This is where we are at, and that is coming from Central Bank, not just my opinion.

My third point is on CLF and borrowing. In budget statement 2017, we have heard, and through the Minister in the Ministry of Finance, Sen. West, shortfall in capital revenue. If you look at the estimates of borrowing, or the borrowing in 2017 you would realize estimated borrowing was at \$5 billion, it went up to \$10 billion. It went up to \$10 billion because the cash flow is from the

capital, or the sale of assets of CLF did not materialize so you increased the debt, but in 2018 we are now saying that we expect this revenue to come in. And when this revenue comes in through the sale of asset programme, it goes to fund expenditure. But if you anticipated it in 2017 and you did not get it and you went to the capital markets to borrow funds for it, when you actually attain the funds, why do you not pay back the debt, [*Desk thumping*] because all you had was mismatch in cash flows, but instead the bulk or all of it goes back to expenditure and the debt profile that you incurred in 2017 to sustain the level of expenditure remains exposed. So actually it was a benefit that they did not get it so that you could bring it in 2018, and that is wrong. That cannot be right.

If you budgeted for it, you did not get it, you borrowed to supplement, well when the revenue comes in allocate it to the debt and bring it back down, but, no, we are not doing that, we pump all into expenditure again to manage the deficit. Foreign exchange position; our foreign exchange position with respect to Trinidad and Tobago's economy, as Sen. Mark was saying, our GDP is at 2007, our reserves are at 2009 levels when the foreign exchange rate was just about \$6.32 and we had a stronger balance of trade. So where we are today is nine years backward. We are at the same level of reserves with respect to forex. Now, the thing about the forex is the forex reserve—foreign exchange reserve is being presented on a twofold basis. We are upset when the credit agencies downgrade us because we have a buffer of the foreign-exchange reserve and we are saying it is large, but that is the same foreign exchange reserve we want to use to defend the currency. A foreign exchange reserve cannot be two things at the same time. It is either we make a decision, either we are going to use it as a buffer for the economy to back the debt profile or we are going to defend the currency at a rate.



We need to make up our minds what it is we are really doing with respect to forex. And while I am on the note of forex, I am asking the Minister to take a note of this recommendation, and I do not know how possible or feasible it is, but there is a shortage of supply of the US dollars in the commercial banking system, and what happens is that there are those, whether abroad or locally, with forex that they are willing to bring into Trinidad for investments that they are doing, or that they are creating. However, they cannot bring it through the commercial banking system because they prefer a better rate, for which they can attract. And more so, if they bring it into the commercial banking system, the purchaser on the Trinidad and Tobago side will not get it because it has to come in and then it has to be distributed. There is a possibility that if, through the commercial banking sector, an arrangement could be made where a transaction between a purchaser and a seller can actually be facilitated on the terms negotiated by the purchaser and seller, so that when they bring it, even when it comes into Trinidad, even if the rate is higher and the purchaser is willing to pay it that they can achieve it. And what happens there is that when it comes into the commercial banking system, it can now be wired or transferred electronically, and so that may aid in the source of foreign exchange for trade. And I am asking if that could be considered and if it could work with respect to foreign exchange.

With respect to Tobago, there are two points I would like to make with respect to Tobago. One, Tobago is to be used as a tourism designation. The air bridge and sea bridge must be reliable and dependent. We cannot have an air bridge that has an inadequate number of seats, untimely arrivals and departures, and most of all presents a risk to people or to passengers flying. And the sea bridge, well everybody knows in this House what is going on with the sea bridge,

and it is not dependable right now. So that is the first thing that needs to be addressed. The second thing I want to address with respect to Tobago is the fact that Tobago has obtained a credit rating of its own.

Mr. Vice-President, total tax revenue in Tobago, \$216 million; non-tax revenue, \$8.3 million; total revenue, \$224 million; expenditure, as the Minister says, recurrent expenditure, \$1.86 billion; development programme, \$.32 billion; total \$2.18 billion; developmental works through Government Ministries, \$1.09 billion; total, \$3.27 billion; total revenue, \$.23 of a billion; deficit almost \$3million. How can an island like Tobago have a deficit of \$3 billion which is funded by the Government and obtaining a credit rating on its own? [*Desk thumping*] How come Tobago could have a credit rating of its own but we cannot have THA audited financial statements to date? [*Desk thumping*] What is the basis? What is the basis of that rating? What is the basis of that rating? To me it is saying, Tobago prepare yourself for a sale of assets programme, because when you cannot achieve, when you cannot make the payment, it is an asset in Tobago now that has to be sold for it. It cannot be that Tobago is dependent on Trinidad and Tobago, and you are pushing Tobago out to take the risk on their own. It cannot be funded through their normal arrangements; if it has to be funded is central government. And when Moody's and Standard & Poor's rates Trinidad and Tobago, do they not rate the islands together, so how come Tobago has a credit rating of its own when the source of funding is from central government? It cannot be right, and I will strongly object to any loan being undertaken by the THA on its own. [*Desk thumping*] At least bring your audited financial statements and show the capacity for repayment; other than that, it is a responsibility of the Trinidad and Tobago Government.

Mr. Vice-President, we have spoken about diversification, diversification has two direct benefits to Trinidad and Tobago, one, to develop sectors in Trinidad and Tobago away from oil and gas. And the second benefit for diversification is as these sectors improve the Government revenue would increase through taxation measures. I want to say this, increasing taxation in existing sectors is not a strategy of diversification. We need to build the sectors in Trinidad and Tobago. I am going to just give a brief example of how we can build the sectors in Trinidad and Tobago. If you look at the *Review of the Economy*, Table 1, you would realize that there are 20 sectors there that contribute to GDP. If you look at those sectors you would realize two of them would be electricity and water and gas; take those two out, you have 18. Of the 18 sectors that remain, six of the sectors realized little or no improvement over the last five or six years; take those out, you are down to 12. Of the 12 remaining sectors, you have four sectors that experience sharp declines. One, agriculture; two, mining and quarrying; three, manufacturing; four, trade and repairs. Those four sectors, although they declined is saying that they have greater potential.

They have capacity in them because they declined. So you have an unused potential in those sectors, and investments in those sectors can turn the performance of those sectors. We need policies and programmes directly geared towards those declining sectors so as to increase the productivity of those sectors for which they would have demonstrated capacity before the decline. Those are the sectors we need to look at immediately. And if you look at the sectors that experienced increases, and how you could do that, before I go to the increases, all you need to do is to look for new markets with respect to the declining sectors, because if Trinidad and Tobago cannot absorb the output of those sectors, just

through the Ministry of Trade and Industry, help those companies find new markets. So that in declining industries or sectors you need market development. So that is four, and if you come down to the remaining five or six you would realize that they experienced sharp increases.

The financial and services sector, 50 per cent; administrative, 45; trade and repairs, 22; professional, scientific and technical services, 20. What is my point? These sectors that are high performing is because they have a product that there is a demand for, so all you need to do is to continue to promote product development in the performing sectors. So when you go to markets you have market development for the declining sectors and product development for the sectors that are improving. What you will end up with is a total composition of sectors in the economy performing a little bit better. So all you need is specific proposals geared towards each one, you cannot use a blanket policy. Have programmes that will encourage, facilitate and incentivize these sectors.

Another point that I would like raise is on competitiveness and confidence. Recently the Global Competitive Index presented Trinidad and Tobago in a positive light with an increase in ranking from 94 to 83, a move of nine places, and I wish to commend the Government for this move. In my opening contribution in 2016, I asked the Government: Is it a possibility that we can facilitate this competitiveness into the upper half? And I would most certainly like to say, from 94 to 83 it is a positive move, and I commend you for that. But what I would like to say with respect to that index, of the Global Competitive Index, is that if you look at the macroeconomic position, which is directly related to the presentation and the debate that is going on here, we saw a change in rank from 114 to 112 this year. So we moved two places up, but if you look at the score, you would realize

that it was 3.9 in 2017 and 3.8 for this year—or 3.9 for 2016 and 3.8, we moved downward. So although the rank improved our score or performance deteriorated.

So rank alone is not good you need to look at the score, but compare that position now to 2015 or 2016, you would realize our macroeconomic position was 54<sup>th</sup>, with a score 4.9, which is saying that our macroeconomic position in Trinidad and Tobago is deteriorating via the trend. Why am I saying this is important? If you want to inspire confidence in investing in the Trinidad and Tobago economy, both through foreign direct investments and locally, the macroeconomic environment must be a positive one. No one wants to invest into an economy where the macroeconomic position is failing—or worsening, I should say, rather than failing. I am sorry for using that word, it is worsening. Nobody wants to do that. And if you look at the problematic factors while we were looking at the top, look at the one to the bottom, tax rates moving from 1.6 to 2.9 as a problematic factor, 82 per cent increase; government instability, one to two, 100 per cent increase; restrictive label regulations, 2.3 to 3.6, 56 per cent increase, as problematic factors, political instability, and worsening position of 48 per cent. Those are problematic factors affecting the macroeconomic environment in Trinidad and Tobago. If we want investment, these things, these factors must be addressed.

My limited time left, fiscal and other measures, as the Government presented, increase on hybrid vehicles with engine size 1,599 and over. I thought when the legislation for hybrid vehicles came it was supposed to bring about a change of behaviour and it was not a revenue-earning measure; today, we are talking about revenue leakage with respect to hybrid vehicles. But just on a point to note here with respect—[*Interruption*]

**Sen. Khan:**—using the hybrid nature of it and just using fuel as usual.

**Sen. T. Shrikissoo:** In a hybrid vehicle the vehicle regulates how it works, it is not a manual position of you choosing to elect which source of energy you prefer to use. So with respect to hybrid vehicles, however, I noted in the budget presentation that it was geared towards luxury cars in that segment. Well if that is the case automobile dealers usually have 1,600, 1,700, 1,800 engine cars, which the population is more attracted towards because of the power and the size of the vehicle is more family oriented. Take the exemption up to 1,800 or 1,899 and omit the last 100 cc's which brings the luxury segment into it. What you will do is, you will still keep hybrid vehicles affordable for family-size sedans, and automobile dealers will still be encouraged to bring hybrid vehicles which will turn the economy as they spend. So that is my recommendation.

Coming down to the end, I cannot go through everything here, but what I would like to say here is that I have analysed the Government's fiscal measures and placed them into four categories: one, measures for business development; two, measures to increase revenue; three, measures to increase expenditure; and, four, measures that will reduce expenditure. That is how I categorized the four fiscal measures. Measures for business development, increase in motor vehicle inspection, increase in the retail margin of fuel and promotion of exports; I agree with that. Actually, it was in one of my contributions on hybrid vehicles that I cautioned that the fuel station sector is suffering because of the increase in business levy and Green Fund, which was a charge on their top line, reducing their margins. I am pleased to see that this was addressed.

The second category, revenue measures, revenue measures in the budget, increase in taxes on hybrid vehicles, increase on import duty, new fiscal regime for

the energy sector, increase in corporation tax, increase in corporation tax on commercial banks, increase in taxes on the gambling industry, increase in licence fee for private hospitals, and reintroduction of property tax; eight measures. Probably I may have omitted one or two. Decreases in expenditure, \$50.5 billion last year, \$50.5 billion this year, no decreases. The only significant decrease on the Government's side would have been the transfer of the subsidy away from being funded by the Government and being fully funded now by the citizens. How can we have a budget with eight measures and when I checked the increase in core tax revenue, it represents an increase of \$4 billion in tax revenue if collected, which is 10 per cent of core revenue? So we are spreading the burden of adjustment and placing \$4 billion on eight measures on the citizens for Trinidad and Tobago and Government expenditure, which is the problem in the economy, stands up there. That is not sharing the burden of adjustment. [*Desk thumping*]

So you have eight measures to increase revenue, no measure to significantly reduce Government expenditure, and it is at the same level of 2017 and 2018.

**12.15 p.m.**

Mr. Vice-President, as I summarize, budget themes have not in the past translated into a reality and have worsened our economic position. Budget deficits persist. The largest deficits are now being realized. Net public sector debt continues to climb. External borrowing will be expensive due to falling interest rates and would put pressure on foreign reserves. Domestic borrowing can create a systematic financial risk if unmanaged. Our reserves need to be managed in terms of our value, and probably now may be the time to signal the second band within which the dollar could be traded, given that we had a 6.82 upper limit in the band presented by the Minister, and we are fast approaching there.

I also gave a recommendation with respect to forex, to ask whether or not purchasers and sellers of foreign exchange could be facilitated through commercial banks on their own terms. I strongly object to Tobago borrowing on its own, given its financial position, its dependence on Trinidad and their lack of financial statements. I did ask that the funding from CLF as it is realised cannot be redirected to some of the debt incurred in the last year.

In the context of diversification, I have presented areas of market development and product development which would bring direct immediate improvements in the GDP of Trinidad and Tobago while we await the performance of the yachting, creative and the IFCs. Those are long-term initiatives. I have presented you with short-term and medium-term initiatives.

With respect to our global competitiveness rank, I commended the Government but something needs to be done with our macroeconomic environment to return investor confidence. And with respect to financial measures, there have been several ways to increase revenue, but no significant way to reduce Government expenditure.

[MADAM PRESIDENT *in the Chair*]

Madam President, as I conclude, and as the budget document is presented, we have asked Trinidad and Tobago to balance the burden of adjustment, to share the burden of adjustment into the future. These are my questions I would really like answered: What is the rate of growth or contraction or stabilization, if there is, for the outlook for the Trinidad and Tobago economy based on Budget Statement 2018? Where are we going? Are we going forward in terms of improvement? Are we going backwards in terms of contraction or are we stabilizing? What is the output? How are we going to measure the performance of this fiscal package,



given we did not have a balanced budget as proposed in the budget statement of 2016 by the Minister of Finance? When can we look towards a balanced budget? And by balance I mean core revenue equals expenditure, not core revenue plus financing. When can we look towards that?

What is the minimum level of foreign exchange buffers or reserves that we are going to maintain to both defend the currency and offer as a buffer with respect to debt? What are we going to allow it to fall to that we deem tolerable? What is the target rate of unemployment in our country given the fiscal package 2017/2018? Given the absence of the debt management strategy, which the hon. Minister of Finance promised in an earlier presentation that we never got, what is the new accepted level of debt to GDP in this country, given that we are at the 65 per cent that was promised? Is there a suggested band that the dollar will now trade as, given that we have approached the upper limit of 6.82? How is a falling credit rating of our country going to be addressed? And which are the areas of Government expenditure you intend to reduce as core revenue falls?

Given that these variables were largely omitted in the budget statement, I am asking through the Minister, in your response, would you kindly address these benchmarks, because as we ask the population to carry the burden, we need to give the population a direction and some element of hope. Right now we do not know or I do not know where we are going, given the performance of these macroeconomic indicators.

Madam President, I thank you. [*Desk thumping*]

**The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat):** Thank you very much, Madam President, for allowing me to join this debate on an Act to provide for the service of Trinidad and Tobago for the

financial year ending 30 September, 2018.

Madam President, before I go into my contribution let me welcome our three Opposition Senators: Sen. Haynes, Sen Hosein and Sen. Obika, and also place on the record our gratitude to the outgoing Opposition Senators: Sen. Sturge, Sen. Solomon and Sen. Samuel for their service to the country. As you know, Madam President, Sen. Sturge was a favourite of mine and I would really miss him. *[Laughter]*

At the start of the sitting, I set aside four sheets of paper to make notes: two for Sen. Mark and two for Sen. Shrikissoon. I thank Sen. Mark for saving me the problem of using his two, so that I could dedicate all four to Sen. Shrikissoon. *[Laughter]* I commend him, I found Sen. Shrikissoon's contribution to be very crisp and understandable, and I agree with most of what he has said to us, and all I would offer now is some commentary on what he has put forward.

Madam President, Sen. Shrikissoon has always made the point of deficit budgeting, and the ninth consecutive year of it and, of course, it is no secret how we got to that position. I found that the exercise led by the Prime Minister on Spotlight which preceded the budget, to be very informative for me as a Minister and as a legislator, and for the citizens of the country who took the opportunity to follow it, *[Desk thumping]* because it painted the picture. Something that really struck me, even though I had heard it so much, something that, as a citizen of the country and still relatively young citizen of the country, was the fact that even as energy prices were at such an unprecedented level, both in terms of oil and natural gas, and even as our revenue situation still looks so healthy, that the only time we were making contributions to the Heritage and Stabilisation Fund was when we were borrowing to do that. *[Desk thumping]* That is something that really strikes

me as being unacceptable in terms of management of the economy.

It is not just the deficit budgeting, but also in the way in which we failed to set aside into the Heritage and Stabilisation Fund what we were earning as additional revenue based on the bonanza in both oil and gas. And then when we look at the profile of the expenditure, in no household nobody wants to be spending more than they are earning. It is something so fundamental for those of us who have children, it is something that we inculcate in them. All of us grew up hearing that you must hang your hat where your hand could reach, and that also struck me. It also struck me out of Spotlight as a Minister, as a legislator and as a citizen that even as revenues increased the expenditure profile was much higher. And what did we spend on?

I listened to Sen. Mark and it is a point I always make in this Senate. We have to understand how we got to this position. The thing that struck me out of Spotlight was the expansion of the state enterprise debt over a period of time, and the most important thing in relation to any state entity was the raid on the National Gas Company. We cannot overemphasize that, the way in which NGC was raided. In response to Sen. Shrikissoon, if NGC was raided or if any part of the \$16 billion was taken to make an investment in the future of natural gas in this country, given the important role of NGC, then I may not have had a problem with it.

But, Madam President, as I went around this country, even in my own community, about 500feet from where I grew up there is a ground called the Shell Recreation Ground, and I was surprised to see a sign at Shell Recreation Ground saying that the refurbishment of that ground—which never took place, by the way—was a project of the National Gas Company. In my community, as I went around to various recreation grounds, I was surprised. I could not see the link

between the Natural Gas Company and these recreation grounds, all of which were earmarked for repair, but were never actually repaired. Even as a citizen of this country, when I go down to the Couva interchange—as Minister I have to go down to Couva very often—I cannot explain, I do not know how to describe it, the circles constructed there. Sometimes I wish I could take one circle and take it to Rio Claro and give it to the community and say make use of it, and I could take another circle and carry it up to Matelot and tell the community use it as a homework centre. But they are there, and even after \$29 million, it is not complete. The only completion that will take place is that it is a complete disaster. [*Desk thumping*] That, to me, tells us how we got here.

But when we came in, in September 2015, I also—because this is my first time on this part of the politics, first time as a Minister and first time as a legislator, and I could not believe that a government or anybody in public life, anybody, could contract debt or commit to a project in this country without a confirmation of funding in the form of a loan, or in the form of some sort of financial arrangement.

When this Government came in and saw the Point Fortin Hospital project, for example, a government to government arrangement with the Government of Austria, with the documents in disarray; the documents to support the loan arrangement. When the Government came in and saw the Arima hospital estimated to cost over \$1 billion without a source of funding earmarked for the project, and as those early months went on, every week and in some Ministries every day—the Ministry of Works, the previous Minister of Works and Transport talked about it, and this one I am sure knows—commitments, some oral in the case of the Ministry of Works and Transport. Oral commitments to contractors, asking contractors or directing contractors to do work, and committing to billion, not

million dollar projects, but billion-dollar projects without either loan arrangements or other funding arrangements set in place. Sen. Shrikissoon, that is what brought us here. That is what brought us here and it is not an issue with the politicians alone. I have always said that, I have consistently said it is not only the politicians. It is public servants and public officials who sit and are paid by taxpayers to ensure that these things do not happen, who engage in this business that brings us to the point that we are.

When you look at the expenditure—and I fully support you on your analysis of where investments should go, and you correctly identified agriculture—and I will talk about agriculture; you correctly identified that. You know, Sen. Shrikissoon, sometimes I wish that the \$29 million for the round “ting” in the interchange, that I had the \$29 million, that I could tell you when I come to agriculture what I would do with that. I will just finish that point by saying this, you know I am not getting into the “ra ra”, but I heard some discussion from these sacrosanct people about a \$3 million allocation for a golf course and the noise and the “ting” and the country, and I wondered if this country knows that the last administration, in their closing months—just as they did with the EMBD, the closing months—approved a \$35 million allocation to the Sevilla Golf Course in Couva. Madam President, \$3 million for Chaguaramas, compared to \$35million in Couva.

**Hon. Members:** Big dollars!

**Sen. The Hon. C. Rambharat:** The Mayaro library that is incomplete, that a contract was awarded in 2011/2012 to do that library for \$12million, and a payment was made to settle a claim for works done, a payment in the sum of \$19 million, and the completion of the library projected to cost a further \$12million,

that is why we are here. That is why we are here. It is the politicians, the public servants and the leadership and the auditors and everybody in the state agency, everybody must share this burden of adjustment—everybody, because that is the behaviour that brought us to this position.

I understand—I understand Sen. Shrikissoon's anxiety for us to create the perfect economic stage. The declining socio-economic, the declining macro-economic rating ought not to be surprising, because if your expenditure—this Bill, Madam President, proposes to allocate to the Ministry of Agriculture \$771,704,362. I am in the Schedule under section 2 of the Schedule, the second column. That is the allocation to the Ministry of Agriculture, Land and Fisheries, but when you look at the profile of that allocation, it is not very different from the national profile of expenditure. Because you know, Sen. Shrikissoon, that \$50 billion, when you look at how much is going into technology that would make us more efficient, more effective as decision makers so I, as a Minister, when I have every land file in the Ministry of Agriculture, Land and Fisheries has to come to the Minister and go to Cabinet. When I am dealing with the backlog of leases in this country, when I get a file with a lease that expired in 1947, I am almost like a curator turning the pages, they are those brittle. And every file is a real file, not an electronic file like in your business, a physical file, and I take home a box every evening with five of them—box.

So if the \$50 billion included the sort of investment, so that all of those files could become electronic files, and not only me, but member of the public would be able to access their files, it would be a more effective investment. But we are spending money on salaries and wages. The bulk of the \$50 million is to pay public servants and contract workers, and the other big part of it is in debt

financing.

I sat as a Minister in the front row at Spotlight, and it was the public servants, PS Dhanpaul who made the presentation showing that we were spending and the reason why our expenditure profile is not only expanded, but uncontrollable, because we have incurred debt that must be paid and we are hired workers who must be kept on the payroll, unless we make a fundamental change in how we deal with our staff as taxpayers. We must make a shift.

That is why even though the Government was able to pull the expenditure down, we could not match expenditure this year with revenue, simply because we accept that one is at depressed levels and one is at a point where you will only reduce it if you send people home. Government is on record as saying that we are not prepared to do that at this time. We are not prepared to do that. That is why the fundamentals in our economy would remain at that state where we are trying to survive. The Prime Minister has said it. It is not a secret. I find it difficult to understand why people cannot understand what we are saying. That not only are we facing problems in paying our debts, we are borrowing to pay wages and salaries.

Not one of you, not one of us here, running a business and coming to work every morning and not seeing the employees, the employees walking in where they want, leaving when they want. Not one of us will run a business where we go to the bank and borrow money to pay them; not one of us. It hurts me every single day—every single day—I have to observe taxpayers of this country borrowing to pay people who do not produce—who do not produce.

Sen. Mark will tell you, we sit on a committee dealing with public administration, he will tell you that I have always asked for us to bring into the

glare the public service of this country—public service of this country, so that we will understand that this is what we are paying for out of the \$50 billion, performers and non-performers, and people who as managers we can do nothing with them, and they know that.

Madam President, this \$771 million let me just add to what was said in the budget presentation and repeated by my colleague, Sen. West today. The allocation in the budget contribution of the hon. Minister of Finance, he referred to \$.544 billion being allocated to the Ministry of Agriculture, Land and Fisheries, and if that was the allocation I would have been upset with him. The allocation referred to is the recurrent expenditure that comes out of the Consolidated Fund, and that allocation of \$544 million—I wish it was billion—covers personnel, \$387 million, 70 per cent of the recurrent expenditure is on salaries and wages; goods and services \$110 million; minor equipment, \$122,000 and statutory bodies \$49 million. That is the recurrent that comes out of consolidated. There is a further \$178 million which is described as transfers and subsidies, that brings us to \$725 million, and in the Development Programme this year out of the Consolidated Fund, \$45.8 million is allocated for the Development Programme.

That is how we come to this figure in the Bill of \$771,704,362. To that you must add \$24 million that comes out of the Infrastructure Development Fund, you get to \$795 million. But there are other allocations in support of the Ministry of Agriculture, Land and Fisheries. One is the reforestation programme that employs 2,225 workers through 60 contractors across the country. There is a \$98 million expenditure made in the last fiscal that comes out of the unemployment fund.

In ADB through the Ministry of Finance, there is an allocation this year of \$50 million. You have a company that was closed in the last fiscal and we still



have obligations. There is an allocation in the Ministry of Finance of \$2.6 million for that. Caroni (1975) Limited, where the Ministry has significant land matters still to deal with, there is an allocation under the Ministry of Finance of \$14.4 million for it. The Ministry of Rural Development and Local Government through the Rural Development Company is developing a port in Moruga for which the Ministry of Agriculture, Land and Fisheries is the ultimate beneficiary, is a \$6 million allocation.

The Moruga agro industrial estate is being developed through the Ministry of Trade and Industry, there is a \$69 million for that project. CEPEP—and the Government is on record as saying the CEPEP allocation is to be divided between the Ministry of Works and Transport, Ministry of Rural Development and Local Government and the Ministry of Agriculture, Land and Fisheries. The allocation to the Ministry under CEPEP is \$116 million. There is a company that is a residue of the sugar industry, Sugar Manufacturing Company Limited, which still does work for the Ministry, there is an allocation of \$3.2 million.

When you add that, the \$771 million that is the subject of this Bill and the allocations made elsewhere in support of this Ministry, you get to \$1.174 billion for the Ministry's work this year.

Let me just go back, Madam President—[*Interruption*]

**Madam President:** At this stage, hon. Members, we will suspend and we will come back at 1.45p.m. So we are suspended until 1.45p.m.

**12.42 p.m.:** *Sitting suspended.*

**1.45 p.m.:** *Sitting resumed.*

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

**Mr. Vice-President:** Hon. Minister of Agriculture, Land and Fisheries. [*Desk*

*thumping]*

**Sen. The. Hon. C. Rambharat:** Thank you, Mr. Vice-President. Mr. Vice-President, just before the break, I was making the point about the allocation to the Ministry under this Bill of \$771,704,362. And, Mr. Vice-President, I was making the point that sometimes when I look at the money that has passed through the country in the context of what Sen. Shrikissoon identified as the prospects for investing in sectors which had growth potential, I made the point in a previous debate and I want to make it again because I think there will be even greater clarity now.

Of this \$771 million contained in this Bill, I want to make the point that there is an issue I raised and one that was in the public domain recently and would remain there for a while, is a matter involving the Estate Management and Business Development Company and the expenditure of \$400 million on, ostensibly, the construction of roads in the year 2015.

And that \$400 million was a loan that was taken around, approved by the EMDC board at the time in July 2015, a loan in the sum of \$400 million. And of this \$771 million allocated to the Ministry in this fiscal, a payment of \$109 million has to be made towards that \$400 million loan. And once I remain in this position, I think, I have two more years of pain, because it hurts me. These roads brought no value for money. In fact, these roads are falling apart as though they were paved with toilet paper, falling apart in areas where we can only hope would become productive agricultural areas.

And given this \$109 million this year that will go towards the payment of that loan, that payment, by the way, represents 15 per cent of the Ministry's recurrent expenditure. That payment would have been able to do 236 kilometres of

agricultural access roads in this fiscal year. It would have brought economic activity to several rural communities in the form of construction contracts; it would have created jobs in those communities; and we would have been able to sustain a complete \$236million road repair programme over this fiscal year, but it must go this year, next fiscal and the fiscal that follows, towards something for which we got no value for money, and that is painful.

Mr. Vice-President, I want to talk about land tenure and land tenure has been the subject of two considerations by JSCs in the last session: one, on state land in general and the other one on state land and its role in food production. And again, Mr. Vice-President, when I see what is happening out there with the floods, for example, during Bret, when I went up—the first place I went after the rain stopped falling, I went to Orange Grove where we have some of the most productive farmers, and the farmers up there said to me, because I was surprised that even after we invested heavily in retention ponds and improving the irrigation system and so on, some of parcels of land still flooded. That had to do with the volume of rain, but that also had to do with the fact that these farmers still do not have tenure of the land, and without tenure they are not going to make the sort of investment they need to make.

If they had the 30-year lease, the standard agricultural lease, renewable for another 30 years, they would have been able to see themselves and their families 60 years into the future. And like any other businessmen, because people have a problem understanding that farmers are businessmen, but they have not. And it is a fault, the blame rests with successive administrations and public servants and other players where we have not, decades, we have not been able to deal with this tenure and to deal with the backlog.

And there is something that people do not take into consideration, and in our response to the two reports, we make the point in the response, that the Caroni VSEP programme, by offering two-acre parcels of land and residential lots to former workers, we created 20,000 new files. And the distribution of the two-acre plots to people who may never farm those plots has given priority, leaving highly productive farmers behind.

And I spoke previously about our investment in technology last fiscal and an allocation under the Development Programme: well, we have been working on creating electronic files, of using the technology to enable us to deal with this backlog and these leases and so on. And it is only when, notwithstanding everything you say about the food import bill and import substitution and this and that and access road, it is land tenure that the PNM placed very high up in the manifesto, it is the land tenure and those leases that would contain the motivation for not farmers, but farming families to make an investment in agriculture in this country, that thing called land tenure, and that in this fiscal year remains a priority of the Ministry.

On the issue of land tenure, let me just say, when we talk about youth in agriculture, everybody, it is a cliché, “young people should get in agriculture”. But I will tell you what the young people have said to me, whether it is YAPA or whatever youth programme we had. We have gone around the country and they have said to me, “But what would we plant on?” So in this fiscal, having listened to them, they have said to me: “No land, no financing, no support”.

One of the problems I have as Minister and a Minister who goes around the country constantly talking to the people I serve is that I do not have the sort of tools that I need to be able to assist people who are productive or capable of being

productive. And the two things I want to emphasize in this budget is the allocation of the \$50 million to ADB, and the \$20 million allocated under the Ministry of Finance for this new agriculture incentive. Because that, Mr. Vice-President, means that we can combine the opportunity for land with new financing targeting young farmers or potential young farmers, and a new incentive up to \$100,000 that would assist them in getting into productive agriculture.

And if we can use the three and the training that the Ministry offers free to citizens of this country that combine this four as we intend to in this fiscal, we would sow the seed literally of creating a future food production flow for this country, because it has been talked about a lot in a cliché and it is time that we get it done, and those four elements could help us to get it done in this fiscal.

On the issue of agro-processing too. When you go, Mr. Vice-President, you know when the media and the citizens of this country meet me as Minister and they ask me about the food import bill, well there is one thing that I always have to remind them because people believe that the food import bill is the business of the Minister. Well, I do not consume \$669 million in alcohol every year. So it is not only me drinking up that tab. But in that \$5.6 billion food import bill you have \$669 million in alcohol. People feel the food import bill is sweet pepper and cassava. There are a lot of things that go in there and when you have an opportunity to make a purchasing decision, you have the power to support young farmers, farmers in your community, farmers in your neighbourhood, you have the opportunity; it is you who have control just as I have control over it.

And again, when you go around the supermarkets, for example, you see increasing amounts of locally processed products whether it is perfect peppers with the pepper jelly, Bertie's and a whole range of world-class pepper sauce; there is a

new one called “Lashing” that I particularly like; in the range of chocolates. One of our producers, Duane Dove from Tobago Cocoa Estate just won the global gold for the best dairy milk bar. This country has the potential, if we as the buyers are willing to give our mouths a rest and let our money do the talking, because when it all aggregates, when it all aggregates, it benefits—there is a group, Mr. Vice-President, in my community in Biche occupying an abandoned community centre producing a brand of chocolate called “Biche and Cushe”; two women from the community. It all adds up and we have control over it.

Because we could build how many packing houses you want, you could go to how many ECA seminars on cassava production you want, the only thing that will make a difference is when we put our money where our mouth is and start supporting the producers who are putting local products on the reach. [*Desk thumping*]

And one of the best things, Mr. Vice-President, we have done as a Government for the farmers of this country cost us next to nothing. A farmers’ market in the Queen’s Park Savannah that almost 3,000 people pass through and buy. [*Interruption*]

**Mr. Vice-President:** Minister, you have five more minutes.

**Sen. The. Hon. C. Rambharat:** A farmers’ market that going around the new building in Chaguanas. Because, as I always say, I want to be a Minister of Agriculture when I look out my window I see farmers, I see farmers because that is the people I work for, and farmers from all over the country, outside the Town Hall on the Harris Promenade on a Friday, farmers from all over. Because part of the problem I identified before was the proliferation of middlemen buying produce from the farmers in the field, and it going through a “set ah hands” and by the time

it reaches to Sen. Ramdeen to buy, the tomato is \$40 a kg, farmers selling for \$8 by the farm fence. The farmers' market gives the man with a "bucket ah lime" an opportunity to sell next to the fella with a truckload of sweet potatoes for free.

And those are the kinds of things, a combination of Government spending money in the places where we believe we will make a boost, recognizing that successive Governments, all of us must take responsibility for it, successive Governments have spent money all over, access roads and fisheries facility and all sorts of things. Agriculture contribution to the GDP—flat line, but the confidence of the farmers have been down. And if it is one thing, Mr. Vice-President, I believe I provide for the farmers of this country is leadership and confidence that, as Minister and as a Government, I have their backs every day. Thank you very much. [*Desk thumping*]

**Sen. Dr. Dhanayshar Mahabir:** [*Desk thumping*] Thank you, Mr. Vice-President, for granting me this opportunity to contribute to this debate this afternoon.

First, let me commend the hon. Minister for piloting her very first Appropriation Bill in this Chamber. [*Desk thumping*] It was not an easy Bill to pilot because the economic environment is not the most pleasant. I would like also, as coordinator of the Independent Bench, to welcome the three new Senators: Senators Haynes, Obika and Hosein on the Opposition Bench. Sen. Obika is well known to me, a former student of mine at the University of the West Indies, and I look forward to the contributions of all three new Senators, and I also wish to place on record how much I really appreciated the contributions and the interactions with former Senators Sturge, Samuel and Solomon of the Opposition Bench.

I would like to express my gratitude to my colleague, Sen. Shrikissoon, for

agreeing to lead off the budget debate on behalf of the Bench, and after he led off there was a view that there was very little left for the bench to contribute because he said almost everything [*Desk thumping*] that needed to be said. But I am grateful to him for, at least, providing me a little bit of space. I am grateful to him for laying the ground work, Mr. Vice-President, so that I may be allowed to pursue other avenues other than the strict macro-economic.

And the reason for that, Mr. Vice-President, is that I have seen this fiscal package before, similar fiscal package. Of course, it is the first for hon. Minister West, but I have been analyzing in detail budgets for the national community, outside the Parliament and now in the Parliament since 1992 and this would, I think, be my 26 consecutive budget that I have been looking at in the Republic of Trinidad and Tobago. And I would have seen it before, and what I saw before was what we are experiencing now, Mr. Vice-President. We are seeing a very huge gap between how much we are earning and how much we are spending at the level of the Government.

This particular gap has a history, as Sen. Rambharat has indicated. If we go back we will see way back in 2005, and I shall not spend too much time on the history, but I go back to history so that we may be informed on what perhaps we can do in the future to avoid a replication. Because when I say, I have seen this before, I was hoping that I would have seen something new, but I am seeing the same thing, and what I am seeing is that this deficit, colleagues have said it is nine years. I have counted 10 because the first deficit budget we ran was 2009. In 2008, the then Government had budgeted for 2009 revenues of some \$52 billion and they were able to collect only \$37 billion, that was in the year of the crisis.

So that we have had a deficit n'09, '10, '11, '12, '13, '14, '15, '16, '17 and



come '18 we are running another deficit, 10 years, a decade, and I am coming to that because there are some things which need to change, the paradigm needs to change, I agree with the Government on that. And deficits have some problems associated with them and the problems are that the deficits give rise to debt. Deficits need to be financed. What is a deficit? I do not have it, I need to get it from somewhere, I am going to borrow it and it adds up to my stock of debt.

What I would have liked to see in the presentation of the hon. Minister and I am hoping maybe in her summing up she will provide because in the budgets of Wendell Mottley way back, Minister, in 1992, you always had total government's expenditure—how much went to Goods and Services; how much went to Wages and Salaries; how much went to Transfers and Subsidies; and how much went to debt servicing.

In his presentation, the hon. Minister of Finance in the other place indicated that debt servicing may now be absorbing some 20 per cent of his revenues. What we are seeing with debt servicing is this. While there is central government debt, there is also the Petrotrin, the T&TEC, the WASA, the Caribbean Airlines and we heard that the THA would be given an opportunity to borrow.

And when Sen. Shrikissoon spoke on the THA's ability to borrow, I smiled inwardly because in my very first contribution in the Senate in 1996, my very first maiden contribution, it is as if I had replicated what he had to say 20 years later. How could an agency which is receiving transfers from the central government determined by law qualify for a rating to borrow autonomously? How could it do that? Because it meant that we are simply saying we are allowing the THA to have a debt window which, of course, will be absorbed and financed by the central government and therefore, it is another arm, like we have a T&TEC or a Petrotrin

that will borrow.

The problem with the debt is this: if we were to see how debt- servicing, interest payments and principal repayments have changed over the last five years, we will see a gradual increase. So while we may not know every debt which exists in the country, we may not know all the bonds of T&TEC, we may not know of all the CAL and so on, agencies have a way of not presenting everything, we do know that they must be serviced, and the creditors know what is due to them, and it is going to have to be sourced by the Minister of Finance. And so we need to see how this debt-servicing is rising year after year after year, and what is of concern to me is this: this concern, Mr. Vice-President, is that as the price of oil and gas rises, in fact, I think the Government is very cautious with respect to its projections for oil and gas.

My own reading of the oil market in particular suggest that we may be when the supply, the inventory levels have dwindled, as they have, we could see a gradual increase in the price maybe to the mid-50s—Sen. Small in any event is more the expert in this area than I am. So, I think the Government is being very conservative, but if we were to get a windfall, what happens is this: the windfall, Mr. Vice-President, is going to be used to service the debt that we have contracted over the last decade. And the Minister—and the senior Minister—as much as she likes to deliver to the people may not be able to so do because everything we earn from a surplus in oil and gas will then have to be used to service that stock that we accumulated in the past.

The Heritage and Stabilisation Fund, Mr. Vice-President, well everyone I think in the country knows my position on it. We have not built up as much as we should have built. When we look at the budget of 2005 we saw that there was

rising revenue but, at the same time, rising expenditure. I think that is where the problem arose. In 2004, we spent \$18 billion, and in 2005 government expenditure rose to \$32 billion. That was a massive 75 per cent increase.

And the reason for that was simple: we obtained for the first time an injection of new revenue from LNG, the LNG Trains came on. And the problem with government expenditure is this, once you move expenditure from 18 to 32, it is almost impossible to move it from 32 to 25. So that when your revenue falls—and I do not know if the politicians will ever get this—there is something known in economics as a ratchet effect. You put expenditure up, there are so many interests now, the people in Government now realize, as hard as you try, hon. Minister, you are not going to get expenditure down below \$50 billion. It will take a great deal of effort to bring the expenditure down below \$50 billion, and what this country desperately needs, we have had in the past the following revenue injections: light manufacturing in the 60s and 70s, heavy industry in Point Lisas in the 80s, LNG in the 2000s. We are looking for our fourth plank now. Cutting expenditure is politically almost impossible, not that it should not be attempted.

And I think the Government will have to do its utmost to try to collect, as the hon. Minister indicated this morning, a greater proportion of what it is entitled to collect but, at the same time, it will need to cut expenditure and find ways of cutting expenditure in all the areas of the public service where there is some element of duplication and any element of waste which could be discarded, we need to discard so that we could try to bring that \$50 billion of expenditure down, but the problem, Mr. Vice-President, is a simple one. As hard as the Minister tries to cut a billion here in any duplication she may find in Ministries, she is going to find another expenditure of a billion will arise. From where will it arise? Those of

us in finance know that debt has a life of its own—debt has a life of its own—and the life of debt is interest payments, and the interest payments will be creeping.

So I am hoping the Government will keep an eye on how the interest charges are arising, and we do need now, as Sen. Shrikissoon indicated, to really look at our borrowings. Can this 2018 be the last year that we run deficit? Can it be?—hardly likely, but there is a limit to how much we can borrow, and the limit is going to be determined by now the politically realities facing the Government. The more the Government pays in interest charges, when revenue is fixed at \$40 billion, as hard as the hon. Minister tries, I do not think she can get the revenue up in the medium term in the current environment in the economic structure that we have to \$40 billion. The plan is to collect maybe around 36 or 37 for the coming year. But if we have \$40 billion to collect, then we have this huge gap. Could we somehow try to look at our borrowing and make sure that the overall public debt is kept under control?

If we do not, we will find more and more our fixed revenue now, not growing revenue. Revenue has to grow, but it has to grow with the fourth plank we are looking for. We are going to find ourselves in a position where we are unable to provide for the population, because what we earn extra from oil and gas will go away in debt-servicing—that is just the nature of what happens when we have borrowed for a decade?

In this environment now, what kind of solutions that will not cost much can be offered so that the welfare of the population, the most vulnerable in the population can be protected?

Let us look at the very poor in Trinidad and Tobago. It is said that 20 per cent of our population—oh, the figures vary '17/'18—but the bottom 20 per cent

of our population in the curve, that bottom 20 per cent is deemed to be poor, that they are finding it difficult to cover basic needs. For the very poor, I am hoping, at least, we will find funds to finance the CDAP programme. The poor people get their pharmaceuticals from that CDAP programme.

**2.15 p.m.**

Well, how are we going to finance the CDAP programme? We have heard about drug shortages in the past, but let us make sure we fully fund that programme. Here is a suggestion. You see all the fireworks on Divali night that created mayhem in Trinidad and Tobago, tax the fireworks. Every firework that is being sold in this country, tax it, put it into a fund and use the fireworks fund to finance the CDAP programme. It will make a lot of people, poor people, very happy.

Let us look at other solutions we can have for the poor. Poor people cannot access the banking system. The fees are too high. If you have \$100—I understand the Minister of Finance taxing the banks at a higher corporate level, because of how they earn their income and so on. But, really, the poorer individuals cannot really access the banks. The bank fees are going to be too high. In fact, the major banks are not encouraging the smaller people to obtain any kind of services from them. What is the proposed solution? Well, we need a mechanism where we could minimize or eliminate bank fees and still provide a vehicle for poor people to save. Poor people have been saving in sou-sous since time immemorial.

We do need to have the credit union movement in Trinidad and Tobago offer services of retail banking so that everywhere you go, there should be a credit union service of Trinidad and Tobago [*Desk thumping*] ATM machine interacting—I think we have 50-plus, I do not know how many large credit unions—interact all of

the ATMs, and let the poor people use the credit union as the poor people's bank. But in order to do that, we do need to have the credit union organization regulated, and I look forward to the credit union Bill coming before us in the Senate. It will provide the vehicle for the poor people to save.

Mr. Vice-President, we are looking at the poor people—and it is not going to cost the Government anything, but we need to give the poor an opportunity to lift themselves, because the Government has little money to give them to so do. In the past there were institutions called the Friendly Societies in Trinidad and Tobago. What did the Friendly Societies do? They provided financing—if you were a member—largely for funeral services, funeral help. And so it was very popular 30/40 years ago, but we do need now to look at the Friendly Societies again to see whether we could revive them, get them more proactive so that the Friendly Societies can be another agency, another institution for the very poor people. They too have very large charges when it comes to the types of expenses, like funeral expenses.

We have had the institutions in the past; because of the economic environment, which is not going to disappear soon, we need to revive them so that at least we provide that safety net outside government for the very poor and the vulnerable in Trinidad and Tobago. We need to encourage poor people to also save. I do not buy the notion that poor people cannot and do not save. They do. As I mentioned before, the poor people have their sou-sous. It is just not recognized, nor is it regulated, but they do have their arrangement. Poor people we know love to gamble. When you look at Whe Whe—Play Whe, I keep saying Whe Whe; that is what I grew up with. That is the kind of thing, but it is really Play Whe now. The majority of the people who buy the Play Whe tickets are poor

people. They gamble. And I understand they need to regulate the gambling industry. But, is there any way—and money that they should be saving they gamble.

Could we marry—and we have to think out of the box now, because the situation is dire—savings and gambling? Well, here is the plan. If there is an account, say, at the Unit Trust, where someone can put in his \$100, and start with his \$100, at the end of the month he agrees that \$1 out of my interest will be put into a fund, and the Unit Trust has 100,000 accounts, at the end of the month there is \$100,000 there, and a random draw of 100 persons in that UTC will give each person an extra \$1,000 in winnings. This is marrying gambling with savings. I wish the idea was my own, it is not. This idea has been used in North America, in certain states, to encourage poor people to save.

So, at the same time you are saving, you are participating in a gambling scheme. Think—this is for government policy—think about it. So that the poor people who are not inclined to part—because they do not have too much money to save, will be inclined to participate in such a savings programme where they agree. One dollar every month comes out of the interest that they have earned, and there is a chance that they could win \$1,000, and the pool is then evenly divided in 100. That is a plan for the poor which we should now consider.

Let us look at what we can do for the working class in Trinidad and Tobago. I have had the experience looking at similar economic environments over the last quarter century, and we have seen wage freezes in Trinidad and Tobago. We have seen salary increases of 1-1-1. One of the salary increases we got at the university somewhere in the 2000s, was, I think, over a three-year period, 1-1-2. That is the kind of salary increases people have come to expect in the type of economic

environment that we have. They are low. How could the Minister of Finance compensate the public servants, the employees of the State—and the State employs by far and away the largest group of employees in a range of activities—and to keep them contented? Certainly a wage freeze is not going to do it. Sometimes a 1-1-1 is not going to.

I remember when Sen. Mark was in Government, he was agitating for a 5 per cent increase, way back in the 1990s. We were in a similar environment. What I would recommend is this, for the Government to consider as part of policy, that if the salary increases you give, certainly to your own employees, is capped at a very low level, could you consider—and it is good that the Tripartite Council is now working; and this is for the trade unions to contemplate too—that you obtain an agreement that you get a base wage, but if the price of oil and gas were to increase by X per cent, your salary will be increased by a certain proportion as well.

So, you link salary increases in the public service with the fortunes of the Minister of Finance. Things get better for me, as Minister of Finance, they will get better for you as my employee; things get worse for me, no change for you. This, I wish again it is my idea; it is not. It is called a commodity-linked bond, widely used in Africa, certainly in countries which are heavily dependent on oil and in copper. You have copper-linked bonds and you have oil-linked bonds. This is one way in which we can secure some semblance of industrial peace at a time when there can be discontent.

I have also heard from the Government that they can, and should be no retrenchment. But let us be realistic. The Minister is facing a huge gap, some \$10 billion, at least, in which she will have to borrow. There are firms out there, also in



this economic climate, finding their profitability being affected, and not only must they pay for raw materials, and they are servicing their own debt, they have a wage bill as well. But, if they cannot afford to pay the wage bill to employ 100 per cent, retrenchment for them is an option. How could retrenchment not be an option? Let us consider this concept call work-sharing. Instead of employing 80 workers and retrenching 20, could we keep all 100, but tell everyone, “I could only pay you for four days for the week.” Again, I wish it were my idea, it is not so—old economic concept. So that the wages bill, everybody then shares in the wage, and it is not as if 80 workers get a full salary and 20 get nothing.

So we need the Tripartite Council to look at the commodity-linked bonds. We need for them to look at work-sharing. And we need, Mr. Vice-President—you see, everybody could complain, you know. Not everybody could come up with solutions. People may not like the solution, but I will tell you something, when I come up with a solution it is usually one more than other people have. It may not be the best, but you have to think now, solutions. Because, calling for a rebellion and mayhem “eh go fix this problem”. It is going to be how we solve it and how we think outside the box. [*Desk thumping*] And let us think about work-sharing, commodity-linked bonds. And you see this savings as a lottery, I think it is going to go down well with the poor people. I want the Government to consider it.

We have solutions, you know, but it is whether the Government—and one thing I must say, the Minister of Finance, Minister Imbert, has been implementing some of the recommendations I have made. When I come to concluding, I would have some more. But, I have seen, for example, Life Certificates for old-age pensioners—which I have agitated for—is going to be a thing of the past at the end

of this year. I have seen this particular proposal of having a home for \$750,000 as a constructed—a 1,000-square-foot home, I would want to encourage him to go again further, if he can get a one-bedroom for \$500,000. This is the challenge for the construction community. Can they bring one-bedroom condos for 500; three-bedroom condos for 750?—we will be giving the people an opportunity to acquire their own property.

So there are things we can do via changing policy cost. It is not going to cost money. Right now we have no money to spend, let us see how we can change our policy. And, as I am on the working class, I want the Government to consider the following—I do not want retrenchment; I want work-sharing—but, if there is retrenchment, will the Members of Cabinet look at the conditions of the retrenched workers and say, well, okay, they can get a food card for the next three months. This would give them some kind of temporary safety net. So, the Food Card Programme is really for the needy, but if there is a retrenchment I think Government can have a policy where they could also provide a food card for a three-month period for individuals who, unfortunately, have been retrenched.

Let us, Mr. Vice-President, see what we can do for the middle class in Trinidad and Tobago, in this time of acute shortage. Well, we know that middle-class people do have an opportunity to save. I had asked for a bond fund. We had asked—Sen. Small and I had asked for Government savings bonds. It was introduced, but the interest rate was not so attractive.

**Sen. Small:** No, it was not.

**Sen. Dr. D. Mahabir:** I thought they had introduced the Government savings bond at some 3 per cent. But, if they have not, this is what I would recommend. I recommended it last year, the Minister of Finance indicated that he would consider

it. What I have in mind for the middle class is this: a bond fund, coming in the middle, at say the Unit Trust Corporation, between the equities fund which is risky, the money market fund which yields very little, a bond fund which invests only in Government bonds.

You see, if the Government is borrowing locally, I think the people should benefit from that, and not only if large financial institutions. So, if there is a bond fund where the Unit Trust Corporation is mandated—it may require a change of legislation—to invest only in Government bonds, we provide for the middle class an opportunity to save into a fund, investing only in Government bonds paying something like 4 per cent, 4½ per cent. Maybe three times what they are getting in the money market.

But, the other point I want to raise for the middle class is this. It is with respect to the financing of tertiary education. I want to endorse the policy of the Government with respect to GATE. Providing GATE financing for the poorest students is what I think policy is and what it should be. But the problem is that we have middle income people who are caught in the middle with respect to financing tertiary education. They have come to expect it. The reality is GATE was introduced at a time when the price of oil was \$140 and the price of gas was \$14. That was once upon a time.

And so, in order for the middle income earner to finance tertiary education for his or her child, I recommend to the Government the following: that the contributions which are placed in their retirement accounts, called the TISP Fund, the future cash annuities, for which the Minister grants some \$30,000 as a concession on his chargeable income. That is a retirement fund. But, in order to assist with GATE financing, or the financing of education, I would like the

Government to consider as part of its policy, whether it would allow parents who have these TISP accounts, to draw down on some of the TISP for tertiary education in addition to their retirement. And, what that will do is that it will prevent them from going to take loans to finance education. They could dip into that pool of savings.

So, instead of having a separate education savings plan, we use the TISP as a multipurpose vehicle to allow parents who have these TISPs, and whose children are coming to go to university in a couple years, the opportunity then to draw a portion of that, so that they could finance the education of their children at the university, given that the funds for TISP certainly no longer is there. And just as the Minister of Finance, in his presentation, in the other place, indicated that we need to have WASA, T&TEC, Petrotrin, Caribbean Airlines, reduce their expenditures and increase their efficiency. You know, there is no rule which says the University of the West Indies cannot raise its own money.

And when I look at Harvard University, I see the endowment is \$36 billion, and people will say “Well, UWI is not Harvard”, though I think it should be. But I look at another university called Grinnell College, none of us here probably know of Grinnell College, it is in Iowa. Grinnell College has an endowment of US \$1.6 billion for 1,200 students. How did Grinnell get that? How did they earn it?

I urge the Government to talk to the administrators at UWI, to follow the Grinnell model, and let us start having an endowment at the University of the West Indies too, so that they could wean themselves more and more away from the Ministry of Finance of Trinidad and Tobago and start to provide their own endowments and support for worthy students in their campus. That is the route universities are going, and when you look at the endowment of colleges in the

United States and elsewhere, you would see that the UWI is nowhere in the running. [*Interruption*] Well, let us charge Mr.—the new principal with an endowment. And if he did not know of Grinnell College before, he now knows. Go and look at it. I would like to talk, but I no longer am there. [*Laughs*]

Let us now— the solutions, Mr. Vice President, let us continue with them. You know, in this time of scarcity we still need to protect the health status of the people of Trinidad and Tobago. There are two diseases which afflict everybody, in particular the poorer people. One is diabetes and one is hypertension. We have huge numbers of our population with these two diseases. But you know something, if we detect these diseases early it will save the State thousands per patient. How do we do that? Well, the medical practitioners tell us that you should monitor and test yourself as soon as you reach age 40. There will be debates, some people will say that you should get a diabetes/hypertension test when you reach 30. But let us say you reach age 40, I am recommending—and, you see, the Government is a team, has a Ministry of Health—on your 40<sup>th</sup> birthday, every single citizen in Trinidad and Tobago should get a gift, go to the nearest pharmacy and have yourself tested for diabetes and hypertension, on your 40<sup>th</sup> birthday. It will cost the Government \$10 per person. Where will the \$10 come from? Remember the fireworks tax, yes, for the CDAP? Right. That is where it will come from, and we do early testing.

I raise this, Mr. Vice-President, because I have seen too many people of my age and younger, with whom I have grown up, lose their limbs over a disease that, had there been early detection, we would—for \$10, it will take \$5 for the diabetic pinprick and \$5 to pay the pharmacist to do the pressure test, we know where we stand. And if on your 41<sup>st</sup> birthday it is shown that your blood sugar is elevated,

we know go on treatment immediately, instead of waiting for age 55 for you to have an amputation of your limbs and your toes. This is something, I think, the Government should consider, part of the CDAP programme, and it is no charge to the citizen, very minimal charge to the State, and I have already identified the source of funding. So, we can do that, and we could at least protect the welfare of the poor in that way, they do not have to pay for it.

Let us look at the issue we have seen last week. I saw my good friend and colleague, the Minister of Rural Development and Local Government, working very, very hard in the south land in the flooded areas. I do not think the Minister of Rural Development and Local Government should face this kind of debacle again. Flooding should be a thing of the past. So how do we do that? I was told that, you know, a lot of the watercourses and so on are clogged with plastic bottles. I was told that you have debris—

**Mr. Vice-President:** Senator, you have five more minutes.

**Sen. Dr. D. Mahabir:** Five more minutes? “All yuh sure yuh doh want tuh give meh—I have plenty solutions for the Government, yuh know.” All right, all right. Do not worry, we have a full year. We have a full year. [*Laughs*]

**Sen. Khan:** I told this side—

**Sen. Dr. D. Mahabir:** Right. Okay. Mr. Vice-President, I think we could stop the clock a “lil bit”, but not to worry, I have begged and I have failed, for time.

I think that we now need, really, to look at the Beverage Containers Bill, bring it, and let us start to really control waste in Trinidad and Tobago in our watercourses. And I put forward for the Government to consider it. It would not cost money. This is what we can fix in the legislation. You see, I do not think the Minister of Rural Development and Local Government should go out in floods

again. It is not healthy for him to go and get all kinds of things on your tall boots. I am sure—the kind of water I saw the Minister walk in, a lot of water would have gone in his tall boots, and that is not healthy. Right? [*Laughter*] So, we need to protect the health status of Senators as well.

Could we look at the health—and this is for the Government to consider, the Beverage Containers Bill, and also consider like Guyana and Haiti, poor countries, banning styrofoam. As Sen. Raffoul would, I am sure, have much more to say on that.

I know time is out, but Mr. Vice-President, we do need, as Sen. Rambharat has indicated, to change attitudes in the public service. If we do, we are going—and we have to try as Government Ministers. Mr. Vice-President, I, on the 31<sup>st</sup> of July went to the Caroni modern station to renew my driver's licence. I went in there at 9.00, I left at 12.00. And when I went at 9.45 to pay my money, they said “We don't have a LINX machine.” No LINX machine.

**Sen. Small:** Cash only. Cash only.

**Sen. Dr. D. Mahabir:** And then I had to stand together with two ladies and a man on crutches for an hour and a half, waiting in line, competing with those vending machines before I could get my photo taken.

I want to put for the consideration of the Government, two proposals. One, please ensure that there are LINX machines at the stations for driver's licence renewals. I have spoken to people—Sen. Shrikissoon is a business person, he will tell you it will take five days to put a request and get a LINX machine. Why is there no LINX machine when, Mr. Vice-President, we were discussing the Bail Bill, the issue of carrying cash was an issue? Now, we are seeing, maybe, 200/300 people going every day carrying \$1,000 in cash—the only beneficiary to that at the

Caroni station would be the security company that is transporting half a million cash on a daily basis. [*Desk thumping*]

You know, I thought they were going to change. I took it upon myself, yesterday I went to the station, no LINX machine. You see, unless we change the attitudes in the—and this is a Cabinet directive. A Cabinet directive. Put a LINX machine, and make a convenience for the people. And second, for the elderly people—you know, this is what the Ministers need look at, it would not cost money. Could we say that for the 60-plus people who are suffering from arthritis and on crutches, could we kind of like, as a matter of policy, give them a little fast-track so that in half hour they can leave every government office.

Mr. Vice-President, in this time of scarcity where we have little money to give, or no money to give, and when the debt servicing would absorb every little extra discretion that the Minister earns, what we need to do is change our attitude to dealing with the population. We need to show the population a little more respect. This is for the Ministers to liaise with the public servants. If we do that, we will find that the level of discontent in Trinidad and Tobago may be reduced, but if we do not do that, when there is this kind of problem in the public service, and no money and no salary increases, I fear we may find some unpleasant things. I have provided solutions. There are more solutions to come. This country is a very good place if we can only think about how we will solve the problem.

Mr. Vice-President, my time is out I know. I thank you. [*Desk thumping*]

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Mr. Vice-President. [*Desk thumping*] Mr. Vice-President, it is an honour for me to rise and contribute on this Bill, an Act to provide for the services of Trinidad and Tobago for the financial year ending 30<sup>th</sup>



day of September, 2018, the subtitle being, “Changing the Paradigm: Putting the Economy on a Sustainable Path”.

Mr. Vice-President, let me start by congratulating the hon. Minister of Finance, and the Minister in the Ministry of Finance, and the staff at the Ministry of Finance, for putting together such a robust budget, and all the supporting documents. I also want to go on record as thanking the Ministry of Planning and Development for the work they do, in particular with the construction of the Development Programme, and the capital budget. And, of course, to again compliment our leader, the political leader and Prime Minister, Dr. Keith Rowley [*Desk thumping*] for inspired leadership over the last two years. And on this occasion, Mr. Vice-President, today is his birthday, and I want to, on behalf of this side of the House, and I guess on behalf of everybody, to wish him a happy birthday. [*Desk thumping*]

Mr. Vice-President, it is well known that the energy sector forms the backbone of this economy for several decades. When the energy sector is robust and healthy, the country's finances and country's economy is robust and healthy. When the energy sector is performing badly and has its challenges, the entire economy falls with it. Call it a single commodity economy, call it Dutch disease, call it lack of diversification; as we speak, this is our reality.

Diversification, long overdue, across various administrations will take time, and it may never generate the quantum of revenue that the energy industry has the potential to so do. However, we must proceed along this path, come hell or high water. I leave the rest to my colleague next to me, the Minister of Trade and Industry, to articulate our road map for diversification, and this time I can assure you this administration will make it happen.

Before I get into my core contribution, I will rebut or comment on statements by Sen. Shrikissoo, and to some extent Sen. Mark. But let me kick off with Sen. Mark. He is my equivalent on the other side. And today I heard him, both in his tribute to Clive Pantin and in his budget contribution, he used a lot of new words that I have never heard him use before in the two years in the Parliament. [*Laughter*] I am sure, I give that credit to Sen. Anita Haynes. I feel you are writing the speech for him. [*Laughter*]

But having said that, Mr. Vice-President, when this administration took office in September of 2015, we were hit by the perfect storm, coming out of years of high revenues, we were hit by three issues that resulted in this financial crisis: a deterioration in the oil prices and the gas prices, a deterioration in the production levels, both in oil and gas, which reflected itself, to some extent, and for other reasons too, in a significant precipitous decline in revenues from the energy sector.

The non-energy sector, while it declined, it did not decline at the rate of the energy sector. And I will explain why. But let me deal with the oil price first. The UNC had a very good run, 2010, that is the last year of the Manning administration, US \$79.4 per barrel, average for the year; 2011, \$94.90; 2012, \$94.10; 2013, \$97.90, which is almost \$98; and 2014, \$93.30. You could round off that as the average of \$100 per barrel over the tenure of the UNC.

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

Then something happened. I mean, I will just deal, very briefly, with this. In November 2014, OPEC, prompted by the increase in US Shale production and the pronouncement of the country stand to go on to the export market, did something to protect market share. They boost the production to deliberately drop the price of oil so that they are hoping to put the Shale people out of business. A

total miscalculation. So much so, that Sen. Dr. Mahabir mentioned it, the inventories skyrocketed, the oil price dived and it stayed low until recently a deal was brokered between OPEC and non-OPEC nations. The current thinking is that, the inventories are dwindling and it should show an upward movement in prices. As I speak today, on Bloomberg, the oil price for WTI was \$52.21 for futures and a pretty good looking, \$57.67 for Brent and our Galeota crude mix sells for \$2 more than Brent.

So, I am not saying—the worst thing you could do as an energy person is to predict the price of oil. I was in Russia earlier this month at a gas exporting countries forum, there they had the General Secretary of OPEC, the General Secretary of gas exporting countries and Mr. Putin himself and the two energy Ministers that were up for high praise were the Russian Energy Minister and the Venezuelan Energy Minister for virtually brokering that deal between OPEC and non-OPEC nations. So, it is not as bad as it is, which means that the prediction of \$52 per barrel is a reasonable prediction, okay. But, as I say, predicting the price of oil is something you have to be guarded against.

On the gas price scenario, gas price peaked in 2008, \$9 per MMBtu, \$13 per MMBtu and I just want to caution the country on gas prices. Gas price is one of the most complex issues: where your market is, where your LNG goes to, whether it goes to Asia, whether it goes to Europe, whether it goes to Latin America, Henry Hub sometimes is meaningless in the grand scheme of things but, basically, the average price we take is the average net back price to the well head, okay? And that includes a variety, a basket of gas prices that average that. Its highest was about \$9 in 2007/2008 and it went down to a low \$2.50 in 2016 and \$3.00 in 2017.

Oil production, you know, has declined since 2014. On the production side,

from 81,262 and, as we speak, in 2016, it was 71,500 and, in 2017, we saw a slight increase to 72,795. Gas production was 4.07 Bcf in 2014 and it reached to a low 3.2 Bcf in 2017.

But, Mr. Vice-President, the revenue is where we hurt the most. A lot has been attributed to production and price. But it is my thesis and I know for a fact, because I have studied it, the single biggest impact on the revenue was the capital write-offs of the oil companies and virtually absolved them from paying petroleum profit tax. And that was a creation of the UNC.

In 2014, oil companies were allowed to write-off 100 per cent of the capital allowance in the year that it was expended. Nowhere in the world does that happen. And—"leh meh not get vex". It is not only that. On the exploration side, that is the 100 per cent on the development side, because exploration is high risk and sometimes you give concessions on the exploration side. On the capital side there are two allowances, which are intangible allowances and tangible allowances. Let us say you are drilling a well, intangible allowances are like logging costs, mud cost and the cost of the rig and so on. The tangible side is the physical tangibles, casing, wellheads and what have you. The normal allowance for intangibles was 10 per cent in the first year and 20 per cent thereafter per annum on the declining balance.

Intangibles were 20 per cent in the first year and 20 after that, per annum on the declining balance. You know what the UNC did? They made it 50 per cent in the first year, 30 per cent in the second year and 20 per cent in the third year. You are writing it off in three years' time, loaded up in year one. So even if you did not do exploration for that year, your allowances were so high because you could not move from a situation of revenues of—look I have it here, oil company taxes in

Appropriation (Financial Year 2018)  
 Bill, 2017 (cont'd)  
 Sen. The Hon. F. Khan (cont'd)

2017.10.24

2014 were 17 billion; 2015, 10.5 billion and a mere 1.03 billion in 2016. That was not the result of production and price, you know—allowances. They got away with murder. Good.

And, let me go to my favourite friend, I thought he was coming back in the Senate, you know, Mr. Kevin Ramnarine. [*Laughter*] So, the Finance Minister explained this in the House and then he—look the article here. Thursday, October 05, 2017:

“Imbert wrong about energy incentives”

**Hon. Senator:** He is the energy expert.

**Sen. The Hon. F. Khan:** He is the energy expert, you know. [*Crosstalk*] And I quote Mr. Ramnarine now:

“He voted for that in 2014, those incentives expire on December 31, 2017. Former Minister of Finance, Larry Howai put a sunset clause on those incentives, so how could those incentives result in oil and gas companies not paying taxes for the next seven years?”—This, to me,—“is mind-boggling”—is what he said about Minister Imbert.

He is an economist or something, eh. There is something called carried forward loses. And then there are no sunset clauses on the other allowances, you know, which is what I said was changed from 50, 30, 20 on the development side.

**Sen. Mark:** You all changed the law.

**Sen. The Hon. F. Khan:** This is the crisis and that is the basis which I will deal with later on in my contribution. That is the basis for the introduction of the 12.5 per cent royalties, okay. So I say no more on that.

A lot have been said about the deficit and the key idea of the deficit and what is hurting about the deficit, in my view, is the fact that the deficit grew when

Appropriation (Financial Year 2018)  
 Bill, 2017 (cont'd)  
 Sen. The Hon. F. Khan (cont'd)

2017.10.24

the revenue was high. Sen. Shrikissoon made the point; when your revenue is high you are supposed to have a surplus budget and put the rest in the Heritage and Stabilisation Fund.

**Sen. Ramdeen:** Why the PNM did not do that in 2005 and so on?

**Sen. The Hon. F. Khan:** In Mr. Manning's last—the expenditure was \$43 billion.

**Sen. Mark:** Worst Prime Minister.

**Sen. The Hon. F. Khan:** It went to \$62 billion in 2014/2015 when energy revenues were high.

**Sen. Gopee-Scoon:** Imagine that, 50 per cent.

**Sen. The Hon. F. Khan:** That is where the crisis lies.

**Sen. Mark:** You talked to Manning about that.

**Sen. The Hon. F. Khan:** Good. Because when revenue streams are high, you save and let me speak of my favourite country, Norway. There is a Bloomberg article recently:

“World's Biggest Piggy Bank Grows by US\$285 million per day”.

The Sovereign Fund of Norway is a whopping one trillion US dollars, the biggest investment fund in the world—[*Crosstalk*]—US \$285 million per day in returns. That country good from now until, forever.

**Sen. Mark:** “Doh” blame the UNC, David Small—

**Mr. Vice-President:** Senator.

**Sen. Mark:** Khan.

**Sen. The Hon. F. Khan:** Sorry.

**Sen. Mark:** I am sorry, Sir. [*Laughter*]

**Sen. The Hon. F. Khan:** So, Mr. Vice-President, when this administration took office, the single biggest challenge facing this country, save and except, possibly

crime, was, what is called, the gas curtailment issue. Demand was 4.2 billion cubic feet per day, supply had dropped to 3.2 billion cubic feet a day. The NGC was facing claims of \$4.6 billion and possibly arbitration and litigation.

I remember when Dr. Rowley was Leader of the Opposition, he went to the Energy Chamber harping on the fact that there is a major gas crisis afoot. The then Energy Minister was saying, no, that is because of the big blow out in the Gulf of Mexico and the HS&E issues were no reason and they were doing maintenance on the platform. So said, so done. Faced with that challenge, the Prime Minister took the lead and he initiated two major significant economic activity here that will go down in the annals of history; of the economic history of Trinidad and Tobago. The first is the famous Houston meetings—

**Hon. Senators:** “Oh Lord; Oh God!”

**Sen. The Hon. F. Khan:**—where he brokered a deal with bp for a gas sale agreement with the NGC and for the potential to invest US \$5 billion over the next five years.

**Sen. Mark:** Where are the documents, Sir?

**Sen. The Hon. F. Khan:** Then he next met Shell. Shell was now committed to several billion US dollars to the investment portfolio. He brokered a gas sales agreement with EOG and, Mr. Vice-President, let me go on record and I want to personally compliment EOG, because few people in this country know that EOG is now the second largest gas producer in the country and they have been consistent. Their cost structure is low, so under the production sharing contract, their cost recovery periods are faster so the profit gas comes to the State. And finally, he met with Exxon based on co-operation with Guyana.

The second big thing that the Prime Minister took the leadership on is to

broker a deal with President Maduro in Venezuela to bring Dragon gas off the north coast of Paria peninsula onto the Hibiscus Platform and further down to Point Fortin and Point Lisas.

Mr. Vice-President, they could say what they want, those two single events are what is now showing Trinidad a fairly brighter future in the energy sector.  
 [*Desk thumping*]

I will just deal now with a couple of projects, just to put it on the record, that will be implemented during the next two to three years that will hopefully make the curves cross again and bring supply in alignment with demand. The Juniper project, which is a bp project, that has the capacity to produce 590 million cubic feet per day, that is already fully operational, as we speak. [*Crosstalk*]

**Sen. Mark:** That is a UNC project.

**Sen. Gopee-Scoon:** Not a UNC project.

**Hon. F. Khan:** That is a bp project. It is not a UNC project, it is a bp project. The Angelin field development, that has the capacity for 600 million cubic feet per day, that should come on stream in 2019; the EOG Sercan project has the capacity for 275 million cubic feet per day; the TROC project which is out of Atlantic, has the capacity for 200million cubic feet per day. Shell has a lot of activities planned for the redevelopment of Starfish, the Shell Bounty and Endeavour feats. And let me just talk about BHP. Trinidad is becoming a more matured basin, especially on what you call the Continental Shelf, which is being explored by bp and Shell, in particular, and the EOG. In the profile of a basin development, you find your larger fields first and then it goes down.

[*MADAM PRESIDENT in the Chair*]

So we are in the mature stage of that exploration programme, where the



chances are, if bp and Shell are to find new fields, they will be medium sized to small. But then we enter a whole new province called the deepwater. The deepwater is largely being explored by BHP. BHP has drilled two wells to date. It cost US \$100 million to drill a deepwater well. The first well, the LeClerc well, has found, possibly, four to five trillion cubic feet of gas. That is a lot of gas. The second well, Burrokeet, had some oil shows but they are still evaluating its potential. A rig is coming back in April of next year to continue the drilling in the LeClerc area to define the size of the prospect and hopefully the upside of this basin now, lies in the hands of BHP and possibly the LeClerc development. As an explorationist myself, I say no more, because I “eh” want to blight the people thing. Okay? But I wish them well and I think they are doing yeoman service to Trinidad and Tobago.

The next issue to discuss, is no matter what parameter you use to judge activities in the oil industry; the best parameter, in my view, and in most pundits’ view, is rig counts. As we speak, the rig counts estimated for 2018 will be 12 rigs: six offshore and six onshore. For the longest while, six offshore rigs have not been operating off the east and northeast coast. BP will have two, BHP will have one, Shell will have one and EOG will have one.

So, we face challenges, but there is light at the end of the tunnel and once we have the proper investment climate, it is not only activity but this Government is conscious of the revenue stream and I will deal with that later. But it makes no sense finding and producing oil and gas and let me say that abundantly clear: as a country it makes no sense finding oil and gas and producing oil and gas if the State cannot extract a fair and sizeable economic rent out of that activity, because we are dealing with a depleting asset. And it is our right, as a State, to extract maximum

economic rent out of that activity.

**Mr. Ramdeen:** You have to tell your MP that.

**Sen. The Hon. F. Khan:** Madam President, let me just deal with—I explained to you the gas curtailment issue. But even at the height of gas curtailment issue, the UNC went ahead and signed an agreement with Caribbean Gas Chemicals Limited for a plant in La Brea. In that agreement, that plant was given green field status, which means, green field investment in downstream gas utilization will be granted first priority for short gas after power generation and light industries. You know the type of exposure the State would have been in if this was implemented from litigation, from the already existing companies who are struggling to get their quota of gas? And, secondly, there was something in that deal called “the debt tail buy down”, which means—I mean, it is something I do not know if to laugh or to cry— that if, for whatever reason—NGC has 20 per cent shareholding in the plant—if for some, whatever reason, there was a shortage of gas and the plant could not get sufficient gas, NGC would have stood the entire liability of the debt. These two—Minister Young dealt with this in the House to some extent—he had to rush to Japan and renegotiate this deal.

Madam President, let me just spend a little time on Petrotrin. Again, when I speak of Petrotrin, it is not a nice story.

**Sen. Ramdeen:** It is a PNM story.

**Madam President:** Sen. Ramdeen.

**Sen. Ramdeen:** Sorry about that.

**Sen. The Hon. F. Khan:** It is a company that from being profitable several years ago we now have very limited working capital; experiencing operating losses; there is poor asset integrity; there is extremely high operating cost and probably

most significantly is their debt profile. Sen. Dr. Mahabir mentioned the debt profile. Petrotrin debt profile is now a whopping \$13billion. The gearing ratio, which is the ratio of long-term debt to equity is .71 to 1. I mean, that is not the gearing ratio of an oil company. Everybody in this country knows about the bullet payment of US \$800 million that is due in August 2019 and there is another bullet payment to come, in 2022, of \$750 million. Again, the Prime Minister had to intervene. The first thing he did, he set up a specialist committee to look into Petrotrin that was chaired by the PS in the Ministry of Energy and Energy Industries, Mr. Selwyn Lashley, and the report has now been named—well, not deliberately—“The Lashley Report”. And I just want to say, through you, Madam President, that this report will be laid in the Parliament in the shortest order.

Let me spend a couple of minutes on the royalty issue, because, Madam President, petroleum taxes operate at three levels. At the first level which is an extractive industry tax is called “royalties”. Because in the extractive industry you are dealing with a depleting asset, the State has a right to extract its revenue in that instance from the top. Whether it is a coalmine in Pennsylvania, whether it is a Uranium mine in South Africa, or whether it is a Coppermine in Zambia, or whether it is a gas field in Trinidad, the State has a right to extract royalties. There was no royalty on gas—actually there was a royalty on gas, but TT \$1.5 cents per thousand cubic feet. At the second year there is something called the supplemental petroleum tax the SPT. So you extract royalty at the top, in the middle, the supplemental petroleum tax is a windfall profit tax.

So, because of the nature of the energy sector if there is a windfall like oil prices go to \$100 per barrel, the State has a right to extract some of that gravy. And the supplemental petroleum tax kicks in beyond a certain price; as we speak,

in Trinidad and Tobago, it kicks in beyond \$50. And finally there is what is called petroleum profit tax, which is the normal corporation tax but in the energy sector—unlike other sector—it is pegged at 50 per cent, plus a 5 per cent unemployment levy. So the tax structure is robust it is just obscene write-offs that were granted by the UNC administration that has allowed us to become in this position.

So it is in that context the Minister of Finance imposed the 12½ per cent royalty on all petroleum products; on petroleum produce including oil and gas, but the royalty is already on oil, this royalty now will cover gas. So, Mr. Kevin Ramnarine talked about the allowances. And let me just quote one other former energy Minister, because you know I have to deal with them. Carolyn Seepersad-Bachan—

**Sen. Gopee-Scoon:** They got rid of her.

**Sen. The Hon. F. Khan:** Imbert making it hard for energy investors. And I quote her:

“Investors are easily attracted to countries with low risk environments that are highly predictable and stable.

In this regard the Government should avoid capricious behaviour as illustrated by the introduction of an ad hoc 12.5% royalty rate across the board...”

Imagine that. An ad hoc, 12.5 royalty on the largest energy producer in the country for gas. And she calls it that and she is fighting to lead a party, eh. And let me just deal with the royalties in this way: 12.5 per cent is very acceptable. In the United States of America, royalties for onshore production ranged from 12.5 per cent to a maximum of 30 per cent. And most of the royalty rates in America are private minor leases, eh. So ranchers and thing leasing out their ranch for 25

per cent royalties, eh; offshore production, it ranges from 12.5 to 18 per cent. In Canada, typical royalties range from 10 per cent to 45 per cent. In Ecuador, oil royalties range from 12.5 to 18.5 per cent. How is 12.5 per cent ridiculous? This is still one of the lowest royalty rates in the world.

And another very important thing that was said by the Minister of Finance in the Parliament that probably went unnoticed is that royalty will be charged on not what the oil company say to sell the gas for, you know; it will be charged on a price that is adjudicated on by the Petroleum Pricing Committee. Because of the loopholes that you could use in gas pricing, the hon. Minister in the Ministry of Finance spoke about the challenges we have with transfer pricing. So the price on which you are taxed will be set by the Petroleum Pricing Committee.

Let me—I have just about under 10 minutes now. Let me now deal with the petroleum subsidy before I close. The Minister of Finance announced increases in the price of liquid fuels, diesel, in particular, and to a lesser extent super. Budget after budget the economists say, Transfers and Subsidies, good? We should not be funding the level of subsidy on fuels. The higher the price of oil the greater the subsidy. The subsidy for fiscal year 2017 worked out to be \$823.7 million. That was met with direct subsidy from the Government of \$543.7 million and the petroleum levy, where the companies pay that part of that subsidy up to 4 per cent of their revenue, they contributed \$280 million. As we speak, you will see in the budget, under subsidy, it has gone for this year to zero. It is not that it is still zero, because there is still a subsidy of 21 cents on diesel and 29 cents on super. But the reason that it is budgeted as zero, it is because at a price of \$52 a barrel forecast in this budget, the petroleum levy will accrue \$264 million which will easily offset the remaining subsidy. So it was good financial planning, in my view, from the

Appropriation (Financial Year 2018)  
Bill, 2017 (cont'd)  
Sen. The Hon. F. Khan (cont'd)

2017.10.24

Ministry of Finance and the people at the Ministry of Finance.

I just want to deal with one other aspect of the subsidy that very little is known by the population of Trinidad and Tobago and that is the subsidy on LPG. A 20-pound cylinder of LPG in Trinidad and Tobago costs \$22. In Jamaica, it is five times that cost.

**Sen. Mark:** You going to move that?

**Sen. The Hon. F. Khan:** No, we are not going to move that. We want the population to understand. [*Crosstalk*] Nobody said that. If we were moving it we would “ah” put it in the budget. But the population has to know where it is benefiting from the State, where is it benefiting from the State. Good?

**Sen. Mark:** You will tax us for walking.

**3.15 p.m.**

The total subsidy last year on LPG was \$243 million.

**Madam President:** Minister, you have five more minutes.

**Sen. The Hon. F. Khan:** Thanks, Madam President. The State paid \$75 million of that subsidy. And you know sometimes we bash Petrotrin a lot but Petrotrin covers \$167 million worth of that subsidy through the sale of LPG coming out of the Pointe-a-Pierre refinery at a reduced price to NP and to the wholesalers. So Petrotrin has to absorb approximately \$167 million in subsidies to LPG. What that works out to be, Madam President, is that the subsidy on a 20-pound cylinder is \$34—subsidy, eh. Then you add \$22 to that, making it about \$55, \$56. And the subsidy on a 100-pound cylinder is \$172. These are benefits the State is still accruing from the energy sector even in spite of the reduction in the subsidy on diesel and super.

So, Madam President, as I close, I just want to recap and say, almost

boastfully, that the PNM has written the energy roadmap for Trinidad and Tobago over the years, [*Desk thumping*] from the energy boom of 1974 and the introduction of the supplemental petroleum tax in 1981, to the transformation from an oil economy to a gas economy in the 1990s. There was a time—Sen. Small will know this—that we were internationally known as the Trinidad Model of Gas Development.

I went to the gas exporting countries forum meeting. I mean, I am now the President of the group. Trinidad and Tobago is the President. And the Africans, in particular, admire Trinidad because they see us as a role model in the gas. We are big players in the gas, you know. [*Desk thumping*] The PNM has been instrumental in the construction of Point Lisas and petrochemicals. The PNM caused the entry of Trinidad and Tobago into the LNG industry, creating the second boom. Now we are talking deep-water exploration; we are talking cross border and across the border. For a country of such small size, Trinidad and Tobago is a big player in the gas business. And I want to quote Mr. Norman Christie, the President of bpTT, and he is quoted as saying at a speech to the Chamber, I think, that:

Trinidad continues to box above its class and weight in the gas industry.  
[*Desk thumping*]

So, Madam President, as I close, the PNM has a proud legacy in the energy sector, from Errol Mahabir to Patrick Manning, to Barry Barnes, to Dr. Lenny Saith, to the present crop of Ministers. And one thing I can assure you, [*Laughter*] the PNM understands the energy sector. So despite our current challenges, I want to go on record as saying that this PNM administration, led by Dr. Keith Rowley, will guide this country to a bright

and sustainable future. I thank you. [*Desk thumping*]

**Madam President:** Sen. Haynes. [*Desk thumping*]

**Sen. Anita Haynes:** Thank you, Madam President, for recognizing me to join in this debate on the Appropriation of the financial year 2018. I would also like to thank my Senate colleagues for their welcoming words and well wishes. It was greatly appreciated. I would also like to use this time to thank the political leader of the United National Congress, Mrs. Kamla Persad-Bissessar, for giving me the opportunity via this appointment to the Senate to add my voice and indeed the voice of many millennials who wish to contribute to the conversation of national development. [*Desk thumping*]

I would like to congratulate Mrs. Persad-Bissessar on her budget response because in it she sought to give the nation hope and a roadmap for the future. She presented a plan for future success and has invited the people of this country from all walks of life to come forward and participate in national development. [*Desk thumping*] And that is the kind of open and inclusive leadership that the country needs, bringing more voices to the table, more ideas, more innovation so that we can build the kind of nation that we hope to see. I would like to congratulate my colleagues in the House of Representatives who I know worked tirelessly meeting with their constituents, meeting with interest groups and trying to bring to the House of Representatives well-researched and cohesive responses to the budget, and that approach was continued here today with Sen. Mark's contribution in this Senate.

The magnitude of our remit as the Parliament of Trinidad and Tobago is not lost on me. It is an honour for me to be able to be here to contribute in the budget debate because I understand that when I stand to speak, I speak for a generation of



Trinidadians and Tobagonians who have so much to offer and who have seen so little in terms of access to opportunities to contribute to society in a meaningful way. [*Desk thumping*] And that will be the overall theme of my contribution, looking at what this Government has done in terms of access to opportunities for the people of this country, and I speak for the women and men of this country who want to give Trinidad and Tobago all that they have to offer, but who feel disconnected from the system, disconnected from the process and disconnected from leadership.

And to the thousands of people who have reached out to me on social media, in person, who have tried to share their ideas and concerns, I just want to say thank you to them for believing once again that you can be included in this process by reaching out to people who sit in a Parliament that is meant to represent you. [*Desk thumping*]

The theme that the Minister of Finance chose for this year's budget, "Changing the Paradigm", I thought was very interesting when you wish to change the paradigm as a sitting Government and you just assume you are willing to change yourself, but, you know—And in that section of his budget he listed a series of ills and things that needed to be cured in order for our society to move forward and to grow. And then I listened to the rest of the Minister's presentation and despite articulating this need for change and this paradigm shift, there was very little by way of new ideas, by way of innovation, and quite frankly, there was no plan to fix anything. And so it was a package of things previously said, a package of promises previously broken, and I think, as Sen. Mahabir said, he has seen it and heard it before. [*Desk thumping*]

But, Madam President, with absolutely nothing ground-breaking and nothing

earth-shattering in that budget, what we can see is that the Minister sought to continue his administration's narrative, a narrative that this country is growing increasingly tired of. As Sen. Khan alluded to, I do have a fair amount of experience in communications and in particular, political communications, and so it may be easier for me than some to pick up on the Government's narrative and the things that they say over and over to convince the population of a particular reality. And from the onset that narrative has been that this country is bankrupt and that the sky is falling and that it is Kamla's fault, and that they would like for all of us to believe that whenever they must implement some measure that the population would not be happy with, you have to blame the previous administration.

The Government is engaging in fiscal policies that are unduly overburdening the people of this country and they have sought to pass the buck for decisions that they have taken. And so there is an article in the *British Journal of Psychology* that looks to assess this idea of why people seek to blame others. And Sen. Rambharat, in his contribution, also spent quite a lot of time seeking to, what I think he thinks is, put in perspective our current situation but what I see as, that he has forgotten that two years have passed and he has not accounted for what he has done in the two years, but he sought to put the blame on a previous administration.

And he spoke about the farmers' markets in Chaguanas and in the Queen's Park Savannah, which I think are great, and I attend farmers' markets and they are one of my favourite things to do on Sundays and on the weekends, but who is going to be at the farmers' markets this weekend? Because, according to the news reports, 85 to 90 per cent of our farmers have been affected by the flooding [*Desk thumping*] and I do not know if the Minister did not know that there were floods

this past week, but the farmers probably were waiting for his response today to hear something about what would be done for them, and nothing was forthcoming.

But blame is an excellent defence mechanism. So whether you call it projection or denial, displacement, it helps you keep a keen sense of your own self-esteem and so you avoid confronting your own flaws and failures. It is a tool that you can use when you are in attack mode. So as the country becomes increasingly more aware of the incompetence of this Government, they try to find more and new innovative ways to blame the previous administration. And it is easier to blame someone than to accept responsibility, because the fact is that you are in charge now, [*Desk thumping*] and you do have a responsibility to the people of this country and the responsibility is not to come here time after time and say what was done between 2010 and 2015, but to say what is being done right now. And there is an unwillingness to face the truth and so it is easy to say Kamla is at fault; the UNC is at fault and they are the bad guys. But it is not so easy to say that you do not have a plan for future development, and that is why we are in the situation that we are in. [*Desk thumping*] Work is easier said than done. It is easier to make excuses and that is what we have seen for the last two years—excuses.

With the Attorney General coming to this House and saying that the Opposition is saying, “Do not cut this, and leave this alone, but we have not told him, or the Government, how they should find the money.” So here is the thing. This is not some alternate reality. All Governments have to balance expenditure. You have to balance spending. Economics is the allocation of scarce resources to satisfy unlimited wants and needs. Individuals do it, businesses do it and Governments do it all the time. So we are very confused as to why there seems be

this surprise at this role, that this is what you have to do as a Government. No one is questioning falling oil prices, and no one is questioning the fact that you do have a revenue constraint, but what we are questioning are your priorities. What you do have control over is how you spend the money that you do have.

And so what have seen is: ferry-gate, fake oil, paintings, Soca on the Seas, phone bills, hotel bills, golf course maintenance, and the list goes on. So the question becomes—so the nation has a right to question what your priorities are. [*Desk thumping*] We have been told that we have a false expectation for expenditure and there is a lot of blame and the people of Trinidad and Tobago, I think, in the budget debate, have been painted as these vociferous creatures who are clawing at the Government on a daily basis for more and more. And I want to, in some regard, reject that idea and that painting of the people of this country.

You see, because the Government is still spending money, what the people are saying is that there is a question of management and even one of incompetence. Because while you are spending you are not actually delivering on any of your objectives. So that money is being spent and the people are just not seeing it, so they have questions and they are upset. So it is not that they are greedy and that there is this idea that they want more, it is that they just want what they were promised. The philosophy that holds our system together is one of the social contract and it is a philosophy that is as old as the study itself, and John Locke's analysis on the social contract, I think, is particularly pertinent here, and it is particularly pertinent on the budget and the Government's economic policy in general.

In his analysis, he speaks of men uniting into commonwealths. That is the preservation of their wealth, preserving their lives, liberty and well-being in

general. And Locke can easily imagine conditions under which the contract with the Government is destroyed and men are justified in resisting the authority of the civil government.

You see, where the Government keeps taking, and you as a citizen cannot deduce a single benefit and you are asked to give more and do more and be better, and while we all have no problem being patriotic and doing our part, we must ask: Is the Government holding up their end of the bargain? Do we feel safer as citizens? Do we feel economically and financially more secure? Do we have access to quality healthcare? Do we have access to education and opportunities for growth? Do we have better roads? Do we have better drainage?

I mean, just again looking at the flooding over the week, I am going to say the answer is no. And of all the things that the Government is meant to provide on their end of the bargain of this social contract, they have not delivered on a single item. [*Desk thumping*] And this is their halfway point. So I would like to posit that if they had an idea or a clue on how to get us on a path to sustainable development, they would not have kept it a secret for this long. [*Laughter and desk thumping*] So they have bankruptcy of ideas and I think it is important that the population knows that the nation, the country, is not bankrupt because money is being spent. What you are seeing is a carefully considered communication narrative and a Government that is bankrupt of ideas and has nothing of substance to offer this country right now.

So if we just take a look at what was listed under the heading of fiscal reform in the Minister of Finance's presentation, he used what I thought was a particularly interesting choice of words, and the choice of words were repeated here today when Sen. West opened the debate, and it was obvious, unsustainable

weaknesses in the structure of central Government's expenditure. Under these unsustainable weaknesses they spoke about GATE. And in her budget response, Mrs. Kamla Persad-Bissessar has quoted a *World Economic Forum* article that spoke about the three responsibilities Government has towards its citizens: that of protector, provider and investor. And this ties back to our present-day understanding of the social contract. And so when we speak of the Government as an investor, the *World Economic Forum* notes that the most important priority of the Government as an investor is, indeed, education, but education from cradle to grave. Meaningful opportunities for continuing education must be available to citizens over the course of their lives as jobs change rapidly and acquisition of knowledge accelerates.

A Government that believes in the talent and potential of its citizens will devote a large portion of its tax revenues to investing into its citizens to help them reach their full potential for an attractive vision. Contrast this sentiment with the idea of unsustainable weaknesses in Government expenditure. You see, it is clear that in the absence of an overarching plan for development that GATE would be seen as an expenditure weakness. Now, I am not advocating for any wild spending and throwing money at education. I think that there should be careful consideration on how we invest. But I do think it is important to see education as an investment and not as an unsustainable weakness. [*Desk thumping*]

You see, this boils down to the political philosophy of the party that governs; the party that you put in charge. The United National Congress understands that education is an investment. We understood that for the population to grow and to develop we have to put our resources in our most valuable resource, our human resources. And so, had the Government come to the population and

said “We have to find a way to reap more benefits from the programme to make it more efficient, to make it more effective”, had that approach been taken, then I would have said, yes, perhaps there is some sort of plan. But they did not do that.

There was no conversation on how we can restructure the programme to align it more to the job market needs. Or did we look at emerging markets, emerging job markets, and align our education investment so that it was in line with our developmental needs? Instead, it was seen as a cost-cutting exercise and, what I call, slash and burn economics. So you are just cutting things out because you have to save money. So you cut it, rather than saying, “Well, how do I spend what little I have wisely?” [*Desk thumping*]

You see, it comes from having no definitive or identifiable policy background. When GATE was developed—and I know everybody talks about, you know, GATE was developed when we had more money. And again, the question was that we were sustaining a policy item as opposed to just finding ways to stick money into different areas, then we would have had a clear consensus that this is something that was worthy of keeping on the books, and in a more productive manner. So when GATE was developed, it was an evolution from Dollar-for-Dollar and free tertiary education was grounded in the policy that this nation wanted to create a knowledge-based society and want to create a globally competitive citizen. And so under this Government there is a paradigm shift, but it is a shift from believing that the citizens of this country are worthy of investment and that we can be globally competitive citizens, and it is taking us backwards. [*Desk thumping*] You see, instead of looking for ways to create citizens who can be more productive and therefore grow your society, you have chosen to, you know, spend money on a highway to Toco and a port when you are incapable of

managing and maintaining the current infrastructure. So I am very confused as to that level of prioritization.

So you see, we have questions about priorities and how you choose to spend our taxpayers' money. And this idea, I think, of branding people with questions on your tax mechanisms or your cuts as unpatriotic or unwilling to pay their fair share, is just in poor taste. We are allowed to have questions. That is just the way our society works, and because citizens, I think, despite the narrative that is being created, are willing to pay their fair share and are willing to contribute, if they can see value for money. I think what we are witnessing is a disintegration of the social contract because of misrepresentations on the part of the Government and not that the citizens are these terrible beasts. And so we hear of this whole of Government approach and we hear the words but then we do not see the actions, or the action items behind this lip service.

The allocation for education has increased, as the Minister noted, but will we see the value for money in this increase? Are we looking at global trends and targeting our curriculum to building more productive, more competitive citizens? Are we focusing on science and technology in schools, widely regarded as areas with maximum growth potential? And most importantly, as the Government pursues this haphazard cost-cutting exercise, are you thinking about the future of this country? When you talk about that 2010 to 2015 period, Mrs. Persad-Bissessar spoke about this fourth industrial revolution, and the idea is grounded in moving Trinidad and Tobago into a science and technology space that would ensure that our citizens are competitive and not left behind.

So while this current administration keeps floundering around and looking for a clue on how to get us on the path to sustainable development, we had a laptop



programme that would see more of our students being exposed to science and technology at an early age. [*Desk thumping*] And there is something to be said about the access to opportunities. You see, children in certain income brackets would have grown up around technology and that their exposure would have given them a competitive advantage, a consistent leg up, so as they progress they would always have something of a head-start. So as much as people may want to laugh at the laptop programme and consider it to be something that is not worthy of praise, I would like to just posit that perhaps it gave students who would not have had that initial leg up an equitable advantage now [*Desk thumping*] and it brought more people to the table of success.

And so these were not hand-outs or weaknesses in expenditure but rather a hand up and a way to empower citizens so that it would lead to greater development. So this was a well thought-out process and we will continue with the process, because we understood that technology would take our people and make us more competitive. So we focused on increasing broadband and fibre optic cables throughout the country. And this is the essence of an “all of Government approach”. Again, it is not the slash and burn economics that you are seeing; it is not this idea that we cannot move forward, because we do not have any money. What we were seeing was the previous administration was one that wanted to empower citizens, and I am starting to feel just from their policy prescriptions that this Government is insistent on keeping us stagnated and dependent on the Government. You see, the Government’s education policy, in particular, tertiary education, is really not a paradigm shift. It has taken us almost 20 years backwards.

And so that when we move from education and we look at the labour

market, and our job policy, and we look at the Manifesto that they presented to 2015 when they were seeking this mandate to be in charge, one of the quotes that I thought was particularly important was that, they noted that over the years the labour market has become distorted because of large numbers of persons in Government-funded, low wage, low productivity jobs, such as URP and CEPEP. They also noted that there are a number of increasing university graduates who were not finding jobs consistent with their salary expectations. And then they made a series of promises. And then what we actually saw happening once they got into power was retrenchment activity and this idea that persons employed in the Government sector are an unsustainable weakness, because that was also listed. The wage bill was listed as an unsustainable weakness.

So you went from this idea that you would create jobs and there would be jobs for all and there would be this smart investment, to “Hey, guys, no, you are a weakness and we just cannot sustain you.” So, you know, I do not know if the Minister will give us the numbers on job creation and what is being done in that area, but what I do know is that there is a disconnect from the things that they say and the things that are actually done. Because while they spoke about job creation, we have a situation in Trinidad right now where a number of doctors, medically trained practitioners, had to resort to an online petition. And the petition said that:

It serves to seek the assistance in highlighting and addressing the ongoing issue of an increasing unemployment rate among medical practitioners. A significant number of physicians upon completing their internship programmes throughout various regions in 2015 were still awaiting responses.

And I thought this line was particularly important.

It is inconceivable to fathom, despite a clear deficit and under-utilization of this mandatory resource throughout both our public and private health sectors, that over 150 confirmed physicians remain unemployed to this date. Now, this petition was created earlier this year and these persons are medical doctors and unemployed. And when I was doing CXC and before I proceeded to A levels, you get advice from all sorts of people and you are told, you know, one of the things was, try and do the sciences so you could get a job to become a doctor, because it is one of the fields that you were almost certain you would be employed. Not under this administration.

My information is that the solution has been to hire these doctors on two-month contracts which, in effect, is URP for doctors. [*Laughter*] So they would want us to trust—[*Interruption*] that there is a plan—

**Madam President:** Members, may I remind you Sen. Haynes is making her maiden contribution. The convention and practice is that you listen in silence. Okay? Continue, Sen. Haynes. [*Desk thumping*]

**Sen. A. Haynes:** Thank you. And so I do not believe there is a plan for job creation and I would just like to ask, you know, do you know how many university graduates are unemployed or under-employed? I mean, the Attorney General brought it up in the House and the Minister of Agriculture, Land and Fisheries brought it up here and this idea of high levels of absenteeism and we need to look at our work ethic and we need to fix all these attitudes and we have this problem with our attitude, but then I also know equally high numbers of graduates who have put in lots of hard work, lots of sacrifice, long hours of study; their parents sacrificed to send them to school, because, you know, tuition is one thing but school expenses are more than just tuition. So your parents would have sacrificed.

And then all that is available to them are dead-end jobs and things that you cannot make a career out of. So when you talk about the attitude you have to your career, you have to also understand that a lot of people in this country do not have careers. They do not have sustainable jobs. They have something to make money to make ends meet, and that is not the kind of society that we should want or that we should want to see right now.

So when you are talking about changing paradigms and cultural shifts and the way that we treat work, we have to look at the jobs that are available to our people. And I get the sense that there is this bubble, so that you can identify the ills—and again, as Sen. Mahabir pointed out, there are very, very few solutions. And so if we opened up a job market space that was sensible, that was looking at global trends where we can identify a path for growth and that we were identifying ways to empower our citizens, then perhaps the Government would be seen as holding up their end of the social contract and the citizens would be more willing and able to participate as active and empowered members of society.

**3.45 p.m.**

So, I would expect that someone will say that you cannot expect the Government to give you anything, and no one expects that. No one expects that you will come and somebody will hand you a job, but we do expect that you would create the space for sustainable growth—because that is your job—and stop seeing expenditure as a weakness and start making smart investments. You know every well-educated citizen is just looking for a way to live up to their full potential as creative thinkers and using their resources wisely to develop the nation, and I would like to believe that if those spaces were created and made available that they would be utilized, but they are not there and instead now we are looking at saying

it is the citizens' fault.

And so, in his budget presentation, the Minister spoke about the Business Development Incentive Programme and in it he had high praises for the European Union model, so I took my time to just take a look at the EU model and what they had to offer. You see, when you look at what the EU does for SMEs, is that they have created a space for success. Just a quick look at their website and you would see that they have listed ways that businesses can access opportunities and meet people within their space, a space for growth. So you look at it and they talk about how they intend to create business friendly environments, and then there is a drop-down menu on their small business app for Europe and how they intend to create this business friendly environment; and then they talk about the promotion of entrepreneurship and there is an entrepreneurship action plan—something that I do not know that we have—and how they intend to promote entrepreneurship; and they talk about how they improved access to new markets and internationalization, and then they go down into further detail on how they intend to do this because that is the essence of a plan.

You present an idea and then you show how you can go from point A to point B, and that is how you do this thing if you are serious. They talk about how you facilitate access to finance and that goes into further detail and how they support competitiveness and innovation, and they provide key support networks including your Europe business portal, your enterprise Europe network, your SME international organization support, and a portal and access to finance. All of these things are readily available. Like I said, what they have done is created an environment for success, and you can see elements of thoughtful planning and implementation so that they built a solid base for success. All of those things are

absent here.

What we have in the budget, we are emulating reality television, Shark Tank, and the final stop being a ministerial committee that will dole out \$100,000. So we do have questions about the process and we do have questions about what is the space you intend to create for this vision that you have presented, because that is important. The details of the plan is important.

I am speaking about the plan and we have heard a lot about diversification, and for the entirety of the time that I have been—you know from the time I have been in school, out of school, we have heard that we need to diversify the economy, so much so that I do not think that most of my peers and colleagues even believe that it is a real thing, and this Government has paid minor lip service again under the diversification section of the creative industries. I see that the development of the music industry was given \$1 million, film; \$2.5 million on fashion; \$4.5 million with a further 500,000 for the business development of the creative industries, and I think what was the most offensive thing about this section is the mamaguy. You see, I have had the good fortune of being able to study in New York, Paris, Rome and Salamanca, Spain, and I have had the opportunity to travel across the United States and Europe and immerse myself in their creative spaces, and I can say without fear of contradiction that the most creative and innovative people that I know are from right here, from Trinidad and Tobago, [*Desk thumping*] the most naturally talented people that I have met.

And so, when the Minister speaks about us being on the verge of becoming export ready, in 2008 I was in Paris and I walked into a club in Paris and there was Soca music playing. This is 2008. In Salamanca, Spain, Machel Montano is big on the university music scene. So you can walk in as a Trinidadian and they will

recognize our accent because of our artistes. Then you had Machel last year, or this year actually in Caribana on stage with Drake. So this idea that we need to do something—and we had Bunji Garlin on international video games—to make our artistes export ready, or that we are creating something from scratch is an illusion and that is not just the reality. We are export ready, and I am just not sure what this \$1 million is meant to do because our artistes are ready, our music is ready and the only people not ready is our Government. And so, there is a fundamental misunderstanding of the role that they are meant to play here.

As usual, there is the unwillingness to trust in our people, and to trust in our talents, and to see our people as an investment as opposed to this unsustainable weakness. You see, because it is not the philosophy of the People's National Movement to put people first. It is just not how they understand the concept of governance. So I am not surprised by how they choose to spend the money. I am just concerned as many citizens. As I move to the end of my contribution, I just would like to end almost where Sen. Khan ended because you know he said—whereas his tone was boastful as the energy roadmap, I was going through their *Vision 2030* document and on page 26 of this document it says:

The high—“levels of expenditure”—incurred over the years begs the question as—“why...Trinidad and Tobago”—has not—“progressed beyond its...state of development?”

It goes further to say that:

“This is perplexing given the wealth the country possessed during the energy boom and in relation to some of the comparative countries...”

This is a document created by a party who has been in power 39 out of the 55 years since we have been independent, and as the Minister noted, governed

through our economic booms. So if you are confused and perplexed as to why we are at this level of development, then what do you leave for the rest of us because we certainly will be left confused. [*Desk thumping*] You see, we thought you knew. We thought you knew where the money went and why we have so little to show for it. But if you do not know, well—[*Interruption*]

**Madam President:** Senator, you are five more minutes.

**Sen. A. Haynes:**—then I certainly do not know. So it goes to show that you cannot govern with money and you cannot without money, so there is an absence of ideas and a frankly destructive underlying political philosophy that this Government subscribes to.

In the last few minutes that I have, I would just like to address, unfortunately, some comments made by the Prime Minister in the House during the debate. I will not repeat the comments because I have great respect for the space that I am standing in, the people around me in this Chamber and those looking on outside, but I will say that people have been clamouring for new politics, politics mark by mutual respect between policymakers and the people outside, the people of this country. I am from a generation that understands what it means to stand on the shoulders of giants, and that I was removed ever closer to shattering glass ceilings. That kind of disrespect and degrading comments has no place here and no place in the new political landscape that we are planning on creating.

And so, as our political leader noted, Government is on the Wednesday of its political week and if you continue as you are going, you can prepare for a very long weekend, and through you, Madam President, I have a message for the people of Trinidad and Tobago. Our country is great, our possibilities are endless, and what you have is a Government who has committed to a message of hopelessness,



and if you change the Government you will change the tune.

I thank you. [*Desk thumping*]

**Madam President:** Hon. Senators, permit me to congratulate Sen. Haynes on her maiden contribution. [*Desk thumping*] Sen. Creese.

**Sen. Stephen Creese:** Thank you, Madam President. And may I extend my appreciation for the maiden address of the Senator. The thing about this year's budget is that it comes at a time when we have a unique opportunity to start almost from base again. At every point in time there is a downturn, there is a threat, but there is an opportunity to try to get it right, to almost start afresh. So it almost takes us back—and the anniversary of our Independence to Republic period—to the early days when the path we set out on was industrialization by invitation, which expanded or morphed into import substitution in the early 60s. And then beyond that, with the intervention of OPEC and the change in the price of oil and the resultant oil boom, there was some amount of greater downstream activity in terms of the oil sector although we really did not get very far with that in terms of what products can be manufactured—downstream of oil—using oil itself as the base, but we got into the Point Lisas and the heavy industrialization.

So we moved from the light manufacturing import substitution to some amount of heavier industrialization, and then on to LNG and methanol, and although Duprey has come in for a lot of criticism one of the things that he must be commended for was his insight and his willingness to venture with other people's money, of course, but willingness to venture into methanol, and it is that venturesome spirit that has the CL Holdings to the value it has today. Of course, that same venturesome spirit had the Government having to bail him out, but there are two things that are instrumental from this in terms of our forward planning of

this economy and of what must occur at each budgetary intervention. One, is that it is a time for review. We must review all the major projects, activities of the past period, certainly the past year, so as to understand where we are; and it is a time to possibly re-chart the course that we are on. And in that sense, what makes Duprey a pivotal figure in our economic and entrepreneurial history is the fact that he was willing to go, I suppose in the words of Star Trek, where others had not dared to venture because what we have—and that is part of the problem, and that is why the State has found itself in so many economic ventures.

We have an under-developed entrepreneurial class. What we have is really a merchant class. It is not no serious manufacturing or business class; it is a merchant class, and it is what the old colonial arrangement has left us with. They are largely distributors; importers and distributors of goods locally. The biggest local conglomerates fall in that category. The fact of the matter, Duprey and Clico, CL Holdings, whatever you call it, was really the only significant player in terms of Trinidad having a real manufacturing class, and we need to bear that in mind in all else that we do, and all else that we analyse because the State has found itself developing a variant of State capitalism, to be quite frank, because of this lack of this other class of entrepreneurs locally. That is where we are.

The thing about it in all of that is that the State itself must understand that this low level of local capital accumulation, this tendency to stay at the level of a merchant class, has resulted in all these State conglomerates, the NGCs, the T&TECs, et cetera, et cetera, Trintopec, Petrotrin, Trintoc, NP, all of these formulations are result of that flaw in our national economy. The thing about that is the State has to understand its role in that regard, and the budget that is developed must reflect that mature understanding. In that sense, because the

problem is the limited capital accumulation, or capital formation and our banks are really not merchant banks, they are by and large commercial banks with all the limitations that go with commercial banking as the basis for entrepreneurial activity.

Initially, it was clear that Williams saw his role in terms of whatever funds the State could accumulate from the oil windfall of identifying sectors, targeting them for development and moving on. So this requires that at some point in time those assets that were accumulated, that pioneering division, the question has to arise as to whether they should be disposed of, and the funds derived by that used to target another zone, another sector, to take the development process forward in another aspect of the economy so that diversification being led by the State has to understand that. That is the process.

Now, of course, the question—and I think OWTU's Roget raised that recently when he sounded a warning against disposal of State assets, because obviously the fear is that it will fall into the hands of the 1 per cent, or the 2 per cent, or that group that gobbles up everything, but really does not take any major risk in any new sectoral development. But there are mechanisms just as with the IPO that can be utilized to control that gobbling up tendency of the 1 per cent. So that one could allocate resources, or the purchase of these shares, for instance, the way it is done with First Citizens or others, so as block that gobbling tendency. So you reserve some for the credit union sector, some for the banking sector, some for the insurance sector, some for the mass public and so on, and you have certain limitations at the speed at which these shares can be disposed of over time, so as to block that elephant entering the room and destroying everything, or accumulating everything unto itself.

So that can be done. So Roget's fears about disposal of assets, that process can be managed, but the State must not fall into the temptation of holding onto these assets, thereby creating a class of state bureaucrats who are there directly benefiting from the State's possession of these assets and we end up being right back where we were because it is very easy for an old plantation society to fall into the habits of the old "plantocracy".

When I was growing up in the oil field there was a kind of apartheid situation where there was the oil company residential area with the upper class—at Palo Seco they call it Beach Camp, and Fyzabad they call it Crest Camp and so on, and at Pointe-a-Pierre they had a different name—and then the middle income sector, and then the lower income sector, and then the village where those people who did not get the largesse from the oil company generally lived, and somewhere between the two, the police station. The thing about that is, if we are not careful, State intervention into economic arrangements reproduces that system, and has largely reproduced that system. So the colour of the faces change from lily white faces to local coloured people and so on, but the structure remained largely intact and there are obvious dangers in that, and that is what the 70s was all about.

So if we are to reproduce that—and there is a tendency to reproduce that too, the 90s was indicative of that—the State has to control how it manages that aspect of the economy recognizing that the local merchant class is not an entrepreneur class, is not a developmental mode, but the State must be wary of holding on to these assets because they are cash cows and they could feed into the budget. And when you go through the budget statement, there are several references to how NGC, and Petrotrin, and all these others are in fact now feeding on the Treasury, and Petrotrin not paying two, three, \$400 million worth of taxes. So that is the

concern in going forward, but there is need for clear public consultation if we all accept that that is the model. That is the way forward that the State must be the pioneer in development, open up the new sectors, dispose of the assets, protect them from being gobbled up themselves and use the proceeds therefrom to move on and not get to the point where they themselves become so dependent on these fledgling successful companies in the new sector, that they see them as a revenue source and not the means to an end, and my argument is there must be the means to an end which is the greater development of other sectors of the economy and not as Treasury feeds. They cannot become a substitute for the national taxation system, and that is why I use the term “state capitalism” because that is what it degenerates into, and I want to assure you that State capitalism is not a superior form of capitalism. It is just another form.

The thing about all of that in terms of the national budget, is that as Sen. Shrikissoon pointed out, we need to get the arithmetic right. Whatever the length of period we hold on to these cash cows and we transition the economy, that cannot be a license for over expenditure, for hanging our collective hats where we cannot reach. I think Sen. Shrikissoon’s point is that when we look at what the returns are from oil and gas and so on, and the likely future return and what our revenue base is, the question of an expenditure of \$50 billion annually is highly debatable.

Now one understands the dilemma that the State finds itself in, failure to contain that expenditure, or failure to keep the country at a balanced sort of keel is problematic, but the thing about it is you need to bite the bullet early in your five-year term—to give you some free political advice—because as the time passes, as the next election nears, it is foolhardy to then decide, well boy that is the only

option that we need to bring down the expenditure levels and cut social programmes, et cetera, because the consequences of that are obvious. Unless you intend in the final year to do like the last administration and go borrow crazy to try to not face the reality of your time. So the earlier the better, and this is the pivotal period, three, two and half to three years, into the regime this is it, after this is trouble.

So if we do not get the arithmetic right as Lloyd Best used to say, woe be on to the algebra, and I want to say it is the geometry that is going to be important. It is the angles from which we look at things is going to determine whether we are going to get it right that we are really seeing it right, or we are missing the forest for the trees, and in that regard when I look at where the concentration of expenditure is, I am concerned. I am concerned because I do not think we have the global picture right. Again, in this text the focus on the global picture here is on the price of oil, and that is where the problem is.

What is lacking in the broader analysis that feeds into the figures, into the distribution—even if you accept the \$50 billion budget as opposed to \$40 billion to \$41 billion worth of expenditure, it is the global analysis that puts this Government slightly off track and all the well and good intentions and all the programmes, social programmes whatever, will be derailed. You see, because the global picture has to do not with the price of oil, it has to do with energy, it has to do with the source of energy that powers up industry, and if we understand the transition over time, from even as way back as the industrial revolution, had to do with the movement from the energy base, from sail powering boats, wind power, to coal and the steaming Boston engine and so on. If we trace the development of the world powers and the industrialized sectors from that perspective, then we begin to

understand how we are shifting off track, how oil and gas as makers lost our way, lost our perspective, lost our clear vision. Because we are as a world now, as a global village transitioning out of fossil fuels, coal is history. Tell that to Trump.

Coalmines are of no value expect perhaps as like a tourism village, see how things used to be when people got their lungs clogged in coalmines. Oil, fossil fuel, gas, some amount of clean fuel, but the cost effectiveness bringing up gas out the soil is what is going to consign it to the dump heap of history, and the sooner we wake up and smell those roses it is better for us. Oil and gas is on the way out. That is the global analysis we need to start off from. If we do not have that premise, that assumption and fundamental in our budgeting and our national planning, and whether we have five-year, 10-year, whatever, 2030 vision plan, if at the root of that there is that understanding that oil and gas is history, that the other forms of energy, these are the forms that are going to dominate the world stage and we are really marking time, almost backpedalling if that is not at the root of our perspective.

#### **4.15 p.m.**

So a long time ago—and I want to share this with you—well on about 10, between eight and 10 years ago, I was part of a team that was funded by Trinidad Cement Limited to visit a cement plant in Austin, Texas, and to my surprise—and it all was energy related, eh, because TCL wanted to use a certain item as the recurrent source of energy—they were using gas, I believe, to start up the furnace at the cement plant in Austin, Texas. But the continued use after the plant was triggered up, “yuh know, like how yuh battery starts yuh car”, the continued use was supposed to be tyres. So they took us there to see how the tyres were fed into the furnace.

Flying into Austin, Texas, I expected to see, because I grew up in an oilfield area, pumping jacks and so on, and to my surprise or apart from lots of cattle, it is Texas, windmills dotted the landscape and outnumbered oil wells. And this is nearly 10 years ago, Texas, oil country USA. So at that point in time, decade ago, Texas, the heart of the oil in the States, understood where oil was and where they had to go, where the future lay. Windmills dotted the landscape.

And I am raising this for two reasons, to draw the attention of the Minister of Local Government because before I am finished, I am going to say to him that he is the most powerful Minister in the future of this country, his Ministry. Because TCL wanted to get all the tyres that are in the scavenging or dump system in Trinidad and Tobago so that was why they were buttering up personnel from local government. They wanted to get those tyres to feed into the furnace to be the source of energy at the cement plant and nothing has happened since, in that regard in Trinidad. The argument then was that they should pay us for the tyres and they are saying, “Listen, allyuh hata pay to dump the tyres so allyuh should pay us to take the tyres” and it got no further than that.

But the bottom line here is the question of energy and what are the forms of energy and what are we doing and how are we investing in such an energy-based future, that is non-oil and non-gas, and that is the flaw in this budget, in the last few budgets, the last decades of budgets. We need to be talking about other forms of energy.

And to return to the critical role that local government plays in all of this—because our Municipal Corporations Act, Act 21 of 1990, says that the corporations are the collectors and disposers of garbage, and there is a model of energy for the gasification of waste, from waste to electricity. So instead of using



your normal natural gas to feed the grid to create electricity, there is the possibility of utilizing your waste and converting it to electricity, to energy.

And that is what places the Ministry of Local Government and the municipal government system at the critical centre of the future of energy supply in this country and there is nothing in this Bill or in this budget statement that speaks to that. Absolutely nothing. I want to say how long now we have been flirting at the edge of new energy possibilities and I wonder how long we will continue to flirt at the edge.

Because when I was still at a municipal corporation, a team including then Minister Hazel Manning went to Nova Scotia to see what they were doing and how they had cleaned up Nova Scotia. Nova Scotia was just like downtown Port of Spain and Beetham and so on and they cleaned up Nova Scotia. So Minister Manning and her team went there and Minister Sharma and myself also went to Nova Scotia and nothing has happened since. And I am raising that because there is a model for waste disposal—apart from the gasification of waste and so on, waste to energy to electricity, there is also the other model to make scavenging pay for itself because inside of this budget, I am sure—because when I left, it was around \$700 million to \$800 million was the national cost of scavenging—\$700 million to \$800 million annually. I am sure it is on a billion now and there is no return, it is just a cost.

And the Nova Scotia model spoke to recycling and the creation of depots. So we are talking about economic activity now. People would bid. Just in the same way they bid to get a lotto machine and operate a business, they would bid and offer a site to operate a waste recycling depot, just a collection depot. So they do not have to have no particular skills other than physical space, 40 by 40 square

feet—“yuh” know 40 by 40—and they would collect. And there would be a little computer terminal which would process the information and every two weeks the central recycling facility would pay them for whatever bottles, batteries, e-waste, all the different kinds of waste. They would pay people for bringing it in and they in turn would be paid, trucks would come and collect it and supply it to whoever into the wider type of waste recycling. So that was the model basically, good? And that is yet to happen.

So that is why I am saying, on those two counts, the Ministry of the future is the Ministry of Local Government. They are sitting on a goldmine and nowhere in our budgetary plans, in our vision 2010, '30, '40 or '50, is any reference to that and that does not require increase in expenditure. That is the bottom line. It is treating waste as a resource for exploitation, not for soliciting expenditure and international companies coming in and “tra-la-la”. None of that.

**Sen. F. Khan:** Thanks for giving way, Sen. Creese. Your points are well made and as we speak, the Ministry of Energy and Energy Industries has a tender out for expression of interest for a waste-to-energy plant to be constructed at the Beetham Estate or the Beetham Landfill preferably to convert municipal waste into energy. The tender closes at the end of this month.

**Sen. S. Creese:** I thank you. Good. Well, that is good news to be quite frank, but that is only one aspect of it. You still have the waste depot which is an entrepreneurial activity across the 14 municipalities.

I move on from that—and we still have the question of the use of solar, all the other forms. Good? The argument I am making is that the budget should speak to utilizing UTT, UWI, the University of the Southern Caribbean and our senior comprehensives. They should all have pilot projects in those schools. They

should all have part of their curriculum being project development of that kind. Because if we are to train future entrepreneurs, it has to happen within the school system. We have to be pointing them in all the new directions we need to be going in at the level of the education system. That is where the flaw is. In the education system, “yuh know”. You go to any of these schools, you do not see model projects pointing to the future. You go to any high school in the United States, you are going to see that.

If we are to generate a class of entrepreneurs, we must teach them at the high school level to have these kinds of pilot projects. That has to be the education system. If not, “we wasting precious time and then we say the chiren eh bright, they eh learning”. That has been our trap. Our education system is not organized to utilize the resources we have to create the possibilities that there are.

We are locked into “ah kinda grammar-school ting” that takes us nowhere and “we blaming the chiren, we saying they dunce, they learning”. I think Sparrow had the answer for that. Right? “Yuh learn all that stuff, yuh woulda be ah damn fool.” That was his point. Our education system is not geared to solving the problems that are facing us, which is how to get rid “ah all this waste that we generating”, how to create foreign exchange from the skills and innovative tendencies we have, the cultural tendencies, and when you look at what the allocations are, it does not relate to that at all and that is my concern.

My concern is that Minister Rambharat should probably have the biggest budget. There should be a fight between Education and him for the resources because we have to teach the children the new direction and the new direction has to be, “Listen breds, if yuh cyah feed yourself, then yuh is not ah man or ah woman”. [*Desk thumping*] Has to be that. We are not feeding ourselves. The

food import bill is too large and growing and nothing in the budget convinces me that we are going to stop that trend, that we are going to back that up, that we are going—you see, we have to go back to all those youth camps; that has to be it. We have the children in the wrong institutions. We have them in the senior comps and “they failing out”. Must fail out, “de thing not inspiring them, it not making any sense what they doing there”. To go off to buy apples and grapes?

We have to get back to those youth camps and the skill sets that they provide. The basic skill sets provided at those youth camps allow them to be A-class tradesmen and it is A-class tradesmen who are going to take—whatever type of prototype farm you have. Whether it is the new hydroponics types, the ones that are skill intensive, you have layers of plants in one shed, 100 by 50 feet, on one lot of land or whether you have acreage-type farming where you are producing those other crops that need that type of thing, but it is a mix of both, and we need to train them in all and let them choose which one they think they have the edge for.

That is where it has to go, otherwise the Sandals hotel “not gonna make sense yuh know because Sandals go be bringing in his food just now”. “You go by any of the groceries in the East-West Corridor and the food coming from up the islands or it coming from abroad”, and the Sandals project will have zilch effect on Tobago. Already, Tobagonians “not producing the food they eating”. That is where the trouble was the other day, that is why the grocery shelves were empty, because the food in the Tobago groceries going up in trucks on the cargo ships.

And if we do not understand that, then everything else is not going to solve any problems, we are just going to be spending money and not solving problems. Because if we are not producing food here, then the foreign exchange problem will continue, and all that we earn from oil or whatever else will be soon dissipated, it

will fly out on the same ships and planes that bringing in the food. So that is the next direction that we have to go in and it has to be soon because we are running out of time and space literally.

So that diversification is not just about the mix of sectors, it is about the energy supply because until and unless we change the energy supply, we really “ent” talking diversification, “we still frittering” on the edge of things.

**Madam President:** Sen. Creese, you have five more minutes.

**Sen. S. Creese:** I want to turn my attention because I do not want to sound as though, well, look, everything that is proposed is bad, eh. All those little initiatives, I think they spoke about the new business initiative, the agricultural incentive, the tourism initiative, and I think four of them mentioned where they are targeting a \$100,000—you know, up to \$100,000 in new initiatives. I think all of those are good. The problem with them, though, is that they should be revolving fund. This old habit we have of grants and so on, “leh we give up that nah”. People must learn the value of money and the only way to learn the value of money is to have to pay it back. Yes, you could have a moratorium on when—you know, to give them some time to find their feet, one year or two years, but they must pay it back.

And the same should apply for GATE. GATE should be a revolving fund. If you are educating people to go into a new income bracket, to return from the institution working for more than their colleagues who did not go there, then they owe us something. They got more out of the system than the next guy and they should pay it back. It should not be onerous but they should pay it back. So if we take a revolving fund approach to all these systems, including GATE, it would make a difference. Then the future source of the fund would be obvious. So low

interest rate, no problem with that, but it is the principal you want returned so that other people could access it, and that will make a great deal of a difference and it will end the welfarism and the dependency syndrome that people like to criticize the governments for.

And I want to talk quickly about tourism, if I may, in the sense that I have a problem with the creation of a tourism agency in Tobago. On a tiny island of 50,000 people, we have a THA with a tourism section. We are going to create another level of bureaucracy? Please! Already, there is a problem in Tobago with the proliferation of doctorates and so on and the “seta” people with Masters on this tiny little island and “they all working in offices” and at the end of the day, what do we have to show for it? A proliferation of degrees that are not really focused on productive entities.

And finally, my last two minutes. Tourism: we need to have a serious analysis on what are the possible tourism products and I will give you an insight into that. One of the missed opportunities, when President Obama came here, or before he left office, was to utilize the Merikin experience in Moruga as a classic example of how to use the DNA interest of people to link up in Maryland and South Carolina those families that ended up here as a result of the British-American war. Good? We could use that DNA experience and you could have asked President Obama to grant to the ancestors of these Merikins—what you call it? Amnesty, because they, in fact, committed treason because they fought with the British against the fledging USA state.

But the whole point of that was to use DNA connection between descendants in Maryland, descendants in Nova Scotia because some of them went to Nova Scotia before they came here, right, to do that tourism link-up because it is

really as a tourism project. And to do the same thing out of India and to do the same thing out of Africa and to do the same thing out of other parts of the Caribbean where the French Creoles came from and where the other migrants from—you know, the Jews who came here, the Syrians and so on. Good? That should be the thrust of our tourism programme. That DNA link-up because DNA is of interest now and that is the kind of new orientation we could take in tourism that I am not seeing mentioned anywhere in any of the brochures that speak of tourism. We are still caught up on the sun, sand, sea and the tourism thing and there is a whole new world of tourism out there that we are not into and we need to get there. I thank you. [*Desk thumping*]

**Madam President:** Hon. Senators, at this stage, we will suspend and we will return at five past five.

**4.35 p.m.:** *Sitting suspended.*

**5.05 p.m.:** *Sitting resumed.*

**Madam President:** Sen. De Freitas.

**Sen. Nigel De Freitas:** Madam President, I thank you for the opportunity to contribute to this budget debate for the fiscal year 2017/2018. It is my third budget presentation and albeit not as many as others in this august House. I heard today Sen. Mahabir saying it was his 26th budget presentation, I do not have as those many years as Sen. Mahabir but I mention it really to reflect on the first budget presentation that I would have had in this House where I would have indicated, as a newcomer, that I would have been an observer and a contributor. And as the years went by and I would have gained experience, I would have added to that skill set, and one of the things I would have added as I fulfil both roles as Vice-President of this Senate and as a Senator is that I would have become an avid

listener.

Madam President, it is with that skill set that I listened intently to the Minister of Finance and the Minister in the Ministry of Finance, who I will congratulate on her maiden contribution here today. And it is with that intent listening that I would also listen to the Members who oppose, Members independent and more importantly, members of the public. And in that listening, I would have come to three main conclusions.

The first is that this budget presentation is less about politics and more about survival. Madam President, the revenues have declined. We know that we have to take action. The Minister of Finance has said this ad nauseam in 2015, reiterated in 2016 and again in 2017. We know that we have to take action, we know that things are not good, but we also know that it will not be welcomed by all. I would even go as far as to say in 2015 that there may have been a sense of scepticism or even a delayed reaction when this was first said by the Minister of Finance in that inaugural budget presentation for this Eleventh Parliament. And that leads me to my second conclusion which was I am not sure exactly how many people get this.

Madam President, coming into the 2010 Government, which is the previous Government in the Tenth Parliament, we would have had a Government that came in on campaigning of squandermania, and then when they came into Government, they would have indicated that the Treasury was empty and then proceeded for five years to break every single national record in relation to expenditure. So I understand why the people would be sceptical when, again, they hear that revenues have declined and that the economy is bad. It is like the story of the boy that cried wolf and we all know what happened when the wolf finally came. But the level of



scepticism coming from certain quarters is beyond mere disbelief and bordering on pure resistance now, spreading of fear.

And you would have heard in the early contributions of others, especially Members that oppose, words like “recipe for economic chaos and disaster”, “catastrophe”, “inescapable precipice and death trap”. Madam President, these are words of fear. You are hearing calls for disruptive behaviour from the public domain. But for what reason? I would get to that shortly. But for those who have eyes to see and ears to hear, for those who truly understand the situation that we are in and what we are trying to achieve, I will say to you: When you hear them spreading fear, beware of those that would see this country burn if only to be queen of the ashes. When you hear calls that would take this country down a path of disorder, I say to you beware of those that will see this nation turn to chaos if only to be the sellers of order. Madam President, when you see those who would pray on the addictions of others raise their voices, I say beware of those who would see a people suffer if only to be the richest person in the graveyard.

Madam President, the third conclusion I came to is that this theme of this budget is aptly named Changing the Paradigm. The wolf is not yet here and there is still ample opportunity to heed the cry. We must change the way we think, we must change the way we behave, we must change the paradigm. And you would have heard Members opposite quoting philosophy, and the psychological fact that I would put forward today is, you cannot solve a problem from the same mindset that created it, you must change your paradigm, you must change the way you think and you must change the way you behave if you are to develop and move forward. That is what the Minister of Finance and the Minister in the Ministry of Finance is trying to tell the nation.

So what does that really, really mean? In the context of governance especially. Madam President, I would say it is changing the modus operandi that we have gotten accustomed to over the years leading to a change in expectation of our citizenry. Simply put, Madam President. It is moving from a hand-out mentality to a way-out mentality when it comes to wealth distribution in this country. Madam President, for the remainder of my contribution, I intend to show how that mentality has changed between the previous administration and this current administration but more specifically in relation to Tobago.

Now, in all fairness, the overlying principle of the Government is to share the wealth of the country evenly. Any government that comes into power, that is the overlying principle. Administrations, over the years, have engaged in this hand-out mentality. That is what we were doing. Why? Because we had money to spend and no reason to change. In good times, we created programmes, increased subsidies, allowed taxes to go uncollected, institutions to run up bills, et cetera, et cetera. Like I said, we continued like this because we had money to spend and no reason to change. However, the Minister of Finance has repeatedly stated in his various contributions that this style of operation was taken way, way, way overboard with the previous administration. I do not need to go into great detail because the various Ministers in this Chamber and in the other place would have gone into great detail as to exactly how that happened. But instead I intend to focus on the differences between the style of operation itself and the benefits and disadvantages.

Madam President, a hand-out mentality, although seemingly positive at first, has one main issue. You have to maintain a high level of revenue to support it. Continuously creating a negative cycle of dependency causes you to have to

increase expenditure. What you have is a situation where individuals will be coming again and again to various avenues to access that wealth distribution. But if it is that you are having this hand-out mentality, you will end up doing certain things where you have to continue giving to these individuals or to these institutions or businesses, whatever you want to call it, so much so that you keep having to maintain that revenue, but more importantly increase the expenditure. Because you have to continue to give lest you have the ire of the public if you do not.

Madam President, compare this to a way-out mentality where you do not have to maintain high levels of revenue to support it because the point is to reduce the number of hands of people in need by creating opportunities to find a way out of the economic circumstance that they may have found themselves in on the strength of their own efforts, therefore creating a positive cycle. In other words, Madam President, as you have the hands out and they are accessing opportunities and incentives, they will find a way out of the economic circumstance, therefore reducing the number of individuals that are in need.

Madam President, the financial security of the population through that process will also grow, therefore meaning that for the Government, it will have more revenue to have and therefore, allowing more money to go into developmental programmes, creating more opportunities, creating that positive cycle to which I spoke. Simply put, if you give a man a fish, he can eat for a day but if you teach a man to fish, he can eat for a lifetime, and I will go even further to say, if you teach a man to grow a fish, he can feed a nation.

Madam President, I will now go on to the modus operandi of what a hand-out mentality looks like because I would have heard in this budget debate, so far,

individuals talking about “we keep blaming the previous administration, we keeping blaming the previous administration”, we should move forward. But the thing is in order to move forward, you have to know where you come from. In order to change the mindset, you had to know what went wrong before. And therefore, I identified four activities that would have been taking place under that mindset.

**5.15 p.m.**

The first being increased expenditure with little to no return on investment. The second being a creation of projects which carry ballooned cost because the population has come to expect that the Government has unlimited amounts of money which in turn creates a false sense of stability in the economy. The third being, and this is most important, in the face of declining revenues, expenditure will continue to rise as per the issue I outlined earlier with the hand out mentality. Expenditure will continue to rise to the detriment of all, leading to my fourth point, in regard to the activity. There would be a prevalence of what can only be deemed irresponsible behaviour that puts the entire country at jeopardy, in order to maintain the illusion of a stable economy.

And, Madam President, to really bring this point home, I draw your attention back to the Minister of Finance’s contribution in the other place, and as much as he might have been outlining the economic circumstances that we are in right now, I will just quote him, and in that you will see these activities that I am talking about. And I quote:

“Unfortunately for those of us who now have the task of managing the country’s finances, under the previous Government spending escalated from \$46.7 billion in 2010 to \$62.8 billion in 2014, an increase of 34 per cent.

Despite the fact that during the 2010 to 2014 period, core revenue never really recovered...

...In fact, core revenues in 2015 were essentially the same as they were in 2011, in the \$43 billion range, while annual expenditure increased by over \$10 billion in the same period. This pattern of Government expenditure was and is unsustainable, but it created a false expectation among the general public that the good times would never end...

Much of this increased expenditure was wasted or unproductive. Project costs skyrocketed during this period, doubling and tripling in many instances, simple building projects, such as fire stations and police stations, exploded in price, moving from \$40 million per station to \$400 million, in some cases, an increase of 1,000 per cent...

In fact, since 2015, as a result of the spending in the 2011 to 2015 period, the Government's current account has been in permanent overdraft...very close to the allowable limit on virtually a daily basis making it difficult on many occasions since the 2015 election for the present Government to pay public sector salaries and wages."

Madam President, I reiterate, prevalence of what can only be deemed irresponsible behaviour. Madam President, increased expenditure with little to no return on investment; creation of projects which carried ballooned costs. And finally, in the face of declining revenues, expenditure would continue to rise. This is what we saw in the previous administration and what I am saying is that that was under a previous type of mentality, which needs to change, given the economic circumstance that we find ourselves in.

So, Madam President, I now compare this to a style of operation under a

way-out mentality. And the activities that you would find when it is you have that kind of mentality in relation to governance and in relation or in response to the economic downturn is that you would find, firstly, a maintenance of programmes which are meant to help create a way out for the most in need but just needs streamlining.

And, Madam President, I give you the example of the GATE programme. We would have heard from Members opposite, in relation to the GATE programme, talk that this is causing hardship. That is not the case. The Minister of Finance and the Minister in the Ministry of Finance would have indicated that that programme needs streamlining, that where the programme was is that it had ballooned in cost and, therefore, could not be sustainable under that mentality that we had before. So what has happened is that you create a means test now so that those who are in need can still access the programme but those who can afford to pay will do so, therefore, creating a way out for individuals who are most in need.

Madam President, I also use the example of CEPEP and URP where, in that other place, in the budget presentation for this fiscal year, it would have been indicated that these programme are going to be looked at so that you go back to the streamlining, so that you get it back to where it should be, in terms of being a way out for individuals who need it most.

I even go further into the housing programme, where you would have heard the changes to that programme from 2015 to now, whereby you move from individuals who could afford housing being part of the programme to now individuals who could not afford having greater access to that programme. And the Minister of Finance would have indicated even more, in relation to that programme, by implementing a rent-to-own structure. So that those who are most

in need, those who wish to find a way out, can access these programmes that are maintained for those who are most in need.

Madam President, the second activity is a reduction in overall expenditure and a streamlining of systems to reduce leaked revenues. And the example I give of this in this current administration is the revenue authority, where the Ministry of Finance would have indicated leakages after leakages, after leakages in relation to tax collection in this country. And, therefore, we cannot continue in this mentality or in this way because these revenues are needed. So the setup of a revenue authority which would collate these institutions to help us collect the taxes that we should be collecting to the benefit of Trinidad and Tobago so that you can create more opportunities, you can create more incentives and you can create more programmes for those who are most in need. And that is how a way-out mentality operates.

Thirdly, Madam President, the creation of policies and projects, which, when accessed by citizens, give them an opportunity to create a way out on the strength of their own efforts. And that is the most important line, “on the strength of their own efforts”, because that is an underlying principle of the way-out mentality, meaning that when they create their way out, they do not continue to return, in terms of needing these opportunities and incentives. They could actually go forward to create opportunities and incentives for others.

The greatest example I can give is the Business Development Incentive Programme, specifically \$100,000 that the Minister of Finance would have indicated in the budget presentation. And what would happen here, Madam President, is that individuals would be able to have another avenue to access funding by which they can develop their business idea and increase the number of

small and medium enterprise businesses, hopefully, escalating and growing to big business in Trinidad and Tobago, therefore, creating jobs for other citizens who have not gone down that avenue.

And, Madam President, I would really use the analogy of something that we all use in this Chamber, social media. How many of us know that Facebook was started with between US \$1,000 to US \$2,000 and is now a multi-billion dollar entity that is global? I say now, that you could have just 10 individuals in Trinidad and Tobago that access this; that go down that road if we are to create something similar. What would that do for the economy of Trinidad and Tobago and the ability for us to create revenue so that we can put into programmes to further develop the nation?

Madam President, I also move on to the ability to access US for small enterprises. We know what the situation is right now when we talk about the amount of US in the country and the ability to access. And the Minister of Finance would have indicated the kind of pressures this would put on small enterprises that manufacture right here in Trinidad and Tobago but have a product that could be sold in the US. And if you cannot access the US to get the raw material to create your products, then your business is essentially stifled.

So therefore, creating this kind of programme where specifically these small enterprises or medium enterprises can access this US to get the raw material to increase production, if you want to go down that road, to be able to export to foreign countries, where they can sell the product for US and have that US come back into this country therefore alleviating that problem that caused this programme to be set up in the first place. Madam President, that is how you create a way out.



Madam President, I now move to Tobago and tourism. In the context of the argument that I have laid out thus far, which is handout versus way-out, in order for Tobago to reach its true potential, the paradigm must shift. I can say that today, for the first time, I have heard the word Tobago used so many times by Members, Independent and that is probably because we really need to change that paradigm. I do not know if it is because that I am sitting here and I am Tobagonian that they see me and they start talking about Tobago.

But, Madam President, it cannot be that Tobago continues to be an expenditure item in the budget, governed by a percentage of the overall budget. It cannot be that Tobago is reliant on the quality of relationship with central government in order to be given an opportunity to grow and develop. I have said it in every single budget debate. This administration has begun to lay the foundation of what the relationship between Trinidad and Tobago should be like.

When I look at the allocation for Tobago this year, I see a Minister of Finance who, after reducing the overall expenditure, would have still endeavoured to ensure that Tobago received 4.34 per cent of the total expenditure, and albeit that this is slightly less than the 4.4 per cent he would have given last year, it is really the mathematics in that it is the total expenditure that decreased. But yet, he still continue to endeavour to give us 4.3 per cent, and when you take it in the context of what is going on in the country, you cannot be mad at the Minister of Finance for that. But in the context of the relationship between Trinidad and Tobago and changing the paradigm, you really have to look at how far beyond the Dispute Resolution Commission's range of percentage, in relation to the total expenditure of the country, that the Minister of Finance would have gone.

And, Madam President, that takes me to the ability to borrow, the discussion

that is now being engaged between the Minister of Finance and the Tobago House of Assembly. And the thing is that he would have done this because he had, one, a commitment to Tobago and the confidence in Tobago, to lead the diversification process and charge, as it relates to what we need to do for Trinidad and Tobago to move forward. And I would have heard in the budget debate thus far questions being raised as to: Why is Tobago being allowed to borrow? How did Tobago get a rating? And, Madam President, I, in my first budget contribution, indicated exactly why, and, therefore, I am going to reiterate it now. In a newspaper article on Friday, February 20, 2015, this is what I read and this is what Moody's said:

“In order to secure the rating...” [*Interruption*]

**Madam President:** Senator, could you please identify the newspaper, please?

**Sen. N. De Freitas:** Sorry. The newspaper was the *Guardian*, the *Trinidad Guardian*, Madam President, and I quote:

“In order to secure the rating, which the Moody's team has indicated will be positive, the THA has been subject to intense scrutiny of its financial operations including examination of its institutional framework, its sources of income, the performance of revenues of the THA, expenditure trends including the evolution of its recurrent expenditure, its contingencies account expenses, THA deposits, cash management and liquidity and debt financing and management.”

So this was not somebody you found on a beach that gave a credit rating. This was an international professional organization that gave this credit rating. [*Desk thumping*] That is why the Minister of Finance has confidence in Tobago so that he can engage in discussions with regard to borrowing to meet the shortfalls in the budget as it relates to Tobago.

Madam President, the credit rating that was subsequently given was Baa1, which ideally was downgraded because the credit rating for the entire country was downgraded, and Tobago is part of Trinidad and Tobago. But I go on to quote:

“T&T now enjoys a Baa1 rating and the outlook for the THA’s rating may be on par. Interim reports indicate that the island is on the high end of the spectrum when compared to other rated Latin American regional governments whose scores span Baa1 and Caa3...

The island’s balance fiscal results (operating surplus), very low debt levels and solid liquidity position were noted in the report and should impact positively on the overall grade assigned.” Like I indicated, the grade that was eventually assigned was Baa1. But it goes on to say:

“If given a Baa1 rating,”—which it was—“Tobago will be one of the highest ranked in the Caribbean scoring higher than Barbados, Jamaica and St. Vincent, among others.”

Madam President, if that is not creating a way out for Tobago, I do not know what is.

But it does not stop here. We have all heard of the Sandals project. It has come up for public discussion in the public domain as to the benefits of such a project. But the Minister of Finance would have indicated certain things last year and, as I have indicated earlier on in this contribution, I became an avid listener, and I do not think I heard it being mentioned again in that debate or in the public domain, so I would mention it now. Madam President, with that project, the Minister of Finance indicated last year that there would be \$100 million annually to be spent on local goods and services in Tobago. Let me just let that sink in for a second; \$100 million in local goods and services, that is, \$100 million that Tobago

does not have right now. And in response to the Independent Bench when they indicated that Tobago does not have agriculture to feed itself, I will say this: if Tobago is to have agriculture to feed itself, most people would get into agriculture for business, they built a house. They need to pay bills. So when you look at the total population of Tobago, in terms of growing agriculture, when you want to expand like most agricultural individuals in that business in Trinidad, they may not be able to expand as they need.

They cannot export to Trinidad or send food to Trinidad because we just heard in this Chamber that Trinidad loves imported food. So they would not buy food from Tobago. So when you have \$100 million available in local goods and services you now create a market for the agricultural sector in Tobago. That is creating a way out for individuals who want to enter into that sector or any other business that relates to the tourism sector in Tobago. When they enter into that market share they can build a life for themselves, therefore, creating that way out, Madam President.

Madam President, he went on to say there would be \$500 million annually to the economy of Trinidad and Tobago. I am sure the Minister in the Ministry of Finance would tell us when she wraps up what she could do with that \$500 million. That is \$500 million the country does not have right now.

Madam President, it does not stop there. He went on to indicate 3,500 jobs would be created between construction and direct employment. Three thousand, five hundred jobs, Madam President, is no drop in the bucket. I have heard the public sector in Tobago lament, over and over again, about the number of employees that the Tobago House of Assembly has and the percentage of the island population. And if you have this way-out mentality you can see that

individuals who are in the THA right now can transition from that entity into the tourism sector, either directly with Sandals or through business on their own, so much so that you reduce the recurrent expenditure of the Tobago House of Assembly, therefore allowing for that money to be transferred to capital expenditure, allowing Tobago to develop projects and create more opportunities so that the people in Tobago can create a way out for themselves. Madam President, that is how you create a way out for Tobago.

Madam President, it is with these things, and I am not done, there is more, but it is with these things that I can stand here today and I can make a prediction with the Sandals project, with the confidence and the commitment of the Minister of Finance and the Minister in the Ministry of Finance, today I make a prediction and put it into the *Hansard* so it could be checked in the future that Tobago will become a net contributor to the Treasury of Trinidad and Tobago. [*Desk thumping*]

Madam President, I move forward to the Ministry of Tourism, really. And it is the first time that I have seen a ministry try to operate in a manner that is realistic to what the reality of Trinidad and Tobago is. What am I talking about? Madam President, we are two islands, one nation. We are two cultures, one people. We have two histories, one flag. And now we have two entities, one tourism product: a tourism entity for the tourism product in Trinidad and a tourism entity for the tourism product in Tobago. And, Madam President, I can tell you how that would go, and how the initiatives would come forward in regard to that.

I had the opportunity to host in August of this year, cohost actually, with the Speaker of the House, a Presiding Officers and Clerks Conference that invited speakers of various Houses up and down the Caribbean, along with the Presidents

of the Senate. And one of the activities that we would have had to engage in is a day out activity once the conference was done. And you would have heard, time and again, the problems that the tourism product would have had, so therefore there would have been some trepidation. But I could tell you on that day Tobago stood tall and on that day Tobago made me proud.

I really have to put into the *Hansard* today and thank the Charlotteville Heritage Performers, because what we would have done for these individuals is that we would have taken them to the town of Charlotteville and we would have taken them to, what I call, an interactive cultural item, something I have never seen in all the conferences I have attended in all of the islands that have tourism as a main source of revenue. And I could tell you, based on the responses and the smiles on the faces that I have seen, that these individuals would have danced the cocoa. They would have eaten fire on top and, what we call, fire below bake, the best bread in Trinidad and Tobago. "Linda's cyah touch it."

They would have partaken of hot chocolate made from cocoa grown in Tobago. And when that was done, they would have gone to the riverside where there would have been an interactive cultural item that taught them about a cultural history of Tobago, something we call washing the dead bed. And they would have learnt about that and engaged in that activity.

When that was done, they went to another part of Charlotteville where they would have drunk cane juice, freshly squeezed cane juice, jumping up and down on the cane to squeeze it out on the log that would squeeze the cane to squeeze it out and then partaking in that juice. And I could tell you after all of these activities, it may sound like a little, but after all of these activities, upon leaving this country, they turned to me and they said this was the best conference they ever

attended. [*Desk thumping*] They were so pleased, and, therefore, it is based on that, that I can say with this initiative where Tobago can develop its own tourism product and Trinidad develop its own tourism product, that I expect a whole lot more. [*Desk thumping*]

Madam President, as I conclude, I hope that those listening understand or take away at least two messages from what I have said. The first is, based on this budget presentation that we have put forward, that those looking for a way out would find ample opportunity and ample incentives. But those that continue to look for a handout would find that there is less to go around. But in order to advance to the next level of this country's evolution, we need to understand that we need to step outside of our comfort zone. Madam President, we need to understand that we need to change the paradigm.

Our founding fathers would have left us with six little words that in good times act as reminder but in bad times act as a guiding light and a guiding principle for us to find our way out. If we work together we can achieve greatness. If we work together we can aspire to anything. Be it as two islands, one nation; be it as two parties, one Parliament, or Madam President, be it as two neighbours, one constituency, we will survive. And in our attempts to do so, may God forever and always bless the red, white and black. Madam President, I thank you. [*Desk thumping*]

## **ELECTRONIC DEVICES**

**(Use of)**

**Madam President:** Before I call on Sen. Richards to speak, I just want to remind Members there was a procedural bulletin that had been circulated about the use of electronic devices. I would advise Members to pull it up and have a look at it, and

for the new Members to also have a look at it. Okay? Okay? After I have said this, please do not let me hear anybody's devices going off. Sen. Richards.

### **APPROPRIATION (FINANCIAL YEAR 2018) BILL, 2017**

**Sen. Paul Richards:** Thank you, Madam President, for the opportunity to contribute to this Bill to provide for the service of Trinidad and Tobago for the financial year ending at the 30<sup>th</sup> day of September, 2018, more commonly known as the *Budget Statement 2018*, delivered by the hon. Minister of Finance on the 2<sup>nd</sup> of October, 2017, subtitled: "Changing the Paradigm: Putting the Economy on a Sustainable Path".

There is much that I agree with in this budget that I commend, in terms of the Minister's ability to continue the Government's trend towards conservatism, because we seem to have let that paradigm run away with itself for many years, putting us in this position of, according to Sen. Mahabir, our tenth deficit budgeting presentation. So there is a lot that is commendable, in terms of conservatism, prudence, scaling back, especially where items like the subsidies are concerned. But there is much that I would like to outline, in terms of the mandate for changing the paradigm that I would have liked to see more of, or at least clearer provisions and maps for.

I would also like to say at the start of this contribution I would like to congratulate the Prime Minister and the Government for the Spotlight on the economy, which I think is a good initiative, in principle. [*Desk thumping*] I think it was able to provide much needed and essential context, especially where we find ourselves economically in Trinidad and Tobago, I do not think the population really got it, for the last two/three years, and this is even before the last administration went out of office. I do not think we understood where we are as a country economically and the challenges that face us, because that is evident by the



fact that our patterns, consumption patterns, have not changed. Our general behaviours have not changed, but I think that was a very good forum that provided that sort of context.

What I found was missing in that was—as a bit of a critique, and constructive critique I hope you take it—that it was also touted as being consultative. And I really do not, with respect, think that a presentation four or five days before a budget is not the spirit of real consultation. Because we know what goes into the preparation of a budget takes months and months and then there is the printing of the documents and stuff. So I would prefer if I could humbly suggest, that it takes place. It continues, firstly, no matter who is in power and it takes place some weeks before, so that really critical stakeholder groups can really have a chance to contribute their ideas and their thoughts that may be better included into the presentation later on, but I think it is commendable and congratulations on that.

I think the population got a chance to see in that Spotlight a positioning of the economy, in terms of the transfers and subsidies Government expenditure, repayment debt-servicing, public sector salaries, where we are with that, compensation, the PSIP, revenue, non-energy and energy and, to me, pretty, very important, the deficit situation.

Generally, just to reiterate a bit that total revenue \$45.741 billion, oil revenue, \$6.412 billion; non-oil revenue, \$32.910 billion; capital revenue, \$6.419 billion; which makes for a total expenditure net capital repayment and sinking fund contribution of \$50.51 billion. And the document goes on to outline the various main categories, the largest of the share going to education and training, \$7.2905 billion; national security, \$6.2371 billion; and health, \$6.0278 billion.

In terms of the subtitle: “Changing the Paradigm: Putting the Economy on a Sustainable Path”, where we are in terms of, we have to engage in some sort of focused and strategic efforts. Because if we think of changing a paradigm, we really have to think of a different kind of thinking. We have to think of innovative thinking. And to be very honest and respectfully I did not see the kind of innovation that I would have liked to see, in terms of approaches to dealing with some of our challenges and approaches to introducing new measures for revenue generation in the context of where we want to be five, 10, 15 years down the road.

At the risk of engaging in sterile academic discourse, I would be referencing some academia in my discourse, just for reference, not to bore anyone. You know, I have looked at education, which any one of you have heard me make contributions before, is my pet area; national security; food security; agriculture; health; public utilities; public service delivery; state agencies and enterprises; and, of course, the “D” word, which I think every speaker so far, and possibly every speaker to come, will deal with, which is diversification.

In the context of the changing paradigm, the question arises: Are we really changing the paradigm in the sectors or ministries? Or are we making subtle changes but overall, in terms of trajectory, maintaining the status quo? You know, what measures have we seen outlined to really change the paradigm? You know, what? Are we looking at Ministries and the allocations and the way we operate, the approaches, the processes, the policies, the productivity levels that are our critical issue in Trinidad and Tobago?

We have, it was really interesting going through this document in detail, the State Enterprise Investment Programme, 2018. In terms of the fact that we have 49 wholly-owned state agencies, eight majority owned, five less than 50 per cent

owned agencies; 55 indirectly owned; seven statutory corporations, including TTPost, WASA, the Port Authority of Trinidad and Tobago, PTSC, T&TEC, HDC, ATTT, et cetera, and we have to ask ourselves as we move forward, even with the commendable efforts the Government is making to reduce our expenditure and cut wastage: Have we taken a look at these agencies, as I outlined them? Do we really need all of those? Are many of them, though they may have been useful 10/15 years ago, still relevant today or useful?

**5.45 p.m.**

Are we duplicating services and wasting money? And I think that this is something we need to do as a country if we really want to change the paradigm. Because when you look at many of these agencies, and you have to ask well what are they contributing? How effective are they? How relevant are they in terms of the Government's policies and thrusts in new directions? I really do not see it, and I am seeing many of them actually offering duplications of services that can be really done under one umbrella or quite frankly done away with and done effectively by a Ministry, and that is something we have to look at in Trinidad and Tobago. Because when you think of the cumulative costs in running many of these agencies, it adds up, and you see the number of them I have outlined.

We also, I think, respectfully, need to look at the governance structures of many of these agencies. I mean, our country over the last 25 to 30 years, it is replete with examples—I will call it, UDeCOTT one, two, three and four, in different administrations, EFCL, Airports Authority of Trinidad and Tobago, WASA, HDC, SporTT and most recently and most publicly, embarrassingly, the Port Authority of Trinidad and Tobago. And administration after administration, we have seen the kinds of deficiencies in governance, in accountability, in

transparency. We have seen what can only be described as mismanagement, corruption, malfeasance and we have to ask ourselves: Are the governing structures working to really implement and operationalize Government policy? No matter who is in power effectively, because no matter who has been in power for the last 20 or 30 years we have had these scandals, these points of mismanagement, these imbroglios, over and over and over again. So what is the real problem here?

Obviously, the structure that we may have envisioned and engaged in 20 years ago, are not doing what they are supposed to do today, leading to these agencies and enterprises really under performing in terms of their ability to deliver to the people of Trinidad and Tobago, and contribute productively to the economy. And it seems that we have accepted many of them and I will outline a few in terms of where we need to look possibly in terms of how we view them. We just accept, it seems, that we have to have huge amounts of subsidies and transfers to agencies like CAL, and PTSC, and WASA, because it has been so. When you really think about it, we have seen amazing turnaround and success stories in TTPost, National Flour Mills, Petrotrin, depending on what era it is in and NGC. So why can those sorts of success stories and the analysis of how they succeed, and why they continue to succeed, or their shortcomings be applied to other agencies in terms of really changing the paradigm?

If we are really changing the paradigm, five to seven State agencies or enterprises performing adequately and accepting that the others are just supposed to be revenue takers, instead of balancing the books and revenue generators, is not really changing the paradigm. It is really when you think about it accepting the status quo, and that is something I think that we need to look at, because I have some examples I think are noteworthy in terms of how we can move those

situations forward.

Madam President, so at the basis of my presentation is the issue of innovation. Innovation, innovative thinking, and when you look at what is innovation?

“It is ‘a new way of doing something.’ It may refer to incremental, radical and revolutionary changes in thinking, products, processes or organizations.”

Peter Drucker, who is viewed as an innovation guru says:

“...innovation as the tool or instrument used by entrepreneurs—or agencies—to exploit change as an opportunity. He argued that innovation as a discipline is capable of being learned as well as practiced...He never agreed to a theory...”

But he certainly agreed to the development of an environment that facilitates innovation so that it can be put into practice and sustained. And I do not really think we have done that successfully in Trinidad and Tobago. We have spurts of innovation, Point Lisas Industrial Estate, obviously innovative. That is a clear example, but then what have we done with that to sustain the innovation that really has provided our bread basket over the last couple decades in Trinidad and Tobago? Drucker continues that:

“...perspective, systemic innovation consisted of...purposeful and organized search for changes,—analysis for present structures—the systemic analysis of the opportunities such changes might offer for economic and social innovation.”

Because social innovation is also very important in the context because we cannot really practice innovation if we do not get the people to buy into it, and

have a mindset or paradigm change in the way we think about our country and how we want to contribute to our country developing and moving forward. And when you think of innovation, you really have to think of the issue of research and development at a national level and how much emphasis we place on research and development.

And when you think of the countries that are doing well, you look at their contribution per GDP—percentage GDP in terms of contribution and in many of these countries this is legislated, it is not optional depending on who comes into power or who goes into power. They will say “We have to put 5 per cent of our GDP towards research and development. We have to put seven” and the countries that are doing really well, you see, are the countries that are putting higher percentages per capita of GDP in terms of research and development, because they understand the need to continuously position themselves ahead of the pack, in any particular sector which they feel to pursue, and I do not think we are doing that in Trinidad and Tobago. The United States, 2.74 per cent; China, 2.1 per cent; Japan—a country we love to compare ourselves with 3.584 per cent of GDP mandated goes towards research and development; Germany, another country that is doing very well, 2.869 per cent; South Korea, 4.292 per cent of GDP towards research and development; France, 2.52; and the list goes on Sweden is also a country pretty high up 3.161 per cent going towards research and development.

We have actually quite an astounding platform in Trinidad and Tobago because we are a country that is replete with tertiary level institutions that have long histories of doing research. Unfortunately, the research ends up on academic shelves and ends up being classified as sterile academic discourse, no pun intended. So it is not really applied research and any academic will tell you if

research is not applied, it is really wasted. We have great thinkers in Trinidad and Tobago from Lloyd Best coming right back down to many of today, but we really have not applied the innovation and the forward thinking methodologies that they have posited over the years.

Madam President, let me move on to changes in paradigm in education. Our primary and secondary schools challenges—poor performance at SEA in more than half of schools districts. The statistics show that students are performing below the national average, we like to jump up on a high horse when SEA comes around, and this is apolitical, this is no matter who is in power. And the Education Ministry for the last 15 to 20 years, the day after SEA results, we jump and we go and visit the three top performing schools and take the perfunctory photo ops. But are we looking where we should be looking? Those students are not—I mean, they should be congratulated; do not get me wrong, but those students are not where we should placing most of the attention.

We need to look at the more than five performing less than the—sorry 60 per cent performing less than the national average. Because when you look at the school districts in Trinidad and Tobago, there are more than half of them where the majority of students and entire schools are performing below the national average in math, language and creative writing. Below the national average, "...2,170—students—scored less than 30per cent." This is according to the *Express* July 05, 2017, in a press conference hosted by the Minister of Education. Additional, attrition rates are unacceptable in terms of the fallout between primary and secondary schools we are not changing the paradigm where these things are concerned.

Recently, I saw an article online where Sweden has announced—and

Sweden as we know is one of the top three education districts in the world, has announced that they will be totally abandoning examinations and their prior way of educating their human capital. They are not doing any math exam, no English exam, no creative writing exam. They are going toward a different model, a communication model, a creative thinking model, from as early as primary school, where they are envisioning models of communication, models of creative thinking, models of innovation and technology, and they are focusing heavily on technology where they incorporate math. They incorporate creative writing in terms of the process for furthering these new dimensions, and that is the way they think. They will be able to position their human capital to an advantage in the future. So even though they are on top of the game, they are still innovating because they have done the analysis as to why they are on top of the game and what they need to do to remain in that position. We do not seem to be taking those lessons in Trinidad and Tobago.

I have to ask the question and I should have referenced it earlier on. We find ourselves in Trinidad and Tobago, in a very similar, some may argue, worse situation because time has passed as we did in the late 80s early 90s. We all know what happened, we also experienced a precipitous drop in energy prices, and we found ourselves having to go through a series of initiatives to try and stabilize the Government of the day, the NAR, paid the ultimate political price, although the late President and Prime Minister, Arthur N.R. Robinson probably did the right thing as did his counterpart Margaret Thatcher when the UK went through a similar situation, and put us back on a path to sustainability. But I have to ask the question: Did we learn anything from that time? Apparently not, and if we learnt anything, how much did we apply? Because if we really learnt anything at that



time, we should not have found ourselves in this situation today. And again, we have had—we like to blame PNM, UNC, whoever, but all the different groups have had their time running the country, but collectively it has all led us to this point today.

So I am hoping, and I know Trinidad and Tobago will recover and I underscore Sen. De Freitas' sentiment that he has faith in Tobago and in Trinidad, that we will recover from this. I am absolutely sure we will recover from this. But will we find ourselves here again in 15 to 20 years? Will we actually be mature enough as a country to take the lesson this time around or will we just end up floundering again in 15 to 20 years? Because we get a—miraculously oil goes back to \$80—\$90 a barrel and we abandon any attempt of real diversification or I hope not. I hope we really take the lesson this time and put the lesson into practical action. Attrition rates are unacceptable in terms of follow up fall-out from primary and secondary schools, where the legal mandatory age for students to attend school is from 5—15. That is primary and secondary challenges, significant challenges that we can address if we deal with our education system.

Tertiary level challenges, recently and I agree with Government's continuing thrust toward the rationalization of GATE, there are different debates on how persons who are eligible should be identified, but that is to me, a matter for the Government's policy. We allowed GATE to become a babysitter in Trinidad and Tobago, to the cost of billions and billions of dollars and we still really have not done a proper assessment of what it has contributed. Yes, we have a better educated society in many ways, we have more people with under-grad degrees, post-grad degrees, doctorates. But how does that align to where the country wants to go into the future? And that is what we need to do. But even as we continue

funding and I know quite a bit of policy change has been initiated in terms of streamlining GATE and making it more efficient, we still have serious problems. I want to quote something from a report done by Dr. Letitia Williams, Assistant Vice President Student Support Services at UTT December 2016. This focuses on UTT but I understand COSTAATT has similar challenges in terms of where we need to look at in terms of administrative audits for these State institutions. I understand UWI is doing much better but still probably needs to be looked at, and it really outlines in terms of student retention and success at the University of Trinidad and Tobago. The cost of low retention—low student retention has a significant negative impact on students in our nation and the cost of education.

“National students who do not persist to completion—is called persistence rates in terms of their originally stated academic goals—immediately incur a debt to the government, and are ineligible for further...GATE—assistance for tuition expenses, but the cost has already been incurred.

At UTT, each year, approximately 20% of the student population are on academic probation or suspension,—20 per cent, and these students—are...not eligible to receive GATE funding. Many of these students struggle to pay tuition costs and often ‘drop out’ after Year 1.”

Because they really; one, they were badly screened; two, the academic advisement was poor, curriculum design did not meet their needs at the time, and student engagement also was not in support of them staying in.

#### **6.00 p.m.**

“From a financial perspective, each student who attends the University represents a flow of revenue through tuition to the school, paid either

directly”—or indirectly.

“This revenue is lost when a student leaves...”

According to the:

“QA&IE Student Persistence Report 2013 that examined the persistence of the 2009 to 2013 cohorts. This report showed that for the 2009 cohort 17% of bachelor’s students and 29% of diploma students did not re-enrol in Year 2.

Average tuition for bachelor’s degree programmes is \$12,000 per year.”

The total cost in terms of money lost down the drain, \$7,554,000. That is just for that two-year period and that is just for UTT. Add the other institutions around the country, and we will see how much wastage it is.

“Reasons for withdrawal:

- Academic Difficulty
- Financial Issues
- Family issues
- Issues with Lecturer
- Lost interest”

The underlying issues that led to those issues: “Poor recruitment and admission processes”, because very often in Trinidad and Tobago—and these are not necessarily at the state-run institutions—GATE became a business model, quite frankly. That is what happened. Government was paying tuition, 100 per cent undergrad, I think it is two-thirds Masters post grad and even a smaller amount for PhD students. So many of these institutions realized, you know what, let me pack up with a set of things and students will apply, and I will make money and we saw the expansion. In many instances, and inclusive of the state institutions, to keep

the students rolling through, there was plain out dishonesty and cheating, because if I maintain standards and students dropout, I do not get the full four-year money from the State, and that was not being audited and standards were not being maintained.

So, you have students coming out of these institutions who cannot read and write, who have bare minimal competencies in a degree that they were awarded, and they go out into the work place lost. But, you know what? I have a degree and the institution has the millions of dollars. I am glad that we are taking a closer look at this situation, because it was not in the interest one, of economic conservatism and it also certainly did not serve the country in terms of preparing the human resource capital in Trinidad and Tobago to position this country in an advantageous position.

Many of these students that I have spoken to, even presently enrolled at COSTAATT, at UTT, some at UWI, but to a lesser extent at UWI, are expressing utter frustration, abject frustration. There is a young woman I spoke to who was part of a cohort of 14 at UTT's Fashion Faculty two years ago—three years ago, sorry. The faculty started with 14 students and by the end of Year 2 it was down to two. Two! So those two students were basically assured of passing, because if they did not pass them through, the cohort crash and somebody has to account for that.

So I think we need to take a serious look inside these institutions and see if the administrative processes and other issues are being dealt with. I have the statistics for UTT and I have also some serious concerns from students of COSTAATT and the faculty of COSTAATT and these are state institutions that have remained within the ambit of receiving funding, though it has been reduced,

they receive funding so I do believe they need to be audited.

Madam President, staying with education for a few minutes more, you know, my formal training is psychology, sociology in education with special emphasis on special education. So you see, special needs kids and their families, or kids with special needs I should say and their families, they have a special place in my heart because I have interfaced with so many of them and their families. I know as a so-called normal student the challenges that exist. One could imagine if you have been diagnosed with any one of the 13 areas of special needs including: autism, deaf-blindness, multiple disabilities, orthopaedic impairment, other health impairments, emotional disturbance, intellectual disabilities, down syndrome, it is even more challenging.

Our Constitution really mandates an education for every child, but every child is different. Even so-called normal children are different and they are different learners. And, yes, our Education Ministry provides for students with disabilities and special needs with the so-called student support services, which I understand from workers is in crisis. And even if you jump through the hoops to get the support, you get \$2,500 a month. Let me just give you an example.

A modern education system must treat all learners as unique. Modern, caring, progressive countries understand that special needs children and their families must be supported with different, specially designed access to education and support services that meet their unique needs because their needs are different. Equality is not equity, equity is not equality. They need special support services. And what we are spending, billions of dollars. I think education and training is the highest amount allocated in the budget, \$7.2905 billion. How are we treating this vulnerable group and their families?

I want to beseech—and this is not bashing the Education Minister or the Education Ministry, I am actually advocating on their behalf and pleading for us to take a look at our Education Act that is amended to meet global best practice that provides what is described as a free and appropriate education. And “appropriate” means all the services that that unique learner must need. Someone has to speak on their behalf because they are being neglected and their families are suffering. I would just give you two quick examples, Madam President, because I interface with these families all the time.

One mother whose son has a hearing impairment has to find \$2,500 extra a month for a special tutor for her son because the classroom does not provide it. She has two other children and she is a single mother. She has to jump through hoops to get the \$2,500 annually, and then find \$2,500 for 11 other months to make sure her child whom she loves like anybody else’s child, gets the education that she thinks he deserves, because she wants him to do the best in his life, and she has the right to that like any other parent.

There is another father that I spoke to whose son has been diagnosed with down syndrome. His son is 13 years old. He has to find \$5,000 every month extra for therapy and services for his son, and he has to provide for two other children. There are thousands and thousands of other families affected like this, that Student Support Services is not getting to and something has to be done. Someone has to speak out on their behalf. When we are talking about—in the context of a budget—every citizen should feel that I am able to get a piece of this pie, and I am able to do the best for my family and my child no matter what my circumstance, because they are citizens of this country. The vulnerable groups in this country are not being attended to and this is a vulnerable group that must be attended to. [*Desk*

*thumping]* So I beseech. As I said, I am not bashing the Minister. I am asking, please, let us take a look at the Education Act to amend it to make sure that this group is covered.

I also want to speak a bit to the groups, because there are many, many groups, including Down Syndrome Family Network, Autism Society and others that cater to the needs of families with children with special needs that are doing great work—but I have told them this before because I interface with them a lot—that you really cannot negotiate with any government as separate entities. There are 13 categories of special needs. If every different category has a different demand as opposed to them coming together and advocating for special needs legislation in our Education Act, it is going to be much more effective and easy for a Government to respond to that. So, I urge these groups to come together to mitigate and advocate on their behalf. So, please.

I want to move on quickly, Madam President. My good friend, Sen. Baptiste-Primus is my next—I do not want to say target—point of interest. I want to commend the Government for—in the budget has been announced the business development grant which I think is excellent, because we all know, the countries, including the US that is doing well, have invested in the development of micro-small and medium-sized enterprises. So the Government's intention to fund this to the tune of \$50 million I think it is, if I am not mistaken—Sen. Paula Gopee-Scoon?

**Sen. Gopee-Scoon:** Yes.

**Sen. P. Richards:**—\$50 million with \$100,000 for a seed capital for each of these small and medium businesses is excellent, because we need that facilitating environment. My question in terms of changing the paradigm is I know that under

Minister Baptiste-Primus there is NEDCO and there is IBIS which basically also sought to do similar things by providing guidance, training and funding for small business and microenterprises. What I need to know when the Government is making a move in this direction is: How successful has NEDCO been? When we look at the millions and billions of dollars that NEDCO and IBIS have invested in businesses over the years, how many businesses have been affected? How many businesses have been invested in? What is the attrition rate? What is the track record for success? What sectors in terms of small and medium-sized businesses have shown to be more successful and why? What are the reasons for the attrition rates? We all know around the world small and medium businesses have a high failure rate, but we have to do the analysis and use the data when we are investing to find out what the challenges are so that we can mitigate against those failure rates as we continue and move in this direction.

So, I am really hoping that we could look through the books at NEDCO, look through the books at IBIS and find out well, we have invested \$2 billion, we have invested in 300 small and medium-sized businesses, only 25 or 50 remain viable or sustained. What is the reason for the attrition rate? What sectors in the businesses have been sustained and why? So that when we are putting out the seed capital again, we go with some information to provide a platform for greater success or more sustainability. That is my humble suggestion, as we move forward, because I think it is a really good idea.

As we seek to engage, and commendably so, small and medium-sized businesses and providing the environment for that in terms of training and monitoring so they do not pay the mortgage and they do not buy food, because sometimes a small operator is forced to do that because it is a small operator and



even many of these small operators have also been hit by the tax on online purchases, because they use that as a facility to run their businesses. So we have to put mitigating factors in place to deal with that. While we deal with that, we have to deal with the issue of productivity, Madam President, in Trinidad and Tobago—  
[*Interruption*]

**Madam President:** Sen. Richards, you have five more minutes.

**Sen. P. Richards:** I cannot believe that. I cannot believe that. Productivity: Let me see how much I could get in here. I was going to say so much about PTSC. Let me go to the cultural area. Congratulations to Sen. Hayes on a brilliant maiden contribution. Very well done. [*Desk thumping*] She spoke about her experience in the cultural sector and I want to underscore that, because I am doing a series of productions with a fashion show. I interviewed seven fashion designers, pioneers like Peter Elias, Claudia Pegus, Heather Jones and Ecliff Elie who already have products and systems in place by producing world-class garments. I have also spoken to about seven upcoming designers who also have similar success stories, and as Sen. Hayes has said, we have the music.

There is no difference between our music and Jamaican music in terms of qualities. It is a subjective cultural preference thing. The difference in Jamaica and now Africa is the enabling structure the state has put in place. Africa has a thrust called Tina, T-I-N-A. This is New Africa. They have brought the entire music industry under one umbrella and pushing and making inroads as a state into other territories. What we need to do with fashion is the same thing.

What the designers need—they could sew, they could make brilliant designs and they have been selling around the world—they need the State to open doors as a collective. We cannot go as Peter Elias, as Heather Jones, and as Claudia Pegus

because we cannot compete with Marc Jacobs on that scale of the economy, but we can go as brand Trinidad and Tobago with different elements. We can buy a night at fashion week in New York and London and showcase our goods and services, same thing with the music. That is what we need to do. Go as a collective. That is the change in thinking, in paradigm that I am thinking about that I did not see articulated.

In terms of the cultural industries, when you think about it, the entertainment and media and cultural industries are forecasted to grow from \$1.3 billion in 2005 to reach one \$1.3 trillion. PricewaterhouseCoopers 2007, UNESCO. The potential is endless in terms of the cultural areas, but we have duplication of services. We have square pegs in round holes that do not serve the purpose of enabling. I am hoping my colleague in the Ministry of Trade and Industry will speak to that in terms of the Government providing the enabling environment and opening the doors to the markets as a Trinidad and Tobago brand collective, because that is the only way we can do it.

In terms of innovation also—and I hope I have two minutes left—crime fighting. *Daily Express*, Monday 23 October:

“National Security Minister”—of Jamaica—“Robert Montague says said the government is developing”—and applying in the police service—“three—new—“(apps)”

One, Montague said, to transfer handwritten documents to digital; two, an app called:

“Jamaica Eye, which will network the almost”—500—“closed-circuit television...cameras.”

—in the state sector and private sector to give the police more eyes. We are

fighting up to put 300 body cameras on police officers. They are enacting apps so the public can participate in crime fighting. That is the kind of change in paradigm we need to engage in Trinidad and Tobago, and stop the infighting and all of that.

I had a whole set to talk about the communications industry and TTT and the fact that we should not be looking—I get the issue of total local content. It is commendable. We cannot be buying foreign shows that is streaming on Amazon. Right? But when you talk about TTT, it is a nostalgic wonderful sentiment, but any media person worth their salt will tell you we have to be thinking in terms of digital distribution platforms. Television is an old paradigm. So if we are not thinking there, and we are thinking TV—now the TTT monitor is great, you know, I grow up on that, but think about a 25 year old, they do not watch TV on TV. They consume their content differently. So we have to change our thinking to 20 years from now. TTT is nice, you know, but that is TV. The consumption of digital content, archiving and cultural artifacts is done digitally. Kids watch it when they want to watch it, not when it is seven o'clock in the night or eight o'clock in the night. We have to change our thinking and paradigm.

But finally, Madam President—I would not run out of time. [*Laughter*] Let me make this statement clear. The PNM cannot save Trinidad and Tobago alone. The UNC cannot save Trinidad and Tobago alone. If the PNM and the UNC do not work together, we will be here five years from now with different faces and the same problems. Madam President, I thank you. [*Desk thumping*]

**Madam President:** I am smiling with Sen. Mahabir because he was calling for more time, and he is saying that other people got and he did not get.

**Sen. Richards:** My apologies, Madam President.

**Madam President:** Not at all, you did not get any extra time either. Sen. Dookie. [*Desk thumping*]

**Sen. Daniel Dookie:** Thank you very much, Madam President, for the joy of participating in this debate. Let me begin by making a few comments on some of the statements which was said earlier, because today Sen. Mark scared me a bit, because he was bowling spin today. He was not bowling his usual pace but, nonetheless, he attempted to bowl a few disguised deliveries, and I just want to respond to it briefly, because Sen. Mark told us that the gap between the rich and the poor is getting wider, and attempted to cast blame on the PNM for this, if this is a fact.

I think, Madam President, it is instructive to say that the UNC has to take some responsibility if, in fact, this is so because I want to state, Madam President, that when the UNC Government suspended the property tax, it benefitted the wealthy and the mighty and not the poor people of Trinidad and Tobago. [*Desk thumping*] And when Sen. Rambharat reminded us of the manner in which the UNC raided the NGC—putting the moneys to unproductive use—in fact, if the gap between the rich and the poor is indeed getting wider, that action would have contributed to it, and many more actions of the UNC, Madam President, would have contributed to this if this is, in fact, a truth. The UNC ought not to attempt to place the burden of this or the reason for this on the shoulders of the People's National Movement.

Sen. Mark also referred to deficit financing, or the Government running deficit budgets. I heard Sen. Shrikissoon also mentioned that and I take no issue with him, Sen. Mahabir as well and I take no issue with him, but I have to take issue with Sen. Mark because the UNC, Madam President, as we know, ran a series of deficit budgets, borrowed a lot of money, but at the time when the country was enjoying high levels of revenues. So I do not think that the UNC has the moral authority to tell the PNM about deficit financing. [*Desk thumping*]

Sen. Mark, again, maybe trying to bowl a googly this time, told us that we are visionless, something that we have heard before. But, Madam President, I wish to state with confidence that the People's National Movement has been the only political party in Trinidad and Tobago which has continuously held out a vision for the people of Trinidad and Tobago. [*Desk thumping*] I remind us, Madam President, of the People's Charter, the Chaguaramas Declaration, the PNM Perspective of the 80s and Beyond, Vision 2020 and now, of course, Vision 2030, the vision of the People's National Movement. I am sure when the history of Trinidad and Tobago is written, these vision documents would find a component part of the history of Trinidad and Tobago.

So from self-government, Madam President, to industrialization, to the achievement of social and political power, to the evolution and revolution in education, the achievements of these deliverables, Madam President, were founded on the vision of the People's National Movement. But, Madam President, the Government of Trinidad and Tobago is now presenting to our people Vision 2030. The first step of planning is to engage in some sort of analysis of the situation which confronts us, examining the internal environment in which we operate and the external environment.

If you examine the Vision 2020 Draft Development Strategy, you would find some information regarding both the internal and external environment. If we look internally, we know as was said by many speakers here today, we have a challenge with regard to revenue and expenditure. It was very interesting to note that Sen. Mahabir highlighted the difficulty of dealing with expenditure in these times.

We would also know, Madam President, that we have some issues that relate

to foreign exchange. Some speakers would have identified the issue of productivity and the attitude to work—some of our social and cultural challenges—and, of course, as Sen. Shrikissoon always talks about, the institutions in our society not being as strong as they ought to be. On the external side, Madam President, I think we agree that the major challenge which faces us is the decline in oil and gas prices. But when we examine all of the variables that work in both the internal and external environment, I think we can agree that there is need to change the paradigm. I think we can agree that there is the need to create new knowledge, as Sen. Richards was alluding to while he was wrapping up, because you know there is a saying that if you do the same thing expecting the same result, it is sometimes defined as insanity. But now there is a new saying that if you do the same thing and you expect the same result, a new result, you are being normal.

**Sen. Mark:** The PNM.

**Sen. D. Dookie:** This Government is not going to be a normal government. This Government will address the challenges which face us with a high level of success.

So, Madam President, the decision we have to make: Are we going to be just focusing on consumption or are we going to create an economy that is driven by a philosophy and paradigm of investment? Are we going to be predominantly an economy or a country which is a user of foreign exchange or are we going to be an economy and a people which acts as earners of foreign exchange? Are we going to be problem creators or are we going to be problem solvers? Are we going to be an economy predominantly driven by the oil and gas sector or are we going to be a diversified economy? These are the decisions in my mind which we have to take and make our choices wisely. That is why, Madam President, when I examined the *Vision 2030 Draft Development Strategy*, I found a lot of hope and comfort in the

aspiration statement which I would ask your permission to read.

“The vision is designed to take the country from the present into the future and will inform the country’s development planning cycles from 2016 to 2030. It provides direction to government ministries, private sector, civil society and labour and non-government organisations to ensure alignment with the national development agenda. The vision to 2030 is captured in the following”—aspiration—“Statement:

*We are a united, resilient, productive, innovative, and prosperous nation with a disciplined, caring, fun-loving society comprising healthy, happy and well-educated people and built on the enduring attributes of self-reliance, respect, tolerance, equity, inclusion and integrity in which:*

*Every Citizen is valued and has equal opportunities to achieve his/her fullest potential;*

*All citizens enjoy a high quality of life, where quality healthcare is available to all and where safe, peaceful and environmentally friendly communities are maintained;*

*All citizens are assured of a sound, relevant education system tailored to meet the human resource needs of a modern, progressive and technologically advancing nation;*

*Optimum use is made of all the resources of the nation, with due regard to environmental sustainability and making greater use of renewable resources while ensuring that we enjoy water, food and energy security;*

*The family as the foundation of the society contributes to its growth,*

*development and stability;*

*Our economy supports decent work for all and is conducive to entrepreneurship and innovation;*

*There is respect for the rule of law and human rights and the promotion of the principles of democracy and there is confidence in our public institutions; and*

*The diversity and creativity of all its people are valued and nurtured.”*

This is what the Government holds out to the people of Trinidad and Tobago.

**6.30 p.m.**

Madam President, why this is important, it is because we must understand the power of vision, and any time we are faced, as a people, with challenges, with decisions to make about our direction, it is the vision of our people that we must turn to. Additionally, Madam President, if we examine Government's Vision 2030 plan, coming out of our aspiration statement, our vision statement, there were five thematic areas which the Government would have highlighted as our broad fundamental, strategic objectives. The first I wish to present today is, putting people first, and the importance of that, and in doing so I would highlight a few sectors and a few actions of the Government of Trinidad and Tobago which are being pursued with success at this time in putting people first.

The first, I will just speak briefly to a few things in our social sector, and the first I wish to point out, Madam President, the action of the Government by bringing in an additional 9,000 pensioners into the system because the Government of Trinidad and Tobago had increased the statutory limit to \$4,500, bringing more pensioners into the system, putting people first. I would like to add to that, Madam President, the recertification exercise undertaken by the Government, and that has



to do with the food assistance programme, saving the country approximately \$13.3 million a month and, if annualized, saving the country approximately \$160 million a year. [*Interruption*] And that is right. So, Madam President, recertification exercise, saving the country money so that the Government of Trinidad and Tobago can offer more in terms of our social services.

Also I note that Sen. Richards spoke about duplication, and in terms of our social services, Madam President, there is a high level committee rationalizing our social programmes which has already led to a reduction in duplication of programmes, saving Trinidad and Tobago money which means, Madam President, more available for the people of Trinidad and Tobago. The People's National Movement Government in social services, putting our people first. This philosophy, Madam President, also extends to housing, and I would not get into detail on this matter because I know it would be addressed at a later stage. But what I wish to point out, as we engage a new paradigm, is the efforts and actions of the Government to restore the HDC back to its original intention, bringing the HDC back to an organization which focuses on ensuring that the lower income groups in our country can have access to low-cost housing, moving away from the philosophy of the previous administration and focusing on the needy, focusing on the people who are least likely to afford housing in the private sector.

The Minister of Finance in his presentation would have highlighted also the housing construction incentive programme, Madam President, which would, in my estimation, bring the private sector into greater opportunity for constructing houses for our people, and would be able to assist the HDC in terms of providing housing accommodation for the many thousands of people on the database. But what I wish to highlight, Madam President, as I see as a major advantage, as the Minister

of Finance would have highlighted in his budget presentation, is the oversight committee, recognizing the need to ensure that the houses are not just constructed but they are delivered to the people of Trinidad and Tobago, and delivered to them at a faster rate. So I commend the HDC, Madam President, the People's National Movement Government, putting people first by improving the HDC's philosophy in providing low-cost housing for our people.

Similarly, Madam President, as a Government, recognizing its vision and commitment to the people of Trinidad and Tobago, we are also engaged in certain initiatives and actions in the health sector which confirm the Government's commitment to putting people first. The Point Fortin Hospital, for example, Madam President, construction continues, and I wish to state that the construction of the Point Fortin Hospital was never stopped. It is ongoing, and what is important to note, Madam President, without adjusting its capacity, under this Government, this Point Fortin Hospital would cost the people of Trinidad and Tobago \$300 million less. The same, Madam President, for the Arima Hospital. The Government of Trinidad and Tobago committed to its completion. Let me remind us, Madam President, that the Point Fortin Hospital, without adjusting its capacity, because of the intervention of the People's National Movement, would save this country \$300 million. [*Desk thumping*]

The same is said for the Arima Hospital, Madam President, without changing its capacity will cost the taxpayers of this country \$200million less, a savings of half-a-billion dollars, Madam President. [*Desk thumping*] So in addition to saving the country moneys, these facilities we know would provide job opportunities and improved services to the people of Trinidad and Tobago. In addition to this, Madam President, I can also inform Members that there had been

an upgrade to the oncology facility at the St. James Radiation Centre, and, of course, the Minister of Finance in his budget presentation committed the Government to attempting to find a suitable use for the Children's Hospital in Couva, the building.

But, Madam President, sometimes when we look at health care, we focus on the hard infrastructure, and sometimes the systems and processes by which goods and services are delivered in the system are ignored. But I am happy to say that through the leadership of the Minister of Finance, by re-engineering the manner in which drugs are procured would have saved this country a lot of money, and I can point out to a few. Having used the PAHO Strategic Fund, the Government of Trinidad and Tobago in one year, in terms of the procurement of HIV drugs would have saved the country in excess of \$60million. [*Desk thumping*] And in terms of other drugs, Madam President, because of re-engineering the way these goods are procured, overall, would have saved the country between 16 and 85 per cent of the moneys usually used to procure these drugs.

So the Government, Madam President, is committed to ensuring that health care services are provided to the people of Trinidad and Tobago in an efficient and effective manner. But not just in terms of drugs, as I would have mentioned the drug procurement process, but also in non-pharmaceutical products, Madam President, the Government, again, by re-engineering the way the procurement exercise is pursued, and I can refer here to the orthopaedic supplies, pins, bolts, plates, again, would have saved the country millions of dollars by ensuring that the drugs—sorry, in this case the orthopaedic supplies are procured in a new manner. What I am holding out to the people of Trinidad and Tobago, as it relates to the provision of health care services, is that the Government of Trinidad and Tobago is

committed to changing the paradigm and finding a more and better way of providing services to the people of Trinidad and Tobago regarding the health care.

But, Madam President, Sen. Mahabir would have spoken a bit about certain lifestyle diseases—diabetes, hypertension, and also obesity—and the Government of Trinidad and Tobago, I wish to inform Members, has created an NCD plan, non-communicable disease plan with the assistance of the IBD. And why is that important, Madam President, as the Minister of Health attempts to put out to the people of Trinidad and Tobago a new way of engaging health care and focusing on preventative measures, focusing on trying to avoid these diseases, which Sen. Mahabir spoke to, by ensuring that there is a plan and there is a programme that we believe, when implemented successfully, would reduce the number of lifestyle diseases in the future. What that would lead to, Madam President, is a healthier nation, and a healthier nation would lead to a more productive nation. So I congratulate the Minister of Health for all the initiatives he has led with great success in the Ministry of Health.

The second thematic area, Madam President, I wish to focus on is promoting good governance and service excellence. And I wish to state in this context, Madam President, how important institutions are to lend to the effectiveness of the structure of government and governance, and I believe the Government of Trinidad and Tobago is engaging in a new public management philosophy, a new public management paradigm as we begin to strengthen our institutions and, indeed, create new institutions that would lead to a higher level of confidence among our people. The Minister of Finance, and, indeed, the Minister in the Ministry of Finance would have spoken to the issue of the Revenue Authority. Indeed, my colleague, Sen. Nigel De Freitas, would have also mentioned the benefits of this

particular intervention, and I wish to add support for it by stating how important it is to engage in a new way in which we go about the tax collection process in Trinidad and Tobago.

Sen. West would have told us about the billions of dollars in the tax gap, and what I believe would be a major outcome of the introduction of this semi-autonomous institution, the Revenue Authority, would be the reduction of this gap. Because it is my view, Madam President, that the Revenue Authority promoting participation, which I believe would lead to a reduction in tax avoidance, which I believe, additionally, would bring the informal economy into the formal economy and lead to a higher level of tax collection, thereby reducing the difference between what we collect as taxes and what we should collect. I believe, Madam President, that this intervention, institutional strengthening, would be fair, equitable, and it would be an independent-type organization, which, as I said, would improve the confidence that our people would have on the tax collection system. So, Madam President, in my view, there is absolutely nothing to fear about this intervention—it will strengthen our institution and help to promote good governance and service excellence in Trinidad and Tobago.

But, Madam President, as I mentioned the Revenue Authority and the whole issue of tax collection, I want to express support for the reintroduction of the property tax. And just to remind our citizens, Madam President, that the principle of property tax is a benefit principle, and that property tax accounts for a very high percentage of local government revenue. I believe, Madam President, that the reintroduction of this measure by this Government, the benefits will far outweigh the cost, so that it will add to moneys available for the Government to use in development activities and increase the revenues available to Trinidad and Tobago.

So, Madam President, as we pursue Theme II, Promoting Good Governance and Service Excellence, I endorse the position of the Government in terms of ensuring that the Revenue Authority is up and running, and available to the people of Trinidad and Tobago.

But also, Madam President, as we promote good governance and service excellence by strengthening our institutions, I said the Revenue Authority on the revenue side, but also on the expenditure side, as we know, the Government, Madam President, is going to ensure that the independent office of Procurement Regulator, and the entire process is re-engineered, but what this will do, Madam President, is improve the level of accountability regarding how the Government pursues expenditure. And what I want to endorse in Government's approach in ensuring that the office of the Procurement Regulator is operationalized in Trinidad and Tobago is the review component of the process, which I believe, Madam President, will improve the level of accountability and also ensure that decisions are made with regard to the way goods and services are procured that will ensure that there will be a greater chance of the Government achieving value for money.

In Europe, for example, Madam President, procurement systems have shown to lead to approximately 10 per cent savings on expenditure, and I believe if we can pursue this with success—as I believe we will—I see no reason why we cannot have similar benefits in Trinidad and Tobago. I believe, Madam President, that this institutional advancement in a structure of government and governance in Trinidad and Tobago will lead to the reduction of corruption, would lead to the reduction of inefficiency, and, as I said, ensure that we can achieve value for money, something that our people have been crying out for. So, Madam President, in terms of ensuring that we can provide the type of governance and service

excellence from an institutional perspective, Madam President, on the revenue side the institution of the Revenue Authority, on the expenditure side the office of the Procurement Regulator, strengthening our institutions in Trinidad and Tobago and improving the governance for our people.

The third thematic area, Madam President, I wish to address for a few minutes, as the Government relentlessly pursues its vision and pursues its plan for the people of Trinidad and Tobago, has to deal with improved productivity through quality infrastructure and transportation. I believe, Madam President, that as a country we need to take an examination of the types of transactional costs that our people, our citizens have to engage in, and one way we can deal with that is to build strong infrastructure and transportation networks that I believe, if we are successful, what it will do is build connectivities among communities, build connectivities between customers and suppliers, and build connectivities between the state sector service and those who use the services provided by the State. Accordingly, Madam President, I want to congratulate the Government of Trinidad and Tobago, and the Minister of Works and Transport, in particular, for ensuring that actions are taken with success to pursue and complete the Point Fortin highway. As we know, there is also significant activity towards ensuring that the Cumuto to Manzanilla highway is completed. We also know, Madam President, that the upgrade to the Moruga Road and the port, construction there is being pursued and, also, the Toco first-class road is in the design stage. [*Desk thumping*]

What will happen, Madam President, as the Government builds strong infrastructure, what will happen, it would improve the business development opportunities available to the business sector and improve employment opportunities for the people of Trinidad and Tobago. [*Desk thumping*] But,

Madam President, I want to point out, in this regard, as we improve productivity through quality infrastructure and transportation, and I would have mentioned the network of highways and ports, and other infrastructure, is the impact, I believe, it is going to have on the tourism sector, and, indeed, Sen. De Freitas would have expressed a lot of optimism regarding tourism and Tobago. Because I believe, Madam President, that, as a nation, and, of course, I think Sen. De Freitas made this very clear in his contribution, as a people, we have a distinctive capability in tourism. As I always say, I think we have three cultures in Trinidad and Tobago—we have a Tobago culture, and we have a Trinidad culture, and we have a Trinidad and Tobago culture. [*Desk thumping*] A unique experience, Madam President, that I believe is awaiting us as the Government builds a new paradigm and a new architecture regarding tourism.

So, Madam President, improving productivity through quality infrastructure and transportation is being pursued with great success by the Government of Trinidad and Tobago. And also, Madam President, I want to add in terms of building and strengthening our infrastructure system and network, and I know, of course, the Minister of Public Utilities when he speaks, he would address the public utility infrastructure.

But I want to congratulate the Government of Trinidad and Tobago, first of all, for pursuing a new paradigm regarding subsidies. We have seen it with the fuel subsidy, and we have heard that the Government of Trinidad and Tobago making the statements through various Ministers at different intervals about the subsidies that are given to the utilities being unsustainable and, in my mind, represents a commitment by the Government of Trinidad and Tobago to strengthen the public utilities infrastructure in our country to make the organizations which



function under this Ministry less reliant on the Treasury. I commend the Government for bringing a new philosophy, a new paradigm regarding subsidies. And I am sure, as I said, the Minister—

**Madam Chairman:** Senator, you have five more minutes.

**Sen. D. Dookie:**—would elaborate more on that. [*Desk thumping*]

Madam President, let me quickly, as I have five minutes, and if I did not believe time ran out fast when Sen. Richards was speaking, I now find myself in that position, and I assure you, Madam President, I would not beg for more time. [*Crosstalk and laughter*] Theme IV, Madam President—[*Interruption*] Now you force me to ask for injury time with that intervention. [*Laughter*] Building globally competitive business, Madam President, is the fourth thematic area. You know, as Michael Porter said that nations do not complete, firms do, and the Government of Trinidad and Tobago is committed towards creating an enabling environment for business to succeed in Trinidad and Tobago. I am sure the Minister of Trade and Industry would address the issue of diversification, so I would not speak to that, but just to highlight something presented in the Minister of Finance presentation, the access to foreign exchange for exporters and the intervention of getting the Central Bank to license the Exim bank as a dealer in foreign exchange, I think, Madam President, would bring good value to our exporters.

I go quickly, Sen. Richards would have spoken about the business development incentive programme; I would not say much about this because Sen. Richards would have highlighted the benefits of this but, in fact, we have to commend the Government for creating opportunities for small businesses, start-up businesses to be successful. And I also want to highlight, as the Government

builds globally competitive business, Madam President, the business process outsourcing expansion through the TTIFC, Madam President, which would also allow for greater use of local labour. So Trinidad and Tobago, Madam President, through the vision and programmes of the Government, helping our businesses to become more successful, ensuring that the objective identified in Theme IV, Building Globally Competitive Business can be pursued with success.

Finally, Madam President, Theme V, connecting to the vision articulated in *Vision 2030*, and connecting to the overall plan for development in Trinidad and Tobago, Valuing and Enhancing Our Environment, the Government of Trinidad and Tobago has created a number of policies, including the National Forest Policy, the green environment Government policy, the National Wildlife Policy, the National Protected Areas Policy, and the National Climate Change Policy. So from a policy perspective, Madam President, the Government engaging in actions that would lead to improving the way we treat our environment. And not just policy, Madam President, through the Ministry of Planning and Development, an implementation plan has been developed, and that includes a national determined contribution being submitted to the United Nations, and this deals with a plan which provides direction, guidance in the mitigation and adaption strategies to increase resilience to climate change.

So the Government of Trinidad and Tobago, Madam President, engaging in policy and action plans to ensure that there is improvement in the way we treat and nurture and value the environment. So putting people first, Madam President, the way we deal with our social safety net, social programmes, housing, infrastructure, delivering good governance, Madam President, Theme II of Government's plan; improving citizens participation in the activities of the State and Government,

improving our public management architecture through institutional enhancement and strengthening, improving productivity through quality infrastructure and transport, the third thematic area, Madam President, being pursued with a lot of success; building competitive business, and valuing our environment and enhancing our environment—five thematic areas, Madam President, connected to the vision the Government has held out for the people of Trinidad and Tobago as contained in *Vision 2030*.

**Madam Chairman:** Senator, your time is up.

**Sen. D. Dookie:** Thank you very much.

**Madam Chairman:** Sen. Henry. [*Desk thumping*]

**7.00 p.m.**

**Sen. Dr. Lester Henry:** Thank you, Madam President, for allowing me to close off this day of full debate. We have been here since ten o'clock this morning, and we have had quite a full array of issues and discussion. I want to begin, first of all, by addressing a couple of the issues before I get into my substantive contribution of this 2017/2018 budget.

I want to start off firstly, because the day started with the usual contribution from Sen. Mark, the first Opposition speaker, but I have a blank sheet of paper here, I took no notes because he did not say anything of substance. It was his normal alarmist rhetoric and so on, so we do not need to waste much time there.

I want to move next to Independent Sen. Shrikissoon. There are a couple of things he said that triggered responses from several others on our side, in which he talked about—he ranted and raved about austerity budget and so on.

**Sen. Shrikissoon:** I did not say that. [*Crosstalk*]

**Sen. Dr. L. Henry:** Yes, you did.

**Madam President:** Sen. Henry. First of all, there seems to be a restlessness in the Chamber. For those who are restless you know that you can walk it off a little bit if you really need to. Sen. Henry, “ranting and raving”, I think you need to just present that in another matter. [*Desk thumping*]

**Sen. Dr. L. Henry:** I am so advised, Madam President, and I withdraw that. [*Crosstalk*] But, of course, he repeatedly referred to—[*Interruption*]

**Madam President:** I am not going to say it again. The first time I said it, it was with some humour but, at this stage, let us just let Sen. Henry make his contribution, please. Sen. Henry, continue.

**Sen. Dr. L. Henry:** Thank you for the protection, Madam President. I do not know what they are so jumpy about.

I have heard this reflected by several speakers in the public domain about the Government engaging in all kinds of austerity measures and so on, and I find that to be a little bit disingenuous, because if you look at the budget that was presented by our Finance Minister, and today by our Minister in the Ministry of Finance, there is really nothing of substance that could support that view. Our budget that was presented here did not include any significant austerity measures, other than the increase in diesel prices. There was no mass layoffs announced in the budget; no cuts in public employment and so on; no cuts in subsidies of food and basic items for people; no measures that should lead to increases in food prices other than, again, the diesel issue; no devaluation of the currency; no major cuts in social services.

I was a student of the 1980s and I know what austerity programmes look like and, certainly, what we presented and what our Minister presented was no way near could be classified as such. I think that the people who are repeating this kind

of rhetoric should think again. In fact, several speakers talked about, well, we are going to end up in the hands of the IMF—well, of course, including Sen. Mark. But the whole point about the budget, and this was said explicitly by the Minister as well as the Prime Minister himself, is that we were doing this to precisely avoid going to the IMF. So you set out not to go to the IMF when you get accused of wanting to go to the IMF, or somehow going to end up in the hands of the IMF, which is not, you know. And our measures were pretty measured and well thought through, okay, and well thought out in many ways.

So the social programmes are all pretty much intact. Employment is pretty much intact. No major impositions in the budget that should result in escalating food prices or layoffs. The IMF austerity measures from the 1980s—and many of us are old enough to remember what it really entails—resulted in riots in the country when they cut food subsidies and so on, and laid off significant portions of the public sector workers. So we know that. There is nothing here that is even close to that in what was presented. So, all this talk about this set of austerity and what it might entail is a bit premature and inaccurate. As my colleague here is saying, very, very alarmist.

Another issue raised, and I will expand on it, my colleague who just spoke touched on it, Sen. Dookie, was about the budget deficit. I really did not plan to talk about this again because I was here on that side when the UNC came with all their budgets, and I have raised this issue on several occasions; so let me put it to rest.

The first budget that was presented by the UNC, because this is a budget presentation that we are doing right here, projected expenditure was \$49.02 billion—that is the 2010/2011 budget—revenue, \$41.3 billion, the budget

deficit, \$7.7 billion. That is what the UNC came with in 2010. So listen carefully; 2011/2012 budget, a year later, this was still Minister Dookeran, the expenditure in the budget presentation—I am not talking about the actual figures, what was brought to this House as a budget—\$54.6 billion, revenue 47.0; budget deficit, 7.6. That was the projected deficit in the budget presentation of 2011/2012.

Now 2012/2013, they expected revenue to increase again to \$50.7 billion, that is the revenue side. You know what they planned to spend? 58.4; that is the revenue figure for the budget of 2012/2013, with a projected deficit, once again, of 7.7 million. The budgeted oil price for the first three years was \$75, \$75, \$75, those three years I quoted. And the actual price turned out to be much higher than that. Madam President, 2013/2014 oil prices were rising over that period, so when they came with the budget for 2013/2014 they expected revenue to go up from the previous year of \$50.7 billion to 55 in revenue, because oil prices were pretty good.

You know what they came with as expenditure? Madam President, \$61.2 billion—\$61.2 billion—for a projected deficit of \$6.4 billion. That is the record; that is what you came with as a budget. That is what you brought to this Parliament. Madam President, 2014/2015, well everyone said we expect a big budget because election coming up and we know you will do anything to try to win the election. Oil price again budgeted \$80. Revenue was projected to increase to \$60.4 billion because oil prices nice, energy prices going good. You know what you came with as expenditure? \$64.7 billion, budget deficit projected, \$4.4 billion. So the combined in those years would have put you at about—if you had really spent what you had planned to spend, the combined budget deficits for your five years would have been \$31 billion. Okay? That is the record, you can go back and

check it on the Ministry of Finance website. That is what you came to the Parliament with.

So, in other words, it was not an accidental or difficult scenario that caused you to run budget deficits. You deliberately decided to spend more than you were earning. It was a plan, because I was sitting on that side when Minister Howai said we will balance the budget in 2016. Yes, when you were out of office. Well, by that time you knew you were not coming back. That is when the plan, they said yes— So we asked, well why are you running all these deficits when oil prices are good? They said, “Oh yeah, we will balance it back in 2016”, one year after the election. So do not try to pretend that this is something has happened accidentally. This was deliberate policy of the UNC to run these deficits and to increase spending every year regardless of the increase in revenue. And all of this does not include a lot of money that would have been taken out from state enterprises like the NGC and so on.

I remember my colleague, the hon. Attorney General, used to say the UNC spent \$400 billion in their five years, and we used to laugh, because we used to take it somewhat as a joke, because we know the UNC spending, based on these figures, would have been a lot less than that. But after we looked at all the figures that they took from everywhere, and the borrowing that was not included in the budget, it turned out to be almost true; somewhere up there. So in fact, I used to tell the Attorney General we used to laugh at your \$400 figure, but it ended up— [Crosstalk] because we were saying it partly in jest, but you ended up almost fulfilling exactly what the Attorney General was saying, because you raided everything and you spent everything. You borrowed on top of all of this, off the record, that we ended up having to be stuck with, when we came into office in

2015.

So just to put it in perspective again, because I have raised these issues before, the previous PNM Government ran about six years of budget surpluses between 2002 and 2008—surpluses, not deficits. The hon. Prime Minister at the time made sure that the Heritage and Stabilisation Fund was built up to where it was when you came into office. Most of that money that you met in the Heritage and Stabilisation Fund came from the budget surpluses of the PNM administration, especially between 2002 and 2008. In fact, the 2008/2009 period of the Government under the hon. Patrick Manning realized a budget surplus of \$12 billion. That is the year when the oil price went up to \$144 a barrel. And in that year that was the single largest contribution to the Heritage and Stabilisation Fund, in that year, a surplus of \$12 billion. The prior years before that, all had budget surpluses. So this notion that, you know, some commentators might say, oh yes, the PNM, UNC same, no, no, no, we are not. You are much more irresponsible.

So fiscally during the period 2002 to 2008 because of the budget surpluses there were additions to national savings. So when the 2008/2009 crisis hit we could have survived properly, there were significant sums deposited in various accounts at the Central Bank. So when the crisis hit, the PNM Government at the time in 2009, into early 2010, before the election, of course, drew down on those deposits to keep the economy going. They did not have to resort to much borrowing. They ran down some of the accounts that had been built up in the previous years, and this is what responsible fiscal policy is all about.

In fact, the country did not feel much of the effect of the 2008/2009 crisis, because of the savings that were accumulated before, and I have said these things previously. In fact, when I was on the other side I used to remind them constantly



that this is what is happening.

In fact, the first Minister of Finance under the UNC, Mr. Dookeran, used to talk about the cash balances at the Central Bank being run down by the PNM, and how terrible that was. Well, he used to mispronounce the word “balances”. I would not try to say it, [*Laughter*] but seriously he used to mispronounce it. But the point is that, yes, he was correct in that we ran down the balances, but that is what it was there for, that was the savings that were accumulated in the six years before. So there is no comparison to what we did with rising oil prices and what you did; so do not try that.

Now, let me change gears a little bit, Madam President, because I want to talk about the global environment a bit because it is very critical for our country, as we know. The international environment is very uncertain at the moment and it could get very messy in a short time from now, because there are several things working against positive economic growth on the larger scale and stability. As you know, we must pay attention to the international events because in the scheme of things we are price takers; we have no influence over the price of oil or gas, or natural gas, our two main energy earners, our two main money earners. So we have to pay attention to what is happening in the world economy, and there are a lot of issues that could really make things worse for us, without anything we could do about it. We could end up in a very terrible situation, or we could be very buoyant based on international events.

When we look around today, I mean the IMF in its global economic outlook is projecting positive growth for the economy for 2018 and the world economy. Of course, that is largely based on recovery and positive growth still in China—even though it is slowing down, it is still growing high. Its growth rate is still higher

than most of Western Europe and America. But there are several factors that can work against us, Madam President.

We are living in a time when almost 10 years after the financial crisis of 2008/2009—some people would say 2007. There is some disagreement in terms of when you could actually say the crisis started back then. Part of the problem is that the powers that be in the advanced industrial countries, including Europe and the United States, really never dealt with the real causes and issues with that financial crisis. They have basically kicked the can down the road. Since then they have created another bubble, stock market bubble, this is what you see going on in New York and so on.

It is a bubble, largely because of what they have done to try to get themselves out of recession, they engage in something called “QE”, quantitative easing, which is just a euphemism for printing money, and they have tried to print money in such large quantities to stimulate economic growth. And rather than the money going into productive investment and increasing the real economic base of the US and advanced countries, what the money has gone into is building up stock prices. So the Dow Jones is hitting record after record for the past several years. So what the money has gone into is really non-productive investment. So they have seeded real investment to Asia, mainly China, and they are engaging in basically financial speculation. That is what is happening.

As the old saying goes, what goes up, must come down, and that bubble might burst sometime soon. We do not know when, it is hard to predict, but if that bubble happens to burst within the next year or so we could be in deep trouble again, in a lot more difficult circumstances, due to no fault of our own. Because our situation is one where we depend on aggregate demand in the international

economy to help to keep oil prices and gas prices up, and hence we piggyback on that. That is the reality of our existence. Until further notice, that is what we do. So we have to face that reality that we could be in for a rough ride if some of the forces work against us.

Now, there are several other important factors. There is potential fractionalization in Europe, with all of several regions now wanting to declare independence, so the whole European project could come under question in the months and years ahead. But then there is an important development elsewhere that could impact on us in terms of our economy, and it is something we should know, because the developments in China, I mean, the Communist party just had their conference and so on. What they are doing, the President Xi consolidated his power, and he basically issued a quite strong statement about the Chinese ambitions over the next 30 years, to become a dominant world power.

The reason I am mentioning this is because we may have to reorient our thinking in that direction of the world, instead of because we are in the American's sphere of influence we tend to think that we should design all our policies and programmes at a level in which it fits into the American system, particularly with our dependence on the US dollar. One of the events that is shaping the world in the next few years is the declining significance of the US dollar on the international market. I will come back to that, because that has implications for our exchange rate situation, and the foreign exchange problem we have had since 2014.

So the significance of the US dollar will most likely be declining in the years ahead, and we have to plan for this. The Chinese are now asserting themselves, and this might be not, necessarily, be a bad thing for us, because there is a move to

make the Chinese currency international, and this could decrease reliance on US dollars. This kind of unwarranted demand for US dollars—I would use the word “unwarranted”—that we experience all the time, could dissipate. Because, really and truly, if you think of the demand for the US dollar, why do people demand the US dollar? The same thing is causing us headache here all the time. Why do people demand US dollars as opposed to any other currency? Think about the problem.

Of course, we know the answer to some extent. Number one, it is the key currency in the system, it is the number one trading currency, people accept it for international payments. But, really and truly, the first fundamental reason why you should demand a foreign currency is because you want to buy something from the country. That is the essence of how a currency becomes international, you want to buy something from that country. But what do we really buy from the US? Or put it another way, what do we really need to buy from the US? Not much, in my estimation, not very much. Most of the basic commodities and household items that we use come from China or somewhere near to China; Japan, South Korea, Malaysia, even Kia motorcars and so on.

So there must be a rethinking of this scenario where there is such a love affair with the US dollar. In fact, I have argued in many classes and elsewhere that the US dollar should perhaps be one of the most worthless currencies in the world, because they have printed so much of it over the past 40 years to keep their economy going, that it really should not be in such high demand. It is not backed by gold since 1971 when Nixon came off the gold standard. So what are we doing?

Some of you may say I am straying a bit in talking about all this

international stuff. [*Crosstalk*]

**Sen. Ramdeen:** Madam President, Standing Order 46(1).

**Sen. Mark:** Now, I want to rise on Standing Order 46(1).

**Sen. Dr. L. Henry:** I did not give way.

**Madam President:** Sen. Henry, please continue. Please allow Sen. Henry to continue. [*Desk thumping and crosstalk*]

**Sen. Dr. L. Henry:** Relax and learn something.

**Sen. Gopee-Scoon:** It is above their heads.

**Sen. Dr. L. Henry:** Yes, we know that. I like it when you all come back two years later and tell me, and you meet me on the corridor and say you were right, but you would not say it in here.

So it has implications for what we are facing in terms of our foreign exchange problem, which was another gift from the UNC, by the way, when they went and interfered with the system that was in place since 1993 and destabilized the currency. If you look at our foreign exchange crisis, what is different now from, let us say, 1998 or 2007? One of the things that is present is currency hoarding and speculation, which we had avoided from 1993 till recent times. There was not much hoarding or speculation against the Trinidad and Tobago dollar.

Last year I mentioned it but it needs to be emphasized again: That when I hear some of my colleagues calling for devaluation and allowing the currency to float and all kind of craziness, I think it is very irresponsible on their part. In times past, negatively speculating against the country's currency was a criminal offence, and many of my colleagues know that, but yet you hear people openly calling for devaluation of the currency, devaluation of the currency. They also know that

once you call for devaluation of the currency loud enough and long enough, it becomes a self-fulfilling prophecy, because everyone expects that it will happen. So everywhere I go, you sit anywhere, they say, "So, when is the Minister going and devalue? We hear is next week. We hear is Tuesday. We hear is Wednesday." And these big business people come up to me and ask me that. They say, "You might know, you there." I say, "What is this? What is all this about?" Why do you want a devaluation so bad?

When I talk devaluation, I am not talking about a simple change like a few cents. They want beg devaluation, to \$8.50, \$9, \$10 to one. I say, "What is your point? What do you stand to gain? Why are you insisting that the Minister must devalue the currency?" I told one businessman in particular, okay, so you get that next week. You will make a few million TT dollars, because you have some US outside. You will reconvert and probably buy up some nice cars or some real estate quickly. So you get a benefit and then what, what happens to the country? What happens to the rest of us who have to live here? You probably have your house in Miami or several houses. So what happens to the rest of us and what happens to your own business two and three years down the road? So you make some money on the conversion rate, because you could get TT8 or TT \$10 for your US, which you probably bought at \$6, so you make a nice raise without much risk. So what are you going to do?

**7.30 p.m.**

**Madam President:** Senator, have a seat. Will the Senator with the offending device, please, leave the Chamber. Continue, Sen. Henry.

**Sen. Dr. L. Henry:** Okay. So I am making the point here that our foreign exchange situation is somewhat manageable if people will consider not just and

dismiss, diminish the amount of speculation and so on.

Now, if you look at the *Review of the Economy*, the same *Review of the Economy* everybody has and you look at non-energy imports from 2012, this is from the balance of payments table, 2012, roughly \$6 billion non-energy imports; 2013, about \$5.5 billion; 2014, about \$5.7 billion; 2015 roughly about \$6 billion worth of non-energy. So there is no drastic change in the demand for imports that could justify the high demand for US dollars. It has remained roughly the same over the past five, six years. So what is driving this, you know? What is driving this?

Now, we have certain factors that are different today than what was happening in the early 90s when the currency actually was floating. I know the Minister mentioned somewhere that we have people perhaps in the casino business who are making a lot of money in TT dollars and want to send it out to other places and they are putting pressure on the exchange rate as well. You have a large Venezuelan contingent now present in Trinidad and Tobago who are working, earning TT dollars and would like to help out their families in Venezuela so they are looking to export money back to Venezuela. Right?

Yes. We have a proliferation of Chinese groceries which kind of double as casinos at times, you know. And now when you walk into regular places now you have gambling devices all over the country; what would be a normal bar in Trinidad and Tobago now doubles as a casino, and it is not even disguised as a members club, it is just open gambling. So these factors are putting a little bit of pressure on the exchange rate making it a little bit more difficult for us to contain the situation.

But, Madam President, we still, despite all that, have very decent—I would say it is not the best—but we have a decent macro-economic environment, and

thankfully the PNM is in office, [*Desk thumping*] thankfully—

**Hon. Senator:** Say it. Say it.

**Sen. Dr. L. Henry:**—thankfully. Because if it was that crowd on the other side, given what I read out in terms of what they brought to the House as budget—

**Madam President:** Sen. Henry, you have five more minutes.

**Sen. Dr. L. Henry:** So, if it was that irresponsible crowd there—right?—who knows what we would have been in. Right? Very, very sad. Because they spent most of their time in office trying to be popular. Right? And they did not make any hard decisions at all about improving revenue or increasing any taxes and so on, so “they basically hide” for five and a half—five years and 90 days. Right? What tough measure did you take? You cannot name any. None. Zero. Right?

You never had the wherewithal to exercise that kind of discipline and take the heat. You never took any heat, you just pretended that everything was just “happy go merry”, and the figures I read out showed it. You just kept increasing expenditure like there is no tomorrow. What tough decisions?—even as something as basic as the property tax which the majority of the country agrees with, you refused to implement that. [*Desk thumping*] [*Interruption*] Something as straightforward, that is a no-brainer, and you would not even go there because you campaigned for five years and 90 days and you still lost. [*Desk thumping*] Yeah. That kept you quiet. Right? [*Laughter*] That shut him up. That shut him up. [*Crosstalk*] So you campaigned—

**Sen. Mark:** The Elections and Boundaries Commission saved you.

**Sen. Dr. L. Henry:**—you campaigned for five years and 90 days and still come up second; in fact, you came last because it was only “two horse in the race”, but you still came last, so stay quiet. Oh, sorry. [*Crosstalk*] So, yes, so do not come—now



that you are in Opposition do not come up with any bright ideas.

**Hon. Senator:** Jwala.

**Sen. Dr. L. Henry:** And we do not need any advice from you, as our hon. Prime Minister often says.

**Sen. Ramdeen:** Happy birthday.

**Sen. Dr. L. Henry:** We do not need any advice from you. Our Minister of Finance is quite capable—

**Sen. Mark:** Wish your Prime Minister happy birthday.

**Sen. Dr. L. Henry:**—and we do not need any fiscal advice from any one of you over on that side because you have nothing to teach us, nothing to advise us based on your horrific track record. I refer to your period of rule, [*Crosstalk*] I refer to your governing this country as the disaster, the Palestinians does call it “al-Nakbah”. Yes. You were an “al-Nakbah” for Trinidad and Tobago. You are a disaster. So, is my time up, Madam President? I will hit them a few more shots, eh. [*Crosstalk and laughter*] Yeah. So you, yes, you set back this country’s development by 10 years, so we had to go to Vision 2030 because of you.

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

**Sen. Dr. L. Henry:** You did so much damage. Yeah.

**Hon. Senator:** Reckless. [*Crosstalk*]

**Sen. Dr. L. Henry:** You could not generate economic growth with all of those billions of dollars. So where was the money going?

**Hon. Senator:** In reclining chairs, that is where it was going.

**Sen. Dr. L. Henry:** Yeah. So do not—sorry, I should not brandish. Madam President, with these few words, I thank you. [*Desk thumping and crosstalk*]

**Sen. Gopee-Scoon:** Very good ending.

**ADJOURNMENT**

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Madam President, this was a nice one. [*Laughter*] I beg to move that this Senate do now adjourn to Wednesday, 25 October, 2017; that is tomorrow, at 10.00 a.m.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 7.37 p.m.*