

New Year Greetings

Tuesday, January 13, 2015

SENATE

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The Senate met at 10.30 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

NEW YEAR GREETINGS

Mr. President: Hon. Members, perhaps it is a good moment to wish you all the best for this new year, 2015, and to inform you that during the recess period we did receive greetings from the Speaker of the Knesset in Jerusalem and from the Tobago House of Assembly, and so I propose to read into the record those greetings that were brought from us. So, we have greetings from the Speaker of the Knesset in Jerusalem wishing this Parliament:

“a happy, successful and prosperous new year, filled with harmony and serenity...”

—and it was given on behalf of the Speaker and fellow members of the Knesset.

“May the New Year be one of healing and creation, may it be a year of hope.

May the New Year be one of tolerance between religions and cultures and may we work towards better days. After all, we are the children of the same God.”

And that was, as I said, from the Speaker of the Knesset.

We also had, from the Tobago House of Assembly and the Clerk of the Senate, wishing all Members present:

“Season’s Greetings for a blessed Christmas and a Happy New Year.” And sent to us by the Clerk of the Assembly. So, I thought this was fittingly put on the record.

ARRANGEMENT OF BUSINESS

Mr. President: Members will know of the untimely passing of Sen. Martin Joseph. I propose too, later in the proceedings today, that we should have an opportunity to pay tribute to him, and we will defer that and bring it back later in the proceedings. Thank you.

Finance Bill, 2015

Tuesday, January 13, 2015

**FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION)
(FINANCIAL YEAR 2014) BILL, 2015**

Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2014) Act, 2013, brought from the House of Representatives [*The Minister of Finance and the Economy*]; read the first time.

Motion made: That the next stage of the Bill be taken later in the proceedings in accordance with Standing Order 48(2). [*Hon. L. Howai*]

Question put and agreed to.

FINANCE BILL, 2015

A Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters, brought from the House of Representatives [*The Minister of Finance and the Economy*]; read the first time.

Motion made: That the next stage of the Bill be taken later in the proceedings in accordance with Standing Order 48(2). [*Hon. L. Howai*]

Question put and agreed to.

PAPERS LAID

1. Annual Audited Financial Statements of the Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) for the financial year ended September 30, 2012. [*The Minister of Finance and the Economy (Sen. The Hon. Larry Howai)*]
2. Annual Audited Financial Statements of the Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) for the financial year ended September 30, 2013. [*Sen. The Hon. L. Howai*]
3. Financial Obligations (Amendment) Regulations, 2014. [*Sen. The Hon. L. Howai*]
4. Purchase of Certain Rights (HCU) Regulations, 2014. [*Sen. The Hon. L. Howai*]
5. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Chaguaramas Development Authority for the year ended September 30, 2001. [*Sen. The Hon. L. Howai*]
6. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Chaguaramas Development Authority for the year ended September 30, 2002. [*Sen. The Hon. L. Howai*]

7. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Chaguaramas Development Authority for the year ended September 30, 2003. [*Sen. The Hon. L. Howai*]
8. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Chaguaramas Development Authority for the year ended September 30, 2004. [*Sen. The Hon. L. Howai*]
9. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Chaguaramas Development Authority for the year ended September 30, 2005. [*Sen. The Hon. L. Howai*]
10. Minimum Wages Order, 2014. [*The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh)*]
11. Financial Intelligence Unit of Trinidad and Tobago (Amendment) Regulations, 2014. [*Sen. The Hon. L. Howai*]
12. Framework for Developing the Outreach and Communication Strategy of the Parliament of the Republic of Trinidad and Tobago. [*The Vice-President (Sen. James Lambert)*]
13. Assessment Report of the Constituency Relations of the Parliament of the Republic of Trinidad and Tobago. [*Sen. J. Lambert*]
14. Annual Report and the Audited Financial Statements of the National Trust of Trinidad and Tobago for the fiscal year ending September, 30, 2013. [*Sen. The Hon. G. Singh*]

ORAL ANSWERS TO QUESTIONS

Mr. President: Leader of Government Business.

The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh): Mr. President, in keeping with the tradition of this Senate and in discussions with the hon. Senator, Dr. Lester Henry, who requests the answer to the question, we will answer questions 61, 10, 13 and 14.

Mr. President: And in that order, I take it?

Sen. The Hon. G. Singh: In that order, and we ask for a deferral for one week of the other questions.

The following questions stood on the Order Paper:

**San Juan Terminal Mall
(Details of Contract)**

7. With respect to the contract with RK2 Engineering for certain works at the San Juan Terminal Mall, would the hon. Minister of Transport indicate:
- (a) whether the contract works have now been completed;
 - (b) if not, the reason for the delay and when are these works to be completed;
 - (c) if completed, would the Minister state on what date;
 - (d) the original contract price and what sum has already been paid to the contractor;
 - (e) whether the said sum is VAT inclusive; and
 - (f) whether RK2 Engineering has been contracted/engaged to perform any other work(s) for the PTSC, since May 2010, and if so, would the Minister kindly indicate the site(s) and amount payable under each such engagement? [*Sen. C. Robinson-Regis*]

**Memorandum of Agreement
(Government of Trinidad and Tobago
and the Government of India)**

11. With regard to the Memorandum of Agreement (MOA) between the Government of Trinidad and Tobago and the Government of India which was settled and executed during the visit by the Prime Minister to India in 2012, would the hon. Minister of Trade, Industry, Investment and Communications indicate.
- (a) whether the Government has published the MOA;
 - (b) briefly describe or identify the projects in Trinidad and Tobago that have actually been initiated or have gone beyond mere planning to the point of implementation arising out of this MOA;
 - (c) the gross monetary value of the investments in these projects? [*Sen. C. Robinson-Regis*]

**Housing Development Corporation
(Details of Houses)**

- 16.** With respect to the Housing Development Corporation (HDC), could the hon. Minister of Housing and Urban Development inform this Senate of:
- (a) the number of houses constructed throughout Trinidad and Tobago for the period May 2010 to August 2014;
 - (b) the specific number of houses constructed in each Housing Development; and
 - (c) the total cost to build and outfit these houses? [*Sen. C. Robinson-Regis*]

**Children's Life Fund
(Details of)**

- 17.** With reference to the Children's Life Fund, could the hon. Minister of Health indicate to the Senate:
- (a) the current total of the fund;
 - (b) the mechanism of its funding;
 - (c) the amount of monies spent from the fund since its inception to August 2014;
 - (d) the process to access the fund;
 - (e) the age limit to access the fund; and
 - (f) the number of children that have benefitted from the fund? [*Sen. C. Robinson-Regis*]

**Unitization of the Cross Border Reserves
of the Loran-Manatee Gas Fields
(Details of)**

- 21.** Could the hon. Minister of Energy and Energy Affairs indicate the status of the Agreement for the Unitization of the Cross Border Reserves of the Loran-Manatee Gas Fields that extend across the delimitation line between Trinidad and Tobago and Venezuela? [*Sen. C. Robinson-Regis*]

**Compressed Natural Gas (CNG) Service Stations
(Details of Locations)**

- 22.** Would the hon. Minister Energy and Energy Affairs state the locations and total number of Compressed Natural Gas (CNG) Service Stations in Trinidad and Tobago? [*Mrs. C. Robinson-Regis*]

**Petrotrin
(Details of Oil Spills)**

59. A. Could the hon. Minister of Energy and Energy Affairs indicate whether there were any Petrotrin-related oil spills during the last quarter of 2014?
- B. If the answer to (A) is in the affirmative, could the Minister indicate:
- (i) the number of oil spills;
 - (ii) the impact of these oil spills; and
 - (iii) the extent they have added to the liabilities of Petrotrin? [*Sen. Dr. L. Henry*]

**Natural Gas Exports
(Details of)**

60. A. Could the hon. Minister of Energy and Energy Affairs please indicate what proportion of our total natural gas exports can be diverted to higher price markets other than the US market, given previous contractual arrangements?
- B. Could the Minister explain how Trinidad and Tobago benefits from divergences to higher price markets, and who gets the major share? [*Sen. Dr. L. Henry*]

Questions, by leave, deferred.

**Manzanilla Roadway and Plum Mitan
(Details of)**

61. **Sen. Dr. Lester Henry** asked the hon. Minister of Minister of Works and Infrastructure:

In relation to the destruction of the Manzanilla roadway in November, 2014, could the Minister indicate:

- (i) whether an investigation was done to ascertain the cause; and
- (ii) whether there was any link between this destruction and any work done by this or any other Ministry in Plum Mitan or neighbouring regions?

The Minister of Works and Infrastructure (Hon. Dr. Surujrattan Rambachan): Thank you, Mr. President. Mr. President the question asked: in relation to the destruction of the Manzanilla roadway in November, 2014, whether the Minister could indicate whether an investigation was done to ascertain the cause.

Mr. President, a project team comprising the Ministry of Works and Infrastructure, the Coastal Protection Unit of the Ministry, the Environmental Health and Safety Unit of the Ministry, and the PURE Unit of the Ministry, as well as the Department of Civil and Environmental Engineering and the Geomatics Department of the Faculty of Engineering at UWI was mandated mainly to implement an immediate solution and, secondly, to launch an investigation into the cause of the destruction.

While the investigations into the cause of the destruction are still ongoing, what we found where the problem occurred, there were several things that could have contributed to it. One was the paucity of drainage, natural drainage, and, as well, what you would describe as anthropogenic drainage infrastructure, which is drainage influenced by human beings and nature; relatively high topography of the beach dune in comparison to the existing elevation of the Manzanilla/Mayaro Road, creating a natural impediment to drainage; ongoing coastal erosion, and in that area, the ongoing coastal erosion is recorded at a rate of two to four metres per year, ongoing coastal erosion threatening critical areas along the Manzanilla/Mayaro Road, that is the high watermark is less than 25 metres from the existing roadway; changes to the hydrologic characteristic of the Nariva River watershed due to ongoing land-use practices; construction of channels which provide opportunity for faster conveyance of run-off; an uncontrolled run-off of water used for flood irrigation, but beyond and above all that, during nine days in the month of November, the intense rainfall over that short period was 371 millimetres, whereas the long-term thirty-year rainfall depth for the month of November is about 227.8 millimetres. So you are looking at 100 millimetres more—140 millimetres more, almost, of rainfall that took place at that point.

Finally, residential and resort properties have been constructed between the Manzanilla/Mayaro Road and the shoreline. In many cases, the structures are too close to the roadway and, of course, that now provides a challenge for widening and elevating the road. Despite that, Mr. President, a number of things have been done, and within 24 days of the incident occurring, we were able to move in and begin works, creating a temporary access road which facilitated traffic just about two days before Christmas, and traffic is still flowing on that. [*Desk thumping*]

There were several other things completed: the road condition survey, that has been completed, the topographical survey has been completed, aerial photogrammetry has been completed, geotechnical investigations have been completed, the collation of tidal information necessary for dealing with the reconstruction has been completed, interim hydrological and hydraulics studies have been completed; as I said, the temporary access road has been completed, and, at the moment, the comprehensive hydrological hydraulics studies, those are ongoing, and we have one more thing to start, which is called is bathymetric survey, which has to deal with the ocean itself; that is to commence.

The permanent works on the roadway that is now being constructed will be completed by the end of January, so that people will be able to use that roadway. In addition, the heavy equipment that now has to use the Naparima/Mayaro Road will again be able to use the Mayaro/Manzanilla Road onto Guayaguayare. So works have proceeded very well and it is a tribute to local engineering, to the Ministry of Works and Infrastructure, particularly the PURE Unit and the four contractors who have been contracted to do the work on the project.

The second part of the question asked whether there was any link between this destruction and any work done by this or other Ministry in the Plum Mitán or neighbouring regions. Now, our initial investigations indicate that there was no link between any works performed by the Ministry of Works and Infrastructure on the destruction. The Ministry of Works and Infrastructure cannot comment on any causal links to works performed by other Ministries, and that is something, as I said in my previous answer, it is ongoing in terms of the surveys that are being done. Thank you, Mr. President. [*Desk thumping*]

Sen. Dr. Henry: Supplemental, Mr. President. Could the Minister indicate the cost? We know there were reports in the papers, but I would like to get some idea of the cost involved.

Hon. Dr. S. Rambachan: Sure. The initial costing for the entire project was \$57 million. From the value engineering techniques we have used and from the way we have approached the reconstruction, it is not going to cost that much. In fact, I think it is going to come way below that. The rest of the funding though that is saved, we would have to use it to deal with drainage, especially on the side of the swamp so that we can channel the water into the channels we have created under the new sections we have rebuilt, so you would not have the destruction that took place taking place again. So you would have, what they call, outfall drains being created. [*Desk thumping*]

10.45 a.m.

Sen. Al-Rawi: Further supplemental. Thank you, hon. Minister. May we enquire—if you have that information now—who the four contractors were for this particular project?

Hon. Dr. S. Rambachan: The contractors were chosen on their ability to do this kind of work, on an examination of the engineering capacity they also had in their organizations and their specialized equipment that was necessary. Four contractors are on the job: Jusamco Limited, Coosal's Construction, Danny's Enterprises—and they have been brought in to do the soil stabilization, because

that is one of the problems we have had there—and Raghunath Singh & Company. They were brought in for a special reason. They have equipment that could have been moved to the site, so that we could do crushing. Where we have saved money is, the material we have dug out we were able to crush it on site, and we reused it in the construction. *[Interruption]*

Sen. G. Singh: Recycle.

Hon. Dr. S. Rambachan: Recycle the material into the roadway.

Sen. Al-Rawi: Thank you, hon. Minister. How was the procurement for this particular project done; could you give us an indication? It may not be within your parameter today, but perhaps you may be familiar enough with it.

Hon. Dr. S. Rambachan: It was done through the PURE unit and the Ministry of Works and Infrastructure. The payments are being made on the basis of measured work that has been done; so we are very sure that what we are paying for what has been done. That is why I said earlier that the project is going to be way within the budget that we estimated because of the value engineering that we are using.

Sen. Dr. Henry: Further supplemental, Mr. President. The figure quoted by the hon. Minister was \$57 million. I find that to be a bit surprisingly low, given what we saw in terms of the pictures. Of course, I did not go down there myself, but given the pictures and how much destruction seemed to occur, I find that—so could the Minister elaborate on exactly what that \$57million is going to be used for?

Hon. Dr. S. Rambachan: Sure; that was used for clearing up the site—I am sorry I do not have the details with me here—building the temporary roadway. In building the temporary roadway, what we did was this: we went to our storage sites where we have milled material from other roadways, and we were able to transfer that milled material, dug two feet down, used boulders from nearby quarries—and even that saved money in transport and so on. Because we used the milled material, we did not have to provide a surface, like we would normally do with bitumen, so that saved quite a lot of money, and that is working very well because we have had no incidents whatsoever since we have set up that temporary roadway.

On the other hand, having gotten down to the work itself, while you are doing that you are able to understand the dimensions of what had happened and utilize methodologies that would save you money, and that is what we are doing.

You see, it is not just about spending money because you may have money to spend. It is about spending money wisely, [*Desk thumping*] while you get the quality job, and a job that will last you at least 50 years. That is what we are doing there.

Sen. Dr. Henry: Mr. President, I just wanted to know if that \$57 million would have included the temporary plus whatever is supposed to be the permanent replacement road.

Hon. Dr. S. Rambachan: Yes, I answered that. I said it includes the temporary works as well as the permanent works that are being done, and as I said, there will be savings also.

Sen. Al-Rawi: Hon. Minister, is there a larger plan for this particular region, that particular Mayaro/Manzanilla fit, and does this particularly fit into that?

Hon. Dr. S. Rambachan: You know, that entire Manzanilla/Mayaro Road is a road that needs to be widened, and that is something that we have in mind. Even as we speak, I have asked my people at PURE to begin to look at some surveys to see how the road can be widened, because as you yourself would know, there were a lot of accidents and people have lost their lives. The Government is committed to safety on the roads, and that is a heavily used road, and we have to consider what needs to be done in order to improve safety overall.

Also, that road is a major connector road to Guayaguayare. Now that we are talking about the energy corridor from San Fernando to Guayaguayare, it will be necessary for us to develop that road, even to have it as an alternative in case you have any incidents that would prevent traffic moving freely and unencumbered.

Sen. Al-Rawi: Further supplemental. Hon. Minister, has there been any engineering survey completed in relation to that particular energy corridor as you have just mentioned it?

Hon. Dr. S. Rambachan: That is a new question you are asking. As you know there have been surveys and designs that have been done, with respect to the highway from San Fernando to Mayaro and, in fact, we are looking at these right now in detail, particularly the segment between San Fernando and Princes Town.

Sen. Al-Rawi: Further supplemental. So, hon. Minister, you are not in a position to say—being in charge of this Ministry—whether an engineering survey exists for that particular energy corridor?

Hon. Dr. S. Rambachan: Just to let you know, I am well in charge of my Ministry, and I am very much aware of what is going on in my Ministry, [*Desk thumping*] and that is why you are seeing the amount of work being done under this Ministry with the same kind of moneys that was available to the former government. Therefore we have much more work going on now, because there is much more value we are adding to what we are doing. [*Desk thumping*] As I said, as soon as that information is available it will be made public, because my Ministry is a very transparent Ministry.

Sen. Al-Rawi: So, hon. Minister, are you aware—perhaps I ought to put it a different way—whether an engineering survey has been done for the energy corridor, as you put it, yes or no?

Hon. Dr. S. Rambachan: I will answer that question for you, if you file another question. I will collect all the information, maybe even bring all the drawings and so on, and show you everything. [*Desk thumping*]

Sen. Al-Rawi: Further supplemental. Hon. Minister, with respect to this particular energy corridor that you have just answered and brought into this, is the hon. Minister able to say how this particular Manzanilla project for \$57 million fits in, in terms of the logistical preparations for that energy corridor?

Hon. Dr. S. Rambachan: You are talking about two different roads. You are talking about a road from Manzanilla to Mayaro, and you are talking about a road from San Fernando to Guayaguayare. Of course, you know what has happened in Guayaguayare. We are developing Guayaguayare, and a major port has just been developed there by the National Gas Company, [*Desk thumping*] something that was spoken about for years and years; but there is a difference between a vision and action. The difference between this Government and your administration is that we always move to act and to do that which is in the interest of developing the nation.

Sen. Al-Rawi: Further supplemental. With respect to the procurement exercise for PURE for this particular project, what rule do they fall under in terms of procurement?

Hon. Dr. S. Rambachan: I will find all that information for you; file a next question and I will come and answer it.

Sen. Al-Rawi: Further supplemental. Hon. Minister, with respect to the Central Tenders Board and the project for \$57 million carried out, does this project fall under the Central Tenders Board via the PURE programme?

Hon. Dr. S. Rambachan: I said that the work is being paid for by measured work. This was a work that was of an emergency nature. The best contractors were selected for this job, and when the job is finished if you require me to bring a list of the payments made, to the Parliament, I will be prepared to do that. But it is very interesting that you ask so many questions about procurement when your own government did not support the Procurement Bill. [*Desk thumping*]

Sen. Al-Rawi: Further supplemental. Hon. Minister, with respect to the Procurement Bill, is it anticipated that this Government will proclaim that Procurement Bill so that the rest of these works, as coming out of your answer, will fall under it? [*Crosstalk*]

Sen. G. Singh: That is a new question!

Hon. Dr. S. Rambachan: The hon. Senator will be well aware of how the matter of the proclamation of a Bill is done in this country. Once it goes to the President, the President will have to proclaim the Bill.

Sen. Al-Rawi: Further supplemental. Has that Bill, in fact, gone to the President for proclamation?

Hon. Dr. S. Rambachan: That is a question I cannot answer right now. I am not aware what has happened.

Sen. Al-Rawi: Further supplemental. Has the Cabinet made a decision, you sitting as a Member of Cabinet in charge of this Ministry—[*Interruption*]

Sen. G. Singh: Do not ask that question, that is inappropriate!

Sen. Al-Rawi: It started with the word “has”, my dear friend; calm yourself.

Sen. G. Singh: Inappropriate! File a question! [*Crosstalk*]

Sen. Al-Rawi: Has the Cabinet made a decision for the proclamation of this Bill with respect to this project.

Sen. Robinson-Regis: He opened the question.

Hon. Dr. S. Rambachan: The Government of Trinidad and Tobago is committed to procurement legislation, that is why we brought it to this Parliament, that is why we debated it in this Parliament. [*Desk thumping*] It is highly unfortunate that you sat there as Senators and did not support procurement legislation, neither did you support it down in the Lower House. It is very, very unfortunate, because when the country is calling out for a fight against corruption, and this Government has risen in its struggle against corruption, you have refused to support procurement legislation.

Sen. Al-Rawi: Further supplemental. Has the Cabinet decided—*[Interruption]*

Sen. G. Singh: File a question.

Sen. Al-Rawi: Coming out of the answer for your question, has the Cabinet decided—*[Interruption]*

Mr. President: Sen. Al-Rawi, I will have to intervene at this point.

Sen. Al-Rawi: Sure; why?

Mr. President: That question falls outside of the ambit of the question laid before the House. So the Minister, if he chooses to answer, he may, but likewise he may refuse to answer the question.

Sen. Al-Rawi: Thank you, Mr. President. I just got to the word “has”, so I am not sure which question you are referring to. Is it a previous question or the one I am about to ask?

Mr. President: The question you are in the act of asking I think falls outside of the ambit of the question that is laid before this House for oral answer. Therefore, I am indicating that the Minister may choose to answer, but he may also elect to say that he is not in a position to answer that, because it is not a question that was laid before this House. It does not arise from the question.

Sen. Al-Rawi: Thank you, Mr. President. For your guidance, so that I will not run afoul of your direction, could you tell me what is the question, I asked that is outside?

Sen. G. Singh: Procurement, procurement!

Mr. President: I am sorry. I am not going to allow you, Sen. Al-Rawi, to question the Chair. I have laid the question. If you want to repeat the question to the Minister, you may do so. *[Desk thumping]*

Sen. Al-Rawi: Thank you, Mr. President, because I am now about to ask the question. If I may, hon. Minister, with respect to the answer that you gave to the Parliament this morning as to the PURE programme, the \$57 million executed by the PURE programme for the temporary works on the highway—*[Interruption]*

Sen. G. Singh: He said temporary plus the whole thing!

Sen. Al-Rawi:—including the further works as clarified, is the hon. Minister in a position to tell us what mechanism for the further procurement cycle, in moving from the temporary works conducted thus far to the final works to be concluded, what procurement measures specifically will be done for that?

Sen. Singh: The same PURE programme.

Hon. Dr. S. Rambachan: Mr. President, if the Member files that question, I will come back here and answer it in full detail, but I want to repeat: this Government is committed to procurement legislation, because it is one of the pillars and a part of the foundation of this Government to fight corruption in every form; except that this Government has taken up the mantle to do so, but they refuse to support it.

Sen. Robinson-Regis: Supplemental, please. Thank you very much, Mr. President. Minister, would you be able to indicate whether the four contractors selected were selected on a sole select, as you said that they were the best ones to do it? Was it a sole select tender?

Hon. Dr. S. Rambachan: I will answer all questions relating to the selection and procurement, file a question and I will come back and answer it. I am not afraid to answer, but I just want to get all my details and I will come and answer it.

Incidences of Summary Offences (January 01, 2011 to date)

10. Sen. Camille Robinson-Regis asked the hon. Minister of National Security:

Could the Minister indicate the number of office/store break-ins, car break-ins, robberies and residential burglaries that have been reported during the period January 01, 2011 to date, in the Port of Spain, Central and Southern Police Divisions?

The Minister of National Security (Sen. The Hon. Gary Griffith): Thank you, Mr. President. Hon. Members, information received from the Trinidad and Tobago Police Service indicate that for the period January 2011 to date—I have the breakdown of all at each of the divisions in Port of Spain, Central and southern. I do not know—do you want a break down every year or shall I just give the general number of the break-ins?

Sen. Robinson-Regis: You can give general, and then if I need further—

Sen. The Hon. G. Griffith: The total in respect of divisions: in Port of Spain, office/store break-ins, 382; larceny from motor vehicles, 249; robberies, 2,455; house break-ins, 805. This within this period from January 2011—2014.

Central—office/store break-ins, 406; larceny from vehicles, 16; robberies, 2,179; houses break-ins, 1,717.

Southern—office/store break-ins, 417; larceny from vehicles, 44; robbery, 2,402, and house break-ins, 1,208.

Sen. Robinson-Regis: Minister, I think I will need it broken down.

Sen. The Hon. G. Griffith: Mr. President, in 2011, in the division of Port of Spain the office/store break-ins numbered 97; larceny from motor vehicles, 50; robberies, 688; house break-ins, 228.

In central, office/store break-ins, 114; larceny from vehicles 7; robbery, 599; house break-ins, 490.

Southern, 91 for office/store break-ins; larceny from vehicles, 6; robberies, 592; house break-ins, 405.

In 2012, Port of Spain, office/store break-ins, 129; larceny from vehicles, 99; robbery, 788; house break-ins, 226.

In central, office/store break-ins, 161; larceny from vehicles, 2; robberies, 795; house break-ins, 652.

Southern—office/store break-ins, 163; larceny from vehicles, 14; robberies, 758; house break-ins, 383. In 2013, Port of Spain, office/store break-ins, 98; larceny from vehicles, 21; robbery, 489; house break-ins, 191.

In central, office/store break-ins, 68; larceny from vehicles, 0; robbery, 434; house break-ins, 297.

In southern, office/store break-ins, 94; larceny from vehicles, 17; robbery, 570; house break-ins, 238. In 2014, Mr. President, in Port of Spain, office/store break-ins, 58; larceny from vehicles, 79; robbery, 490; house break-ins, 160.

Central—office/store break-ins, 63; larceny from vehicles, 7; robbery, 351; house break-ins, 278.

Southern—office/store break-ins, 69; larceny from vehicles, 7; robbery, 482; house break-ins, 182.

11.00 a.m.

Mr. President: Sen. Camille Robinson-Regis, any supplemental?

Sen. Robinson-Regis: No. No.

Mr. President: We will have the next question, Sen. Camille Robinson-Regis. [*Crosstalk*]

Sen. Robinson-Regis: No, we do not need that. You can file a question to yourself. [*Laughter*]

**Siparia Market Facility
(Details of Contract)**

13. Sen. Camille Robinson-Regis asked the hon. Minister of Local Government:

- A. Would the Minister indicate whether the new Siparia Market Facility is completed, occupied and/or utilized for the purpose for which it was so developed?
- B. If the answer to A is in the negative, would the Minister indicate the reason(s)?
- C. The date the contract was awarded and the date the work on this project began?
- D. If the answer to (a) is negative, would the hon. Minister indicate the cost of this project to date; and further indicate whether there is to be any additional expenditure; and if so, the amount anticipated, to bring this project to completion, occupation and use?
- E. Would the Minister indicate what was the Project Manager's projected estimate for this project; the sum of the contract finally awarded to SIS and the amount actually paid to this contractor to date?
- F. Would the Minister indicate whether there were other companies that bid for this project; the names of said companies; and the basis for the award to SIS?
- G. Would the Minister indicate the anticipated date?

The Minister of Local Government (Sen. The Hon. Marlene Coudray): Thank you very much, Mr. President. Question 13 in parts A to G.

The answer to part A: the Siparia Market Facility was completed on July 19, 2013 and handed over to the Ministry of Local Government on July 22, 2013. The facility is occupied and is being utilized for the purpose for which it was developed.

The answer to part B negates an answer.

The answer to part C: the letter of award was issued on October 12, 2011 and the contract was signed on December 06, 2011, and works commenced immediately thereafter.

The answer to part D: of course, Mr. President—the answer to part D negates an answer. The answer to question A negates an answer to this question D—this section D.

The answer to part E: Mr. President, the estimate for the entire project was \$58,450,000 VAT exclusive. The contract awarded the sum to the contractor \$54,010 VAT exclusive, and moneys paid to date to the contractor, \$53,137,247.

The answer to part F: Mr. President, the other companies were Bull Fabricators Limited and TLM Construction Company. SIS met all evaluation criteria and achieved best overall scoring in the evaluation stage, thus the award.

And the final part G: that answer is not applicable, Mr. President.

Sen. Robinson-Regis: Thank you very much, Mr. President. Minister, would you be able to indicate whether a completion certificate has been issued on this contract?

Sen. The Hon. M. Coudray: Mr. President, I do not have this information at this time.

Sen. Robinson-Regis: Further supplemental please, Mr. President. Minister, would you be able to indicate whether further payments are to be made to SIS on this contract?

Sen. The Hon. M. Coudray: Mr. President, the documents I have just read do not so indicate.

Santa Rosa Correctional Facility/Prison (Details of)

14. Sen. Camille Robinson-Regis asked the hon. Minister of Justice:

With respect to the Santa Rosa Correctional Facility/Prison, would the Minister:

- (a) indicate whether the Facility/Prison is now owned by the Government of Trinidad and Tobago;
- (b) if the answer to (a) is affirmative, would the Minister say when was it purchased and at what cost;
- (c) if the answer to (a) is negative, would the Minister indicate the date the facility was commissioned and what is the total amount of rent paid under the lease agreement to date;
- (d) confirm the amount of money spent on repairs to date and what is the current monthly lease rent in respect of the Facility; and
- (e) state whether it is the Government's policy to retain the Facility for its current use for the next five (5) years?

The Minister of Justice (Sen. The Hon. Emmanuel George): Thank you very much, Mr. President. The answer to question 14 part (a): this property is now owned by the Government.

The answer to part (b): steps were taken to acquire the entire property comprising of 16.23 acres, and the buildings thereon at a cost of \$230 million. The process of acquiring the property was completed on November 22, 2014.

The answer therefore to part (c) is not applicable.

In respect of part (d): a total amount of \$50 million was spent on the refurbishment and outfitting of the buildings. There is no current rent being paid.

Part (e): the Government's long-term vision for the facility is to be a fully functional rehabilitation centre for inmates who will be exposed to a range of programmes and projects that would enable them to become well-rounded productive citizens at the end of their period of incarceration and their subsequent return to society. Thank you, Mr. President.

Sen. Robinson-Regis: Thank you very much, Mr. President. Minister, would you be able to indicate whether the facility is actually in use, and how many inmates are there?

Sen. The Hon. E. George: Yes. The facility is actually in use, and although I would not be able to state exactly the number of inmates that are there at the current time, I know that the number varies between 130 and 140-odd there, but do not hold me to the—but I know those are the numbers that we, historically, have been accommodating there.

Sen. Robinson-Regis: Further supplemental, please. Minister, would you be able to indicate the capacity of this facility?

Sen. The Hon. E. George: No. I would not be able to indicate the capacity at this time.

Sen. Robinson-Regis: Further supplemental, please. Would you be able to indicate the projected capacity that you intend to use this facility for?

Sen. The Hon. E. George: No. I cannot. But what I would say is that there are still works that are intended to be undertaken so that the capacity of the facility can be expanded.

Sen. Robinson-Regis: Further supplemental. Minister, would you able to indicate the projected cost to finally outfit this facility?

Sen. The Hon. E. George: No. I cannot give an indication at this time, but if you file a question I will be able to get the information and answer.

Sen. Robinson-Regis: Further supplemental, please, Mr. President. Minister, would you be able to indicate when the Government ceased rentals of this facility?—rental—sorry. [*Crosstalk*]

Sen. The Hon. E. George: The Government ceased rental when it paid for the facility—completed payment for the facility in November of last year, 2014.

Sen. Robinson-Regis: Further supplemental. Minister, would you be able to indicate the amount of rent that was eventually paid, the total amount?

Sen. The Hon. E. George: The total amount of rent that was eventually paid was \$37,829,249.90.

Sen. Robinson-Regis: I think this might be my last. Minister, would you be able to indicate whether the Ministry received a valuation for this property, and by whom the valuation was done?

Sen. The Hon. E. George: The valuation was done by the Commissioner of Valuations. A valuation was received by the Government for the property.

Sen. Robinson-Regis: Sorry, Mr. President, further supplemental. Minister, would you be able to indicate whether the amount paid was in keeping with the valuation or was it more or less than the valuation?

Sen. The Hon. E. George: I could not say to the dollar, but I can certainly say that the Government was guided by the valuation given by the Commissioner of Valuations in agreeing to the payments.

Sen. Robinson-Regis: I can hold you to that? Thank you.

Sen. Al-Rawi: Hon. Minister, I do not know if you would have this information today, perhaps you may. Hon. Minister, are you aware whether there was planning permission for the use of this facility as per current purpose?

Sen. The Hon. E. George: I could not answer that question, but if you file it I would be able to get that information and answer it subsequently.

Sen. Al-Rawi: Thank you.

RELATED BILLS

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Mr. President, as I understand it, we will be taking the debate on the two matters together. So, I am going to move both motions at the same time. All right. Mr. President, I beg to move:

That a Bill entitled an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2014) Act, 2013, be read a second time.

And I also move:

That a Bill entitled an Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related Matters, be read a second time.

Mr. President: Thank you, Minister. Before proceeding further, I wish to put the question before the Senate that these two Bills be heard together. Are any Members who are against the hearing of these Bills being debated jointly? I therefore take it, it is a unanimous wish of this Senate that they be held together.

Assent indicated.

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Thank you, Mr. President. Would it be required to reread the—probably I should. Yeah.

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) (FINANCIAL YEAR 2014) BILL, 2015

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Mr. President, I beg to move:

That a Bill entitled an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2014) Act, 2013, be read a second time.

And I also beg to move:

That Bill entitled an Act to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters, be read a second time.

Commencing with the matters which were considered by the Finance (Supplementation and Variation of Appropriation), Bill, 2015, Mr. President, I want to say that this Bill was passed in the Lower House, but before being passed the Bill was considered by the Finance Committee of the House, where the committee agreed to the required supplementation variation, and there were also some write-offs of small losses that had to be brought to account.

The purpose of this Bill, Mr. President, in broad terms, is to detail the changes made to the detailed estimates of expenditure in the budget and the revised list, as well as the revised estimates arising from the mid-year review. I should also provide some information in this presentation on the closing of the accounts for the year ended September 2014.

Before continuing, Mr. President, I would like to also make the point that the overall deficit at the end of 2014 was lower than had been originally projected, ending the year at 1.5 per cent of GDP. I would also mention in passing, and I will return to it later, that actually the fiscal out-turn for the first two months of this year, notwithstanding the fall in oil and gas prices resulted in a better performance in budget of approximately \$700 million. [*Desk thumping*]

11.15 a.m.

The Supplementation and Variation of Appropriation Bill provides for the supplementation in 2014 of the sum of \$450 million to bring to account expenditure funded by advances from the Treasury Deposits in fiscal 2014, as well as for the variation of appropriation in the sum of \$505,056,471. The appropriation is being supplemented by the sum of \$450 million under Head 69: Ministry of Works and Infrastructure, for the purpose of retiring advances made from Treasury Deposits to honour financial obligations associated with the extension of the Solomon Hochoy Highway to Point Fortin project. Senators are asked to note that in accordance with section 17(1)(b) of the Exchequer and Audit Act, advances from Treasury Deposits are recoverable within 12 months after the close of the financial year in which the advances are made.

Mr. President, it is also necessary to have a variation of appropriation in the amount of \$505 million, which arises for two main reasons. The first is, there is an amount of \$55,056,471 which is to realign the provisions in the fiscal accounts in accordance with the new assignment of responsibilities to Ministers and the restructuring of Ministries that took place last year, which was effected in *Gazette* numbers 45 and 98 on April 15 and July 24 respectively. And the second is the sum of \$450 million to bring to account in part expenditure funded by advances from Treasury Deposits.

So, what happened, Mr. President, is that during the course of last year a sum of \$900 million was required for the continuing construction of the Point Fortin highway, \$450 million was a supplementation which was taken from Treasury Deposits, which we now have to repay, and a further \$450 million was funded by way of transfers from the Ministry of Local Government and from the Ministry of

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Housing and Urban Development. So, that is how the entire \$900 million was funded. This is not additional expenditure, this is simply bringing the transfers and supplementation into line with what was done during the course of the year so that the appropriate entries could be passed to book the transactions.

Mr. President, we also had transfer of funds between subheads of the same head of expenditure. I should note that with effect from August 01, 1988 Cabinet had given the Minister of Finance at the time, now Minister of Finance and the Economy, the delegated authority to approve transfers between subheads under the same head of expenditure, and that is the authority by which these transfers were made. In total we had transfers in 2013 and 2014. We did not have a meeting of the Standing Committee in early 2014 in respect of 2013 because there were no matters to be put before the Standing Committee other than the need to note the transfers which had been made in 2013.

So, we did not have a meeting and we thought that we would put the transfers for 2013 and 2014 before the committee this year for noting, which was done and it was duly noted. The transfers in 2013 amounted to \$1,224,397,568 and the transfers in 2014 amounted to \$767,434,547. These were based on Notes from the respective Ministers requesting the transfer. So these are virements which were done during the course of the year and we are now simply bringing them to book by way of—we have already brought them to book and we are bringing them before both Houses to note the transfers which had taken place.

It should be also noted that these transfers were requested to reflect changed circumstances in Ministries and departments and a consequential reordering of priorities. With respect to the fiscal accounts, part of what we have to do as part of this whole procedure is that we close the fiscal accounts for 2014 at the same time, and in closing the accounts I would just like to note that Senators may recall at the time of the presentation of the 2014 budget, which we did in September of 2013, oil revenues were projected using a price of \$80 a barrel and a gas price of \$2.75 per MMCF. Based on these assumptions, among others, a total revenue projected for fiscal 2014 was \$55 billion. Correspondingly the forecast for expenditure was \$61 billion, and this would have resulted in anticipated deficit of \$6.4 billion or more accurately \$6,357.1 million for fiscal 2014.

In September 2014, at the time of the preparation of this year's budget, the final revised projection for fiscal 2014 was prepared for inclusion in the draft estimates. The revised revenue at that time was projected at \$59.9 billion, which would have been higher than the original budget of \$55 billion, and the revised expenditure was set at \$64.8 billion, which would have been higher than the original budget of \$61.4 billion. And this would have resulted in an anticipated deficit at the end which we reported to this honourable House during the budget debate for this year that the deficit was going to be in the order of \$4.9 billion, \$4.876.

So, the deficit at that time was expected to be approximately one and a half billion less than had been originally forecast when we did the budget at the start of the year in 2013, and this revised position was laid before Parliament.

The fiscal data for 2014 is now substantially completed, finalized and the provisional outturn for central government operations for fiscal 2014 is a much lower level of deficit, now \$2.7 billion as opposed to the original \$4.9 billion that we had estimated earlier, when we did the accounts and certainly lower than the \$6.4 billion which we had forecast at the time when we prepared the budget and read the budget in 2013.

Sen. Al-Rawi: What was more and what was less? Was the expenditure more?

Sen. The Hon. L. Howai: For current now? Okay, I would give it to you. All right? The variance—I would come to it in a minute, I would just speak to the variance very quickly—was mainly as a result of lower than projected revenue of \$1.6 billion, which is higher than the original budget but lower than the revised forecast that we had put to this honourable Senate at the time. The effect of which was complemented by lower than expected expenditure of \$3.8 billion which, again, was lower than the revised figures which we had put to the House in September, and to the Senate, but about on par with what we had originally projected when we started.

Member, just so that you have some of the numbers, the original budget which we read in September 2013, revenue was \$55 billion and expenditure was \$61 billion, resulting in an anticipated deficit of \$6 billion, and in September of 2014 when we read the budget we had a preliminary estimate at the time because we were reading the budget before the end of the fiscal year, so revenue at that time was projected at \$59 billion and expenditure at \$64 billion 64.8.

The actual numbers which we are saying now, based on the finalization of the accounts—the revised revenue for 2014 is \$58.3 billion, which is \$1.6 billion lower than the revised numbers which we read in September, but \$3 billion above the original budget which we read in 2014. This negative variance was due mainly to—and let me give you the expenditure figure at the same time so you will have it. The actual expenditure was \$61 billion. The revised actual expenditure now is \$61 billion. Right? So, I will come to it as I go through the information.

So, the negative variance was due mainly to lower receipts under taxes on income and profits of \$1 billion and under non-tax revenue of \$1.2 billion, and these were partially offset by higher receipts under taxes of goods and services of about \$475 million, taxes on international trade of \$159 million, and unemployment levy of \$58 million. In the category of taxes on income and profits which we said was lower than budget, receipts from the oil companies were \$1.5 billion lower or \$1,486,000,000—\$1.5 billion lower than anticipated, mainly because of the non-payment of current liabilities by one state enterprise.

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This has since been addressed and with effect from October they have been making the payments on a regular basis. As well, this was offset by higher receipts mainly from other companies of \$195 million and individuals of \$155 million, which is mainly attributed to an increase, which are increases that came from the non-energy sector. And under non-tax revenue, the lower receipt of \$1.2 billion that I referred to just now resulted from reduction in the royalty on oil and gas, \$37 million, reduction in profits from state enterprises of \$516 million, which was due to anticipated dividends from the National Gas Company not being paid, and the share of profits from oil companies with respect to production sharing contracts, as there was no need for us to make this particular transfer from that account into the Consolidated Fund.

Sen. Al-Rawi: Hon. Minister, would you permit a question?

Sen. The Hon. L. Howai: Yes, sure.

Sen. Al-Rawi: Thank you so much for giving way. Just a very brief question for clarity. Which state enterprise was it that did not pay its taxes, and if you could perhaps reflect on why NGC had not paid its dividends? If you are able to.

Sen. The Hon. L. Howai: Okay. With respect to the company, it was Petrotrin which did not make the payment but, as I said, we have now put arrangements in place and they have been complying with effect from October. With respect to the NGC, we did not make the call for the final payment of the dividends based on the fact that the fiscal outturn was better, about \$4 billion better than we had originally anticipated when we started the year.

Sen. Al-Rawi: Thank you.

Sen. The Hon. L. Howai: So, with respect to the expenditure side, at the time we said that when we read the budget last year we had said that the revised figure was \$64.8 billion, the actual amount spent was actually \$61 billion, which was about \$3.8 billion lower than the revised figure that we had, and about in keeping with where we had set the budgeted expenditure figure when we did the original budget.

So, the major areas in which expenditure was lower were in personal expenditure, which was lower by \$352 million, other goods and services was lower by \$1 billion. Most of that was in goods and services, about \$800 million was in goods and services. Interest payments were less than projected, by \$100 million, mainly because of the lower issuance of Treasury Notes and Treasury Bills. That is, there was a lower level of open market operations which took place mainly because they were not seeing a spike in inflation at the time, which would have required a tightening of liquidity, and current transfers were also less than projected, by about \$478 million.

So, these figures will eventually be posted and you will have access to all of the details. I did not think it is necessary to go through reading all the details at this time, but the information will be available. The big one that I probably should mention in there is that the supplementary resources which were allocated to the Infrastructure Development Fund of about \$1 billion was not spent during the course of the year, and that would have also made a significant contribution to that \$3.8 billion lower level of expenditure, which we had identified. Transfers to statutory boards and similar bodies were \$450 million less than had originally been projected.

So, Mr. President, those were some of the larger variances, and some of the reasons for the larger variances which we had during the course of the year. Therefore, this brings to a close the accounts for 2015 and also explains the supplementation and variation which we had to do during the course of 2014. With respect to—overall, some of the issues which arise following the closing of the accounts and the results of the operations of Government, I think generally we can say that the economy, during the course of last year, remained on a fairly robust path.

11.30 a.m.

The energy sector though did have its challenges. The energy sector actually contracted by—we expect would have contracted by about 1.7 per cent during the course of last year. The non-energy sector though continued to grow fairly robustly. We had 2.8 per cent growth in the non-energy sector, overall, following on at 31/2 per cent growth in 2013 and 1.8 per cent in growth in 2012. The construction industry showed pretty robust growth of 3.7 per cent based on our preliminary estimates, and following a 3 per cent growth last year. This follows some prior years of contraction in the sector, but over the past two years, 2013 and 2014, we have seen a fairly robust growth in the sector.

The distributive trades—as one would realize from anecdotal evidence, but is confirmed by the data that we have—showed significant growth of 3.7 per cent following a 4.9 per cent growth in 2013. Finance insurance and real estate sector which has traditionally always been a positive contributor to GDP and which has always shown fairly robust growth, continued that trend in 2014 with 4.4 per cent growth in 2014. Government and other services showed very low growth of half per cent and 0.4 per cent respectively.

The non-energy sector showed quite strong growth ending the year based on our preliminary figures at 2.8 per cent. This was partially offset by the contraction which took place in the energy sector. The contraction in the energy sector arose mainly because of the continuation of major maintenance work in the offshore sector, as

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well as there was the coming on stream of BG's Starfish facility which required us to take some of the existing infrastructure down to allow this new field to be tied in and then brought back into production. That also would have affected output, and therefore those factors impacted on output in the sector during the course of last year? As I say, the non-energy sector has been the main engine of the—sorry—*[Interruption]*

Sen. H. R. I. Roach: I just want to ask a question. As you were saying, you are identifying the areas that there have been robust growth in the economy in 2014. What therefore accounts for the Central Bank saying that there is a zero-point growth in 2014, or 0.5? How do you reconcile that?

Sen. The Hon. L. Howai: Yeah. Our figure is slightly higher than theirs, 0.8, but it is neither—it is not far off. The issue really, as I said, is that the non-energy sector grew at 2.8, but the energy sector itself contracted—and because the energy sector contracted, that offset the growth in the non-energy sector; *[Desk thumping]* and the energy sector contracted 1.7 per cent. So that offset the growth which we saw in the non-energy sector.

As I said, generally, the macroeconomic data ended the year strong—and I will come to this year in a while—but the unemployment was 3.6 per cent. Inflation remained in single digits although it increased to 9 per cent towards the end of the year. Foreign exchange reserves are at \$11.3 billion. US-dollar deposits in the banking system continue to grow, increasing to over US \$3.5 billion, representing the customer deposits in the banking system, US-dollar deposits. There is a significant holding of US-dollar deposits in the system now.

Total growth investment in the energy sector is expected to continue to be strong this year and we did a survey just prior to going to the House on Friday to identify whether, in fact, there was likely to be any significant cutbacks by the energy sector companies as a result of what is happening with the price of oil and gas and the fall in prices. The feedback that we have from the sector is that at this stage there is going to be no significant changes to the level of investment that had been projected for the sector for this year.

Our debt to GDP is now about 40 per cent, and in closing the year it was about 43.6 per cent. We expect it to go up again this year based on—so it went down, but we expect it to go back up in 2015 as a result of increased borrowings that we will probably do during the course of this year in order to maintain our cash position. Deposits in the banking system have grown from \$74 billion in 2010 to currently just over \$100 billion, currently. And that is over \$100 billion, representing an increase in wealth generally, reflected in deposits that individuals and companies hold in the banking sector.

Standard & Poor's maintained as we know, the A rating of Trinidad and Tobago. The rating was completed at the end of—towards the end of December. It is dated December 22, which would have been after the fall in oil and gas prices had commenced, and the rationale for the rating is based on our net external asset position, low external vulnerability—I am quoting from the Standard & Poor's research update, dated December 22, 2014:

“T&T's net external asset position, low external vulnerability, and stable political system support the ratings. The country's long-established parliamentary democracy and social stability should sustain political consensus on economic policies.”

So the expectation is that the economy will continue to grow and remain stable over the short to medium term. Of course, Standard & Poor's did indicate the continued heavy reliance on the oil and gas sector and also the fact that it does expose the economy to terms of trade shocks, and therefore is vulnerable to prolonged and substantial drops in fiscal revenues arising from the energy sector.

So they have identified some of the risks, but based on our current position as it stands, our fiscal position, the balances in our Heritage and Stabilisation Fund, our foreign exchange reserves, our reasonably good, although somewhat deteriorated now, current account flows that in fact—it supports for them the continuation of a stable outlook as far as the economy is concerned.

Turning to the decline in the price of oil and gas this year, as the Prime Minister indicated, this will result in a reduction in revenue of about \$7.4 billion, or say seven and a half billion, or about 12.5 per cent of the budgeted revenue for this year. This is based on our assumption of an average price of about \$45 for oil and a \$2.25 average netback price for gas. The netback price for gas is a little bit above that at the moment. Actually, at the end of December the netback price average was about \$2.85 which is still above the \$2.75 that we had quoted in the budget, when we read the budget back in September of last year.

Our expectation is that the price of oil and gas will probably average a little bit better than the \$45 that we are assuming for the remainder of this year, on average. We see that, you know, the feedback that we have from all of the rating agencies and from various forecasting firms is that while there is an expectation that the price will go down and perhaps could breach the \$40 barrier, that price will come back up and the expectation is that it will average—in the case of Standard & Poor's and Moody's, they are looking at between 65 and 70, and in the case of the US information administration the average is looking closer to probably, the average they use is 62, 75, I think it was. So there is some expectation that that will turn around, but for purposes of our budgeting for this year we have assumed \$45 and a \$2.25 netback price for gas.

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So that is the situation as it is now and we expect that prices will improve towards the end of this year going into next year, although I should say that we do not expect that it will get back to the levels that it was of over \$100 a barrel. If it does it certainly will be a surprise to me. I do not expect it to get back there, and I am estimating that we would probably be looking at \$65 and \$70, roughly, as to where it is likely to end up or to get back to.

Now, I should point out that what we are dealing with here now is a situation that we have experienced before in 2009; prices did come down and it did reach the \$40 barrier. I think it got to as low as \$38, and I say that advisedly. I did not check the number, but I saw the graph and the graph looks somewhere like it was slightly below the \$40 barrier. But eventually it did get back to a figure of over \$100 a barrel once the situation regularized.

As the Prime Minister pointed out in her speech, the changing dynamics of the oil and gas market, the energy market, is such that we expect that with the continuing growth in shale oil and gas output which has significantly reduced the need for the US to import oil and gas that we do not expect the prices to shoot back over \$70 a barrel. We feel it will probably be closer to \$65 than to \$70. So we are preparing our medium-term forecasts on that basis.

During the course of the Prime Minister's presentation she did indicate that certain fiscal measures would be put in place, and she had identified a certain, you know, cutback on programmes which affect the poor and continuing emphasis on, particularly, health and crime. Within that context what we have sought to do is to determine how we will deal with, particularly, the challenge of this year when we expect the challenge to be a little bit more exacerbated this year as a result of the fall in oil and gas prices. We have identified several initiatives as had been indicated previously. We will be coming with the Phoenix Park IPO. Our read of the market suggests that the price will remain—that we were expecting—will probably remain stable.

The acceleration of the PP Programme, the public/private sector programme, to partner with the private sector in a much more accelerated way—It took us a while to get some of the initiatives off the ground as far as PPPs are concerned, but we have started the process with the IDB now and we have several projects including the building of schools and ECCE centres which we are now in the process of moving forward with the IDB as a partner in those particular arrangements.

The Prime Minister mentioned the reduction of expenditure in selected areas. I should add to that the use of sale and leaseback arrangements. We have not done a lot of sale and leaseback arrangements, but a lot of BOLT facilities and so on, and there is a lot of scope for us to do that. We have already started discussions with some of the banks and other financial institutions with respect to the implementation of BOLT and sale and leaseback arrangements—build-own-lease-transfers arrangements, as well as sale and leaseback arrangements. What that does, it gives us an immediate cash inflow, a large inflow.

So if you package some assets and you sell it and you lease it back, you get a large lump sum coming in immediately. Of course, you will then have to service the ongoing smaller payments on an annual basis or a monthly basis as the case might be, on a periodic basis. But what it does, it gives you the big cash flow immediately to meet the cash demands that we expect will come as a result of the reduction in the price of oil and gas this year.

11.45 a.m.

Then there has been the deferral and scaling-back of certain projects on the capital expenditure side, and those will be announced by the various Ministers as we go through, perhaps this debate, but also over the next few weeks as we start the process of scaling-down some of these initiatives.

As I said, the fiscal outturn thus far for the first two months—we do not have for the first quarter just yet. We are just about finalizing that, but the fiscal outturn revenue, we had budgeted \$5.8 billion. Revenue was \$5.6 billion, and on the expenditure side expenses fell below budget by \$996 million—about \$1 billion. So we are seeing a positive variance of a little over \$700 million, closer to \$800 million, for the first two months of this year and our expectation is—for the first quarter—that our performance should be better than budgeted—for the first quarter.

Of course, we do not expect that that will continue for the next quarter and the quarters after that. We expect that the effect of the fall in oil and gas prices will start to really take effect. Although prices started falling and fell below the \$80 benchmark at the end of October, because gas prices were higher we were able to end the quarter with a little bit better than we had expected in terms of overall performance. But, again, I emphasize, that is not expected to be the situation going forward, but it is good to know that you start with a buffer of a positive variance when you start the year in January of this year.

So this is just a short background on what is happening with the energy sector and with the economy as a whole. There are continuing risks that we need to

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manage as we move forward, and we need to do so in a very proactive way, but we also need to recognize that fact that we do have strong buffers which would help to manage us through this process once the right action is taken and once it is sustained on an ongoing basis.

Mr. President, the Bill before this House, if I get to the details of the Finance Bill, contains 26 clauses and the initiatives involve measures which treat with the social safety net, pensions, agriculture, affordable housing, protection of the environment, reduction of the subsidy and developing, among our road users, a greater sense of responsibility.

In addition, the Bill contains provisions that allow for greater efficiency of the Unit Trust Corporation and further development of the capital market, and we have also put in this Bill provisions promoting tax administration which it is believed will allow for increased collection of taxes as well as provisions for increased compliance relating to the filing of documents to be provided to the Companies Registrar.

The Bill also provides for other measures which were approved by Cabinet, which include some amendments to the Petty Civil Courts Act and the Proceeds of Crime Act, Chap. 11:27. The Bill also contains some other provisions which I had termed in the other place, clean-up measures, and I would use the same term for the time being to facilitate, among other things, the proper working of our tax incentives, and this relates to housing and to residential housing and for the parity of treatment for the Arthur Lok Jack Graduate School of Business and the St. Augustine Campus of the University of the West Indies, as they relate to value added tax.

If I could start, Mr. President, with the social safety net measures. These are included in clauses 12 and 19(b) which I will seek to address together. The Government has identified the wellness of all its citizens as a primary objective and, in particular, the development of an environment where the basic and special needs of particularly differently-abled persons are adequately met.

At present, persons certified with a permanent physical and mental disability receive a monthly amount of \$1,500 per month. Mr. President, it is proposed in clause 12 to increase this amount by \$300, allowing for a disabled person to now receive \$1,800 per monthly, and this measure will be deemed to come into force on October 01, 2014. In a similar vein, the purpose of granting a personal allowance is to provide a tax-free income which will support a minimum standard of living, particularly for those individuals who need this benefit most.

Recognizing the special needs of senior citizens whose disposable income would generally be reduced upon retirement, it is proposed that with effect from this month,

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January 2015, individuals who have attained the age of 60 years would be entitled to an enhanced personal allowance of \$72,000 per annum. It will also be granted to non-resident individuals over 60 who are in receipt of pensions accruing in, or derived from Trinidad and Tobago. Clause 19 will provide for this measure. It should be noted that personal allowances for all other individuals will remain at \$60,000. I would just like to repeat that and emphasize that.

Turning to the pension measures in the Bill, you may be aware that the existing pension arrangements for public officers do not provide for the indexation of pension benefits and, as such, there is no measure of relief against the effects of inflation. These retirees receive a fixed income and experience difficulties in maintaining an acceptable standard of living since their purchasing power is severely eroded by inflation.

In order to provide relief to our senior citizens, it is proposed to increase the minimum pension payable to retired public officers, and where provided, to their widows and orphans in respect of service under the Government of Trinidad and Tobago or other public service, from \$3,000 per month to \$3,500 per month. This measure, it is expected, will benefit about 35,000 public officers, as we had indicated in the budget. These measures are found at clauses 3, 5, 8, 9, 10, 11, 14, 15 and 16, and will be deemed to come into force from October 01, 2014. I am not going through all the details of all of the clauses in each of these sections. I believe that they are all fairly self-explanatory. I thought that I should emphasize the point, though, that they come into effect from October 01, 2014.

Another measure which we propose is the approved deferred annuities available to resident individuals, and these annuities are similar to savings-type plans and so on, and we have increased the tax deductibility of the contributions from \$30,000 to \$50,000 per annum. So the intention here is to give a break to persons who perhaps would wish to use these as avenues for investing for the future. This proposal is found at clause 19(d) of the Bill.

With respect to the agricultural measures, praedial larceny, which is the theft of agricultural produce or livestock from a farm or estate, is widely acknowledged within the Caribbean region as a practice that continues to negatively impact the development of the agricultural sector and is the single greatest disincentive in the sector. According to a study conducted by the Food and Agriculture Organization, in collaboration with the Caribbean Disaster Emergency Management Agency, entitled *An Analysis of the State of Praedial Larceny*, in member states of Caricom praedial larceny has been noted to be an increasingly serious crime. It has moved from the theft of small amounts to large amounts of produce, posing serious dangers to farmers and their workers.

Offenders operate in a complex social and economic environment, encompassing varied groups of individuals who have developed livelihoods and

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businesses from the stealing of agricultural produce, equipment and materials. Each group has developed its own dynamics in a distribution chain where the crime enters undetected into the normal processes of legitimate industry of, especially domestic fresh food distribution. Conservative estimates are that 18 per cent of the value of farm output regionally is stolen, resulting in the loss of millions of dollars annually.

In Trinidad and Tobago, we have used several strategies to reduce the incidence of praedial larceny and these include the revival of the praedial larceny squad, which was established in collaboration with the police service, as part of Government's aim of creating a food secure nation. As part of these overall strategies, it is proposed to increase the fines under the Praedial Larceny Prevention Act by 50 per cent, and this proposal is found at clause 6 of the Bill and comes into force during the course of this month, January 2015.

Housing measures: we made some changes about two years ago to some of the incentives that we provide to the housing sector and the intention there was to spur the construction industry by moving construction across a broad range of fronts by including also, construction being done on residential homes in order to ensure that we could jump-start the economy and get things moving. And we saw from the information regarding the growth in the construction sector, which had contracted up to 2012, that with effect for 2013 and '14, there has been significant growth in the construction sector.

In 2003, a special allowance of \$10,000 per year was introduced to benefit resident individuals who purchased or constructed their first homes on or after January 01, 2003. In 2010, this special allowance was increased to \$18,000 per year with effect from January 2011. Under the existing law, the \$18,000 relief is granted for a period of five years, from the year in which the house is purchased or constructed, and it can be shared by several individuals holding joint ownership of the property as a residence. As indicated, in light of the Government's need to start moving this industry forward, Government has increased that allowance to \$25,000. This allowance will continue to be available to the first-time owner for a period of five years from the year in which the house is acquired, and this measure is found at clause 19(c) of the Bill.

Mr. President, as another matter in this Bill relating to making housing available, we needed to bring in place a one-off clean-up measure, which is the incentive which allows for the exemption of income tax until the year ending December 31, 2015. This was revised in the Finance Act last year to December 31, 2018, on the gains or profits derived from the initial sale of a residential house

site being part of a land development.

Mr. President, without going through all the details, there was need for us to make an amendment to the Housing Development Corporation Act to allow us to implement this particular incentive to allow the taxpayers to be able to access the incentive which had been put in place a couple of years ago. This amendment is now being put through and we expect now that persons who have not been able to claim these particular benefits, allowances, will be able to do so retroactively, for the years from which the changes were first announced, going forward for the period of time to which the changes referred, which is five years. So, Mr. President, the amendments to the Housing Act are found at clause 13 of the Bill which you have before you.

There is also a change which we are making to encourage the use of hybrid and electric-powered vehicles. The Bill allows for the removal of motor vehicle tax and VAT on new and used hybrid and electric-powered vehicles for a period of five years. It should be noted that the exemption is limited to vehicles with engine size not exceeding 1799cc, and there was an amendment to the original Bill which was made in the House with respect to this particular matter to the wording of the changes to the legislation, as well as the kilowatts where we had to move the point from—we had it as 1.79 and the amendment would have made it 179. The point should have been at the end. This measure will come into force in January of 2015.

12.00 noon

Mr. President, how much more time do I have?

Mr. President: You have another 12.

Sen. The Hon. L. Howai: Twelve minutes. Okay, thanks. Road usage measures. Over the period 2007 to 2014, there were approximately 1,568 road fatalities in Trinidad and Tobago. That is an extremely high number for a small island nation such as Trinidad and Tobago. With a view to developing a greater sense of responsibility by drivers and to curb the level of lawlessness on our roads, it is proposed to increase the fines by 50 per cent under the relevant legislation relating to driving offences and these include driving under the influence of alcohol, having fraudulent motor vehicle certificates of registration, driving without a valid permit, driving over the speed limit and driving without a valid insurance, and these measures are at 17(a) to (i) and clause 18 of the Bill and will come into effect this month.

Tax administration measures: Mr. President, in earlier years, but as recent as 2010, amnesties have been granted to give a one-off opportunity to taxpayers who

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had failed to file returns to bring their tax status up to date. There has been a tremendous response to the earlier amnesties and it is now proposed that there will be a similar amnesty with the late filing of income tax and corporation tax returns for years of income up to and including the year 2013.

In order to benefit from the concessions, the taxpayer must have filed outstanding returns and paid all outstanding taxes on or before March 31, 2015, failing which the interest and other penalties will be revived after that date. The amnesty will be offered to all resident individuals and companies who have not filed returns of income for any year up to and including the year 2013. All interest on outstanding taxes including business levy and Green Fund Levy and payable as at December 31, 2013 will be waived where such taxes and levy are paid during the period September 08, 2014 to March 31, 2015.

All penalties, further tax and additional tax due and payable on outstanding taxes including business levy and Green Fund Levy as at December 31, 2013 would be waived where such taxes or levy are paid during the period September 08, 2014 to March 31, 2015, and penalties on outstanding returns for the years of income up to and including the year 2013 will be waived where such returns are filed during the period September 08, 2014 to March 31, 2015.

For avoidance of doubt, the concession shall not apply to taxes, levy, interest, penalties, further tax and additional tax paid prior to September 08, 2014. Where any returns, taxes and levy remain outstanding after March 31, 2015, the penalties, interest, further taxes and additional taxes which would have been payable on such returns, taxes and levy shall be revived and become payable as if the waiver had not be granted.

Mr. President, this amnesty is meant to give citizens the opportunity to honour their tax obligations to the State without the cumulative penalties and interest accrued over the years. After the amnesty period, the State will utilize the full extent of its legislative authority to ensure that compliance with the relevant taxation Acts is followed as Government seeks to make good on its tax receivables and broaden and diversify its tax base. This measure is found at clauses 19(f) and 20(a) of the Bill and will expire on March 31, 2015.

Clause 23 of the Bill allows for the waiver of taxes under the Property Tax Act which is necessary in order to avoid the accrual of liability with respect to this particular tax.

Compliance requirements under the Companies Act: I now turn to compliance relating to the filing of documents under the Companies Act which is found at clause 21 of the Bill.

The Act at section 516 provides that the Registrar is entitled to collect from a person or a company a penalty of \$100 for every month in the case where there is failure to deliver or file documents. The primary purpose of the penalty prescribed is to encourage companies compliance with the legislation, so that the Registrar of Companies is as far as possible furnished with accurate and current information in relation to companies.

Sen. Al-Rawi: That is not correct, eh, it is \$100 per month.

Sen. The Hon. L. Howai: How much is it?

Sen. Al-Rawi: It was amended.

Sen. The Hon. L. Howai: Oh yes, to \$1,200.

Sen. Al-Rawi: We had amended it, hon. Minister, from \$100 to \$400 upwards.

Sen. The Hon. L. Howai: Yeah. My apologies. Thank you very much for the correction. You are quite right. In keeping with the general intention of these disclosure provisions and to facilitate companies which have not complied with filing obligations for which a cost of accumulated penalties may be a deterrent to filing returns, notices and other documents, it is recommended that a waiver be granted in respect of all penalties outstanding or chargeable by reason of section 516.

Mr. President, the proposed waiver is to be applicable until March 31, 2015, provided always that companies are not absolved of the obligation to file and deliver any forms or documents to the Registrar of Companies and the relevant filing fees, as they currently apply, in respect of each form or document paid. So, we are asking members, particularly of the legal profession and persons who own companies, to try and make sure that they prompt their clients and that where necessary that the owners of these companies file and bring their records up to date so that the Registrar of Companies will have the updated information on or before March 31, 2015.

It will also be very helpful if all of these things could be done before March 31 and not that we suddenly have 10,000 people coming in to the Registrar of Companies on March 31, meeting the deadline, but, of course, creating a serious challenge for the Registrar to be able to manage all of these coming in at the same time. So that to the extent it could be done before that time, we certainly would—and earlier in time so that from this month, February and early March as many that could be corrected as possible is done, it certainly would help in terms of the overall administration of this particular waiver that we are allowing and a one-time clean up to allow some of the issues that have arisen retroactively to be put behind us.

Mr. President, there are a few changes in light of timing constraints that we had to make to the Unit Trust Corporation Act and these dealt with things such as

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in the UTC Act, the definition of securities, the investment parameters. The investing parameters are important because while we want to ensure that the proper risk management guidelines are maintained, we certainly do not want to restrict investments, for example, in government bonds, for example. So we are proposing to amend the 10 per cent restriction to allow for greater latitude in investing in Government and Government guaranteed debt securities.

We are looking also to remove the upper limit on unit prices to give the UTC the flexibility to set those prices where they wish, as well as the power to open, close, amend unit schemes which is to ensure greater flexibility to satisfy market and competitive requirements. We also want to deal with the issue of disposal of units. In the unit scheme it is said that right now a person can only sell units back to the Unit Trust, but, for example, where you establish a closed-end fund, which is listed on an organized and regulated financial market, you will want the ability to be able to trade these units on the market, and the current arrangement which we have in place would greatly restrict the ability to trade these particular units.

We are also extending the power to increase the term from 90 days to 180 days and, again, that gives some greater flexibility to the Unit Trust. And the definition of income allocated for distribution, right now not less than 90 per cent of the income is allocated for distribution, but the way this is defined it enclosed unrealized gains. So unrealized gains are not really cash generated to the UTC. It is really paper gains, that is, the security has increased in price, but there is not a corresponding cash inflow until such time as they sell the unit. Now what is happening is that based on the definition that we have, what is happening to Unit Trust is they have to find cash from their own reserves to meet the payment requirements because they have to pay unrealized gains and so on. So we wanted to change the definition to manage that and to facilitate the accumulation of cash which does not really put the unit holder in a disadvantageous position unless they actually needed cash, because then the value of the unit also increases as a result of holding the unrealized gain. So you may not get it back as a distribution, you may get it back by way of the higher price of the unit. So these changes will come into effect this month.

Government savings bonds, we had to make changes on the interest rates. We wanted to give a better rate, but the industry expressed some concerns to us, Mr. President, about using a rate that is not market driven that may have then caused them to have to mark to market other government-related securities that they had. We understand the issue; we recognized that there are pros and cons, but we understand the concerns that the industry had. We amended the rates to be in line

with rates as they exist now, but what we have done is we have put the tax credit in place for up to \$5,000 and the income from the bond is tax free. So that bumps it up and then it gives you the allowance which we get as the additional \$5,000 on the bond. So you get the allowance plus you will also get the exemption from income tax and this will take effect this month.

The Petty Civil Court, Mr. President—

Mr. President: You have one minute, Minister.

Sen. The Hon. L. Howai: I know. I just have one minute, Mr. President. We made changes to the Petty Civil Courts Act—well, I will not go into it—and also I just wanted to say we are also seeking to make some changes to the Value Added Tax Act. Clause 24 does that to allow for the Arthur Lok Jack School to be exempt from the payment of Value Added Tax on goods that are being imported to it and commercial supplies which are being provided to it.

So, Mr. President, the only thing I need to say is that clause 26 is a validation clause which is intended to deal with payments which would have been made for disability and pension after October 01, 2014, but before the coming into force of this Act.

Mr. President, I would just like to close with that. I want to thank you for the additional two minutes and, of course, I beg to move. [*Desk thumping*]

Mr. President: Hon. Members, before I put the question I want to indicate that, of course, by unanimous agreement the debate on both Bills, what I might call the Finance (Supplementation and Variation of Appropriation Bill) and the Finance Bill will be debated together, but in terms of putting the question we will put the question separately and have it voted upon separately but the debate will be a joint debate on the both matters.

Therefore, I intend to proceed to propose the question. Having said that, it is now going on to 12.15 p.m., so rather than break the next speaker in between for the lunch break, I do intend to suspend the Senate during that period of time.

Question proposed.

Mr. President: However, before Senators enter into the debate, as I indicated I intend to take the lunch break at this point and we will resume at 1.15 p.m. This Senate therefore stands now suspended until 1.15 p.m.

12.15 p.m.: *Sitting suspended.*

1.15 p.m.: *Sitting resumed.*

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

Mr. Vice-President: Hon. Senators, when we adjourned for lunch, we were about to debate—[*Interruption*] Do we have a quorum?

Hon. Senators: Yes.

Mr. Vice-President: Okay. So therefore, the debate will continue on the supplemental—remember we are debating two Bills: the Finance (Supplementation and Variation of Appropriation) (Financial Year 2014) Bill, 2015 and the Finance Bill, 2015, and therefore, anyone that is willing to participate in the debate may do so. Sen. Dr. Henry.

Sen. Dr. Lester Henry: Thank you very much, Mr. Vice-President, for allowing me to begin, as usual, the Opposition's response to this particular Finance Bill and, in fact, the two Bills combined together, and also to wish Trinidad and Tobago and all Members present here, a Happy New Year since this is our first sitting for 2015. [*Desk thumping*]

But, Mr. Vice-President, we have serious matters to deal with today, and I will probably be a little bit different than I am normally when it comes to these finance Bills, because the situation facing the country, of course, is very critical in terms of our potential revenue shortfalls from what has been widely reported, and everyone knows, has been from the collapse in oil prices and possibly to be followed by major declines in the gas prices.

So the situation is, of course, something we have been faced with before as a country, and what is important is to see what are some of the factors that are different now than what they might have back in the 1980s, or even more recently in 2008 into 2009, when we had a dramatic fall in prices, and hence revenues and consequential revenues due to the financial crisis and the worldwide recession that basically followed since then. On that occasion, we were relatively lucky in the sense that, overall, as a country—and not specific to any Government on this note—is that revenue prices internationally did not stay down for an excessively long period of time unlike what happened in the 1980s. So we were able to not have that extended period of revenue shortfalls.

But, in terms of what is happening now, I am sure all of the Members of the Government probably already know at least one thing I was going to say today: I told you so. [*Desk thumping*] I mean, I have been making these points about hitting and hoping and not really having a plan for additional revenue generation any time energy prices were to fall below budgeted or sustain any prolonged

decline, right. Since 2010, I have been consistently making this point and the fact that even as we speak today and even in the Minister's address that we heard just a couple of hours ago, there is still no urgency, I would say, in terms of coming up with additional revenue proposals. [*Desk thumping*]

Now, there are some references to budget cuts and to cuts in Ministries and so on, which, of course, we know would have to come. So all of the song and dance before about, well, nothing is going to be cut and so on, we knew that was not sustainable. That was not a sustainable position. It could never be—could never have been in the face of such drastic fall in oil prices, and I will deal with that in a bit.

So, we have this situation where we have been warning the Government over and over, you are bringing bigger and bigger budgets and we are not seeing how you are matching any revenue to the increases in expenditure because the revenue plans were always “ah bit murky, ah bit vague”, or non-existent. You could take your pick, but largely non-existent, especially in the earlier days of this administration. But there was talk about a lot of energy projects that could bring in additional revenue and as we have pointed out before, a lot of those projects have disappeared from the scene and they are not even mentioned. Go back to the AUM2 and all kinds of—you know, I had a whole list I used to rattle off in previous budget debates about what was supposed to be coming on stream and bringing additional revenue and nothing has happened. And now, I think the latest one we are hearing is the Mitsubishi plan, again, that is supposed to come on stream. Again, very short in terms of what is actually happening and we have to wonder if that will go in the way of the other projects that were mentioned by the Government.

But, before I get into the specific local situation and how the Government has been mishandling our economy over the past five years, I think it is important to go through some of what is actually happening in the world scene to say exactly where we might be, and in fact, where we are—sorry—in terms of this global energy situation that is facing us, and the picture, at the moment, does not look very good. This, I can assure you, Mr. Vice-President, is the case without being an alarmist, just looking at what the international situation is throwing at us and what has happened over the past six months and what we might be facing in the months ahead. Okay.

Now, everyone knows that the oil price, the major indicator for us in terms of overall energy prices, has been declining for about six months or so with rapid declines in the last month—just over the past month or so, ever since the OPEC meeting where they could not agree on production cuts or they just outright refuse to engage in any production cuts. That has set off a new round of decline in oil

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prices with some people predicting that, well, you know, it could go on for a while because the Saudis want to protect their market share, and once they believe the shale producers are still viable, they will keep the prices low. That is part of what is going on on the world scene. So, we are not quite sure at what point the big players like Saudi Arabia and others will decide, well enough is enough. "Is anybody's guess at the moment." Right.

But, there are some significant issues, I think, that we need to put to the public to understand what is going on in terms of the energy markets. Now, when you peruse the literature on what is going on in the last six months, essentially one thing stands out, that there is an oversupply of oil in the world. And just like any basic economics, as some have said, when you have an excess supply of anything, the price goes down. We could start off with that basic observation that there is a glut of global oil and therefore prices will fall. And combined with the glut of global oil, there have been shortfalls in demand as well. So, you have increasing output in various locations and decreasing demand at the same time. So that alone puts pressure on oil prices to fall.

But there are other issues that would have been at play. The story does not stop there, because when we look at the world, in terms of the shortfall in demand, we have problems in Europe, where Europe is still very sluggish or in recession; the Chinese economy is not growing as much as it used to, and therefore, you have this tendency towards oversupply and OPEC taking the stance that they should continue to keep the level of supply at a high level and not cut productions to force prices up, but there are some significant stories.

Now, I am going to quote for a bit from a couple of articles just to paint the world picture before I get back into the specifics of our situation here, because I have been following up on some of the repercussions—the worldwide repercussions of this declining oil and related prices over the past few months. I am quoting now from an article from oilprice.com which is entitled the: "Current Oil Crisis More Dangerous Than You Think". And in that, as the title suggests, they outlined a world scenario where you have significant effects of the declining oil prices that may not be obvious to the casual observer in the sense that there is a lot of issues that surround the whole problematic of declining oil prices.

So one of them is directly linked to a lot of the—let me put it this way. When there is a decrease in oil price—one of the problems that drove investment into shale and more expensive drilling operation, was the fact that there was cheap credit around, especially in the US context. Interest rates were very low and a lot of firms were able to borrow huge amounts of money to engage in expensive

exploration and drilling, either for normal gas or for shale. One of the problems with the oil prices being low is that a lot of these companies would run into serious trouble in the near future, and many of them already because you have a situation where they borrowed, at very, very low interest rates, huge sums of money, and to drill for oil—squeeze out oil from the shale—but their actual budgetary estimates in terms of what would make that operation viable, oil would have to be somewhere around \$70, \$80 a barrel.

While I am on that, one of the problems we have had, in fact, since I have been studying and following this whole issue, this whole problem, over the past few months, is that the shale producers are playing some kind of game. Because every couple of months, they are coming and say, “We could survive with oil at \$80”; when oil drops below \$80, they say, “We could survive and be profitable at \$70”, so they keep moving the goalpost. Then, a couple of weeks later, they come around and say, “Well, you know we could survive at oil at \$40 a barrel”. I think that is what the latest Bloomberg was reporting, that shale companies are saying that as of yesterday, that they could make money as low as \$40. So there is a serious problem as to what you really believe to be the case. All right.

So contrary to what the Minister was saying a little bit earlier about the oil price stabilizing at \$60 or \$70, I believe Goldman Sachs came out with a report which said that it may not necessarily happen anytime soon and they expect oil might go down to about \$39. That was the latest figure that they were quoting.

But problems that affect the oil industry are things, obviously we cannot ignore. So part of the reason for the big investment in shale and expensive oil drilling and exploration activities was the relatively low interest rate, which was, partly, to a large extent, driven by quantitative easing in the US.

1.30 p.m.

And quantitative easing, as many of you may know, is just a fancy name for printing money. So the US Government basically engaged in a wild printing money expedition, in fact—well, the Federal Reserve. And they have done this specifically with the purpose of keeping interest rates at zero or close to zero. So there is a lot of cheap money around. Firms could borrow with very little concerns about large interest payments and they could run into exploration and produce shale gas or related products, and they have also found themselves now with low prices and huge amounts of debts. And we have already seen some of it; debt defaults in the energy sector. A lot of companies may already be defaulting on their debt.

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One of the problems here, increased defaults, as I quote from the oilprice.com article:

“Increased debt defaults of many kinds can be expected, including (a) Businesses involved with oil extraction suffering from low prices (b) Laid off oil workers not able to pay their mortgages, (c) Debt repayable in US dollars from emerging markets, including Russia, Brazil...” and so on. With the increases in debt defaults you will have other problems coming on stream following those defaults. There will be pressure on interest rates to rise as we go into a period now where, because of the defaults, of course, new lending will come at a higher rate, which is logical. You would expect that. Of course, you will trigger a spiral, because as the new interest rates get higher, there will be more defaults. So these are some of the things that people are looking at on the international scene. So interest rates will have to rise in order to compensate for the increasing risk of default, and this has already been happening with the junk-related oil loans, because many of the bonds that were floated to pursue drilling in shale and some other expensive oil have been basically rated as junk bonds. The derivatives that flow from them are rated as junk.

Of course, if the Federal Reserve got into the business and further raised rates we will be in deeper trouble. That is on the international scene. I have not gotten to Trinidad and Tobago yet, but just to show what we could be potentially facing at the international level.

Of course, you could also have rising unemployment, which is already taking place. We know that nearly all of the increased employment since 2008 in the United States took place in states with shale operations. A significant part of the increase that the Obama administration is about, in terms of bringing down unemployment, took place in states that had booming energy sectors in the past few years because of the high price of oil and gas. So, therefore, you could expect further unemployment and, perhaps, even recession. And also with countries such as Venezuela, Russia, and so on, that are under pressure now because of the low prices and decreased revenue, you could have unemployment and probably even social disturbances when these countries reach the point that they have to cut significantly. So there are a number of issues, including defaults on the loans that I mentioned before and the derivative products that stem from those loans that went into the expensive exploration of shale oil and gas.

We could also have the drop in stock prices, which many people have been

predicting, including myself, for some time now and many people understand that—[*Interruption*]

Sen. G. Singh: You need some “harbat”?

Sen. Dr. L. Henry: No, no, it is coming. It is coming. I mean, it reminds me of when I warned about a potential financial crisis back in September and, yes, you on that side there scoffed at it and laughed at me, and so on, and within a week later, the IMF came out and said the exact same thing. [*Desk thumping*] And no less than the British Prime Minister himself, Mr. Cameron, came out and also warned of a potential financial crisis, because the writing is on the wall, whether you want to put a specific date on it as to when it might happen, nobody is willing to do that but all of the people who really follow these things understood that at some point it will come.

Let me explain why, because people may not understand. The problem is that everyone knows the markets of the developed countries were propped up by quantitative easing, by printing money. Asset prices, including stock prices, have been kept artificially high. They try to get their way out of recession after the crisis by boosting asset prices through printing money. So you have excess money chasing stock prices. There is no real expansion in goods and services, and this is very common, in terms of the last 30 years or so, something we call financialization in economics, where financial wheeling and dealing replaces actual production of goods and services.

So you have a situation now where because of the tremendous amount of quantitative easing, aka printing money, you see stock markets going up and so on, over the past three/four years now, well more than that now. But at some point what goes up must come down. I am sure you are aware of that. Because once they have brought quantitative easing to an absolute end, the message will come out, no more easy money and at some point it will happen.

So that is why I was in such company as David Cameron and the IMF, and I could quote many others too. You could find them all over the Internet who were talking about the same issue and for the same reasons why I said so. For the same reasons, nothing different. It is not any theory that I invented, but if you study the world economy properly you will know that this is what is on the horizon and we warned about it, so that is why you should have taken heed and said: “Well listen, this big spending, this massive amount of spending, should, perhaps, be curtailed.” Of course, we know you would not do it because it is an election year. But at least you should have been able to show some kind of restraint and not come with bigger and bigger budgets and no revenue-generation plans which, as I keep repeating, we still have not heard much about.

So, the oil situation is bad, in terms of oil prices. Yesterday I was reading where the

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Saudi Arabian Sheik who is pretty much a spokesman for the kingdom on these matters, was saying do not expect high or \$100 per barrel oil anytime soon. He said it may go down to as low as \$20 and they are willing to keep it there until they get their way, which seems to be driving a lot of the shale producers out of business. They are not going to stop until they drive them out, to protect their market share. It is out there, I mean.

What we are facing, again, is a significant collateral damage, in terms of the gas market because so far, one of the Government's get out of jail cards has been to say: "Well you know we could kinda ignore the oil price because, you know, it is not damaged too much because, you know, because we have gas and we are more a gas economy now." I heard several Government-related spokesmen saying this up to this morning on TV: "Well, you know, oil drop 100, 45, 44 and tending downwards still, but we are a gas economy." So maybe people like myself are exaggerating the potential impact because of this.

The second article I want to quote, in terms of, again, what we are facing, is, a very good article which came out just a few days ago, Thursday January 08. It is from oilprice.com again. The author is a certain Nick Cunningham and the title of the article is natural gas

"LNG Another Casualty of Low Oil Prices"

So, he starts off by saying that:

"The oil industry is facing rising debt from collapsing oil prices, but there could be another sector that becomes a casualty of the low oil price environment: liquefied natural gas (LNG)."

So what we are facing is not only a collapse of oil prices, but possibly a collapse of LNG prices, which the Government was boasting about as being the saviour, the get out of jail card.

"Much of the global LNG trade occurs in Asia."—I am sure the energy Minister, he always talked about taht, so no problem there—"where buying and selling occurs according to long-term fixed contracts that are indexed to the price of oil."

So that is one of the points other people have made; that you cannot have falling oil prices without falling gas prices eventually. It might hold up for a while but eventually it comes to the party. So these gas contracts are indexed to the price of oil and, therefore, of course, when oil prices were high there was a significant urge to an increased investment in drilling for more expensive oil, and so on, as I mentioned.

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So, the article goes on to say:

“The practice of indexing LNG contracts to the price of oil was something that Japan, the world’s largest consumer of LNG, had hoped to change.”—because they were getting the short end of the stick with high oil prices—

“High oil prices were inflicting an economic toll on Japan, which had radically increased energy imports after shuttering its nuclear reactors.”—because of the near meltdown in the Fukushima Power Plant—“However, oil-indexed contracts cut both ways. Now with oil prices”—falling. And at this time it was below \$50—“less than half of what they were last summer - spot cargoes for LNG have seen their prices collapse as well.”

So we are talking about LNG now, not oil. Earlier I was just talking about oil. So the spot prices LNG has also collapsed and:

“Japan is in no hurry to...undergo any dramatic reforms.” because now it is working in their favour to keep LNG contracts indexed to oil.

Further, Nick Cunningham asserts in the article from oilprice.com:

“Not only are low oil prices pushing down LNG prices, but demand in Asia for LNG is much lower than anticipated.”

Many people locally do not know that, or at least have not heard much talk about it.

“In fact, a new Wood Mackenzie analysis says that weak demand in China, Japan and Korea helped push LNG prices below \$10 per million Btu at the end of 2014, less than half of the \$20/MMBtu spot cargoes were selling for earlier in the year.

Adding to the sector’s problems is the fact that new supplies are starting to come online.”

And I am particularly interested in bringing this out, Mr. Vice-President. New sources of LNG supplies are starting to come online. I would explain why I am emphasizing that point in a bit.

“A massive build out of LNG export capacity still underway, with earlier projects now reaching completion. Just as the shale boom lead to oversupply and crashing prices, LNG markets are showing early signs of a similar bust.”

Then they go on to describe some of the actual projects.

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“Last year ExxonMobil brought online its Papua New Guinea project and ramped up to full capacity, helping to supply Asian consumers with 6.9 million tonnes of LNG...But new supplies in 2014 were nothing compared to what is coming down the pike. An estimated 100 mtpa of new liquefaction capacity is set to hit the market between 2015 and 2018, which will be about a 35 per cent expansion over last year’s total global capacity...”

So many of the LNG producers are beginning to feel the crunch because of the glut in LNG existing, just as we have seen the glut in oil.

So there was a project. He refers to the Gladstone LNG project on the northeast coast of Australia has also just began operations and it is under real pressure.

“The project involves producing natural gas from coal seams”—and then going into liquefaction. I am just speeding up a bit—“Santos, the lead on the project, may be forced to write down some of the losses, according to a Citi report”—meaning Citi Bank. “BG Group”—which is present here in our country—“may also take a \$2billion impairment charge for its own LNG project nearby.” Two billion dollars.

The point I am making here is that many of the LNG producers, because of the coming, already existing and worsening, excess capacity situation, we could see significant declines in LNG prices on a very long-term basis.

Even in the US—the author continues:

“U.S. LNG projects are also facing pressure too.”

And he goes on to name a number LNG companies or people who invested in LNG that are under real pressure. So the picture I am painting is one of—just as we had the oversupply of gas in the market, we are facing a potential problem of oversupply of LNG and hence significant decreases in the prices in the years ahead.

Now, to bring it back home one of the things, I found out is that the people in the energy sector, especially the users of LNG, like the methanol plants and others, were quite aware of this amount of capacity coming on stream two and three years ago. Energy capacity coming on stream is not something that happens overnight. And apparently, I have been told, they actually made presentations to the Government, going back as far back as two years ago, warning that this, current situation needs to be addressed because of the coming on stream of so many new LNG plants all over the world. So this was not something that came like any “tief” in the night. It was known and it is going to get worse in 2015 and 2016.

Up to this morning, I was told one company actually went to the Ministry of

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Energy and Energy Affairs, did a presentation two years back, and they were basically thrown out of the room. They were laughed at, as the Minister is laughing now. Yes, so basically they were not taken—in other words I was told they were not taken very seriously.

Sen. Ramnarine: Who told you that?

Sen. Dr. L. Henry: Do not worry. So, yes, they were not taken very seriously, because you could go on the Internet and find out, through the various sites that follow these matters, what is the worldwide capacity and what is expected to come on stream in any given time. And we know that a lot of these LNG plants would come on stream in 2015 and 2016, in particular. Of course, it started in 2014, as I have quoted.

So, what did the Government do? Very little or nothing. Now, of course, the hon. energy Minister has a very slick way that he always talks about what is to come. He gets up and he talks very confidently about something in the pipeline, you know. What I am saying is that he is very good at telling you what might happen or what will come. But what has been done is very, very, very limited. [*Desk thumping*] And then all of the fancy talk disappears, just like how every year they used to come and we tell them: “why are you projecting growth of 2.5 and 3 and all kinda thing and you know you are not going to get it?” And they were so—I do not want to accuse the Senators of being dishonest, but something along that line. When we would tell them there is no way anything happening in this economy could lead to 2.5 or 3 or whatever growth percentage you were projecting, you would still go and boast about it, go all over TV and radio and say: “Well, you know, we are getting growth of 2.5 so that means we are doing right and we are managing well, and so on.” It is a projection. It never was any reality. I had to stand here several times and tell Senators on the opposite side, a projected growth rate is not a real growth rate.

Sen. Ramnarine: That is why it is projected.

Sen. Dr. L. Henry: But you all used to repeat it on radio and TV as though it was a done deal. Now your own appointed Governor of the Central Bank came out some months ago and said: “Oh, well, growth for 2014 will be point five of a per cent.” And you are not ashamed? And you all stood here and beat “all yuh chest over and over, 2.5. And they would go on TV. Ah telling yuh! They would do it all the time.”

Sen. Ramnarine: The Governor still suing you? [*Laughter*]

Sen. Dr. L. Henry: ‘Dats’ all right. Dat is between me and he.” So he comes and says 2.5. Now listen, seriously, when you have a growth revision of projected 2.5 to .5 that is embarrassing.

Sen. Al-Rawi: That is a failure.

Sen. Dr. L. Henry: Of course. [*Desk thumping*] Do you know what that means? You missed the mark by 400 per cent, you know.

Sen. Al-Rawi: How much?

Sen. Dr. L. Henry: You missed the mark by 400 per cent. That is nothing to smile about. So, what we have happening now is a potential prolonged decrease in energy prices, that is oil, followed by gas, because of some of the quotes and some of the issues I raised here. And combined with that you have declining output in Trinidad and Tobago, so lower prices and lower output.

Now, I want someone from the other side to get up and say no, output is increasing. [*Interruption*] In Trinidad and Tobago? Where is the increase in output taking place? So we have declining prices and declining things—getting pretty close to a perfect storm, because the reason why the projected growth rate was changed from 2.5 to .5 was largely because of energy issues; decrease in energy output. So, you are facing a situation now, energy prices falling and your output is falling. So how could you paint a rosy picture of anything?

It is a no-brainer that energy and the LNG part are the mainstay of our economy. So, how could you stand here in any seriousness and talk about: “Well, you know, we are not so bad”. Absolute pie in the sky. So the decreasing energy—and, of course, the problem that we face—and some of my colleagues in the Lower House spoke to it —is why is the energy output decreasing in Trinidad and Tobago?

I am sure the Minister knows the answer but he would come and put a positive spin on it, but there is nothing positive about downward output in your energy sector when that is what you rely on, not just in—so if you have declining prices, declining output, what is your plan going forward? We have still not heard very much about it. Maybe for once the Minister might come and—well he may promise us something again. And it usually sounds good, I must admit, but, six months down the road we are still left wanting.

What we are facing in this country now is the gas curtailment problems, which we are told months and months in the past were due to maintenance issues. Now we have realized that the maintenance issues are over, but yet there continues to

be gas curtailment where many of the plants on Point Lisas cannot operate anywhere near capacity. Sometimes they have to close down some plants to make sure one runs close to capacity so the equipment does not break down.

So, in terms of methanol, for example, at one point the gas curtailments were as high as 30 per cent of what they require to run their plants. Of course, it varies, so it would not be 30 per cent every month. It might be 10 per cent or it might be lower in some months but in some months it went as high as 30 per cent; less than what they would need or what they were contracted to get at a particular time. So the gas situation is leading to an overall decline in other related energy products, in terms of the output. And we are not seeing any—well we have not seen any real urgent proactive move on the part of the Government unless, again, any time we say these things they come and they say: “Well, you know last week we did something, or yesterday, or this morning and so you are wrong.” And then we come back six months later and realize whatever they did was not enough to make any significant difference in anything. So our energy sector is in dire straits.

Sen. Ramnarine: I run BG right.

Sen. Dr. L. Henry: The point is, the final result is that our energy output is declining and that is the number one reason given by the Central Bank as to why the growth figure had to be adjusted downward so drastically. That means, in your five years of being in office, you have also not been able to generate any significant positive economic growth in any single year. [*Desk thumping*]

Sen. Al-Rawi: Not even by mistake.

Sen. Dr. L. Henry: As my colleague reminds me, not even by mistake. Go back to the growth rates under the PNM in 2002, 2003 and 2004 and talk about 7 per cent and 12 per cent economic real growth in one year, at least. So, if you have not expanded the economy significantly in any way, in any single year—[*Interruption*]

Sen. Ahmed: What was it in 2008 again?

Sen. Ramnarine: Negative 2.

Sen. Dr. L. Henry: “Yuh see, yuh quoting wrong ting and yuh so proud. Dat is not true.” [*Desk thumping*] It was 2009.

2.00 p.m.

It was 2009, [*Crosstalk*] yes. It was 2009, when we had the negative growth. All right, good. [*Laughter*] Yes, it was 2009. Then as we always remind you, and I have to beat it once again, when you all came in, in 2010, and said you would turn the economy around, you ran it into the ground, [*Desk thumping*] because we went from a projected 2 per cent positive growth, to minus 1.6.

Sen. Al-Rawi: So they achieved their purpose.

Sen. Dr. L. Henry: Yes, they really turned it around. [*Laughter*]

So in no year that you have been in Government, you have been able to seriously generate the kind of economic growth that would be consistent with the spending that you engaged in. When we warned you about—I stood here in September—
[*Interruption*]

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes.
[*Sen. C. Robinson-Regis*]

Question put and agreed to.

Sen. Dr. L. Henry: [*Desk thumping*] Thank you colleagues and thank you, Mr. Vice-President. So what I am saying is that you have not really generated—and I want the public to understand there has to be something seriously wrong. I have said it before and I say it again: for you to spend \$55 billion, \$58 billion, \$62 billion in a small economy such as this, and cannot come up with growths of 2 or 3 or 4 or 5 per cent, that is a damning indictment. Where is all this money going, that you cannot have a real impact on production and output in this country with such significantly large expenditure? And in times when you had very good revenue prices for four and a half of your five years in office, which I said back in September that you were hitting and hoping that oil prices always remain above budgeted, so you could go and say, “Okay, look at how well we manage the economy”, when it had nothing to do with that. It just had to do with just getting oil prices.

The previous administration ran budget surpluses through 2002 to 2008. We have said it ad nauseam. We know it. It is there. It is on the record. So there was some national savings taking place over that period. The last five years we have seen no additions, no true additions to national savings. What has gone into the foreign exchange reserves and so on has been put there just recently from the proceeds of the sale of methanol that was converted to—well, of course, you know, you would get the money in US, so that goes into the Central Bank, and the Central Bank issues equivalent in TT in some form, whether in Treasury Notes or Treasury Bills or something. It does not really matter which one they do. Well, it does matter, sorry, but that is a separate issue.

So, yes, the TT equivalent went into the Cllico Statutory Fund mainly in the TT equivalent, but the US dollars would have gone. So it would look like our US reserves have gone up, when it is not because of anything you did well or proper. It is because you lost the arbitration, and you are forced to sell. You got a very low price

comparatively for the share of the methanol, for our stake in it and because of the same problems. One of the major arguments used in the methanol arbitration as to why we got such a low return was the gas curtailment problem, that methanol, the Germans could say, “Well, we should be very profitable and the value of the company should be higher, because if we were operating at full capacity, but because we are not, and we do not know how long these gas curtailments could continue, take a lower price.”

Sen. Ramnarine: That was dismissed by the court.

Sen. Dr. L. Henry: Well, they raised the argument.

Sen. Ramnarine: You read the *Guardian*. I read the actual judgment.

Sen. Dr. L. Henry: All right, if you say so. We know that we have to wait for the judgment to read it. I am not going to take your word for it.

So what I am saying is that these things do have an impact, and the point is that the international organization—it is the same issue with the Phoenix Park IPO that is supposed to come on stream. When I hear talk about the Phoenix Park IPO—I had to smile the other day, because as of today, that was already budgeted for in the 2014/2015 estimates. *[Interruption]* I am saying that maybe I missed something, but I am certain it was there as part of Government’s revenue, to bring the deficit down to whatever it was supposed to be now, that was already counted. *[Crosstalk]* Just as how the FCB IPO was counted in the budget before, in the 2013/2014 revenue estimates. So I was a bit puzzled to hear that being touted as something being used to close the gap.

We are still waiting to hear, of course the details of all of the Ministers, in terms of what they are going to do to help close the budgetary gap overall, because of this projected at least \$7.4 billion, the Prime Minister said. And that is just a first guesstimate to be sure that things could change and could worsen from that point, since last week to now, the price of oil has continued to sink. So there is no reason to believe that that gap will get smaller. We know the shortfall will probably get even bigger, right?

Of course, all of the buffers that the Government likes to boast about, that are there, you know, were put there by the PNM, *[Desk thumping]* and it is still fascinating to me that they would come in, meet \$9 billion in reserves—when they left the last time, they left with one—meet \$9 billion in reserves, do not add any additions to national savings, runs budget deficit, so no true savings, and then boast about buffers. Those buffers were there when you came to office.

Sen. Al-Rawi: Yeah, they borrowed to put money in the HSF.

Sen. Dr. L. Henry: They keep borrowing, and again, they would not have to take my word that is in the IMF report that you are boosting up the Heritage and Stabilisation Fund by borrowing—and it has to be, because if you run deficits deliberately in five out of five budgets, there are no savings. Savings cannot come from any real place.

So when we warned about the fact that you continuously run budget deficits, and spend your way to popularity, what you do is you put the country in jeopardy of running up larger and larger national debt, and eventually it will come back to haunt you. Thankfully when you came in, the national debt was under 35 per cent.

Sen. Al-Rawi: The sky was falling then for them.

Sen. Dr. L. Henry: Oh, yes, I have all—well, if I had another two hours. I have all kinds of comments from the *Hansard* of 2009 and so on, about what the PNM was doing wrong from all—many of the Members opposite. Screaming, everything is wrong; everything crazy. You do not know what you are doing. The sky is falling. I think one of our former colleagues referred to it as Chicken Little or something, Chicken Little, right?

So the same people who are telling us do not panic, everything is all right, you should have heard them in 2009, early 2008/2009. We have not adopted the same alarmist rhetoric. What we have done is, ask you to just comment and say how you are handling the situation. [*Desk thumping*] If you listened to our political leader, he said please give us details how you are handling the situation. He never said the sky was falling. He said we may be facing a crisis, which I have outlined the reasons for in terms of supporting that argument, but we have not gone off screaming all over the place.

Sen. G. Singh: You are missing in the analysis, the commodity prices of methanol, urea and oil.

Sen. Dr. L. Henry: Yeah, yeah, yeah and also bungee jumping and so on. [*Laughter*] So we have been responsible, right?—we have been responsible and we have not behaved as usual in the typical way that you behave, right? We will not scream, once the numbers are there. When we take over, we will not bring a Motion to the Senate saying, how [*Desk thumping*] the state of the economy bad, and all kind of craziness, [*Interruption*]—yes, your colleague. [*Laughter*]

The first Motion, everything horrible, you know, “Treasury empty,” all kind of alarmist rhetoric, and then “turn round and bawl, yuh know we not so bad” because we have reserves, triple A ratings, da, da, da, tweedledee—unemployment under 5 per cent. So you did not know that before? Only after the debate began that you went and looked at the numbers?

So what we said before, given the lack of revenue measures, Mr. Vice-President, this Government has two options: sell off state assets, or continue borrowing. We know, based on the Minister's pronouncement, that that is exactly what they are planning to do—borrow significant amounts. I know they got the NIDCO money finally, some—I think, either the day before Christmas. The \$1.5 billion, which is not a bond, contrary to what some people are saying in the press. It is a bridged loan. It is not a bond yet. So it may show up on government debt later in the year when it becomes a bond. I hope people could understand that technical difference.

Then they got about \$1 billion in another bond issue. All this is just in the last two weeks, eh. They also floated some interest just last week or so, about 10 days ago—I cannot remember the exact day—in another \$1.5 billion, and this is just two weeks. Then I think they realized the Finance Bill is coming up and they pulled it back. So “dey say, leh we doh give Henry dat to work with on de Finance Bill come Tuesday”. We will take it back and then after the finance, sometime later this week, they will come for it. They will come for their \$1.5 billion borrowed again. So I am putting everyone on standby. Look out for it. It is coming, and that is just for a couple of weeks.

Sen. Robinson-Regis: They were calling it Harribance?

Sen. Al-Rawi: Yeah, Harribance.

Sen. Dr. L. Henry: “Nah”, I teach Harribance. *[Laughter]* So this is what is happening. Our country is facing a potentially serious situation in terms of our energy sector, which is the bread and butter of our standard of living that we have developed. We are in particular trouble and to me the Government is still just talking about spending, either spending more or shifting spending, and very little or nothing about revenue.

Now, I heard the Minister of Finance and the Economy, if I heard correctly, referring to some more sales of assets to raise some more revenue as a short-term measure to cover the gap and so on. I would like to know where is that? What are they planning to sell, besides what is already on the cards, because I know a lot of Clico assets if they try to sell those, it does not immediately translate into cash for the Government. That money has to go into the Statutory Fund and then a very key issue, the sale of the Clico portfolio has to take place first, before that money could—any serious money could accrue to the Government other than just counting on things to come.

So what we have had right now is that there has been a very unusual, a silence on the sale of the Clico portfolio, because this was announced since May last year. The company has basically wound up. They have not issued any new business, and there is no movement on the sale of the Clico portfolio. Bids have not been invited. There has not even been a company identified to do the bids. So the man that they hired at the Central Bank, and who is supposed to be the crack shot, to overlook the sale of the Clico insurance portfolio, seems to have been just twiddling thumbs, but the Government cannot realize any real gains—*[Interruption]*

2.15 p.m.

Mr. Vice-President: You have one more minute.

Sen. Dr. L. Henry: Okay. So the Government will not be able to realize any serious returns or any cash in hand, so to speak, until the Clico portfolio is sold, and there has been no movement on that.

Now, of course, we know that that is under the control of the Central Bank because the Minister of Finance and the Economy “get bouf and he get quiet after that because he get bouf and say, ‘Aye, you cah sell anything with Clico. They are mine.’ A certain fella tell him that.”

So you have something where the Government is depending on this to add to their revenues to help close the gap and so on and there has been no movement on it. Nothing is happening. So all that money that the Government is supposed to get after paying Clico—like I said what we get from the Government has been more of the same, very little real explanation as to how revenue is supposed to be generated; come here, shift spending around and then we expect Ministers to come and say something good is coming down the road, as they usually do, and six months later we have to come back and correct them again. Thank you, Mr. Vice-President. *[Desk thumping]*

Sen. Helen Drayton: Thank you, Mr. Vice-President. I will speak first on the variation Bill and then on the budget when I would highlight a few concerns of the business community.

I examined the Finance (Supplementation and Variation of Appropriation) (Financial Year 2014) Bill. This deals with appropriations for 2013 and 2014 and a few items are worthy of mention even though the Bill was reviewed and passed by the Finance Committee.

Now under the Head 69, 03, the Ministry of Works and Infrastructure, the \$450,000, what we are being told in this Bill is that the funding for the Point Fortin Highway cost was never finalized three years after the project was approved and three years of work-in-progress and the public, I think, was certainly under the impression that there would be no borrowing to finance this project. I thought it was worth the while to just mention that.

But further, under 69, 06, the Bill states that to offset financial commitments for the Point Fortin Highway, and I quote:

Savings were available under local government due to administrative delays in the computation of arrears and wages and COLA for the bargaining period 2011 to 2013, which resulted in non-payment of arrears owed in 2014 to hourly and daily-rated employees attached to 10 regional corporations.

However, I noted that in July 2014, the Government came to Parliament for a \$4 billion increase to the budget and that had included an increase of \$417,000,168 for the very Ministry of Local Government and, of course, now we are told there is a saving by that department of \$200 million. But the question I want to ask is: Have these arrears now been settled and if so from which budget? We were told that from 2013 arrears owed in 2014 were not paid. So how it became a savings and why would it take more than two years to compute wages and COLA from 2011 to 2013?

Now, in another section 69, 07, dealing with the UDeCOTT's bond, I wondered why UDeCOTT did not know that the principal payment on a \$3.4 billion long-term bond was not due until 2015, and if they knew, then why was it budgeted in 2014? We are not speaking here about \$3 million. We are talking about principal payments on \$3.4 billion.

And further, when UDeCOTT was preparing its budget, why did it not know that only one instalment of interest payment was required on the \$3.4 billion bond, but budgeted for two instalments of interest. I think there should be a credible explanation since it can hardly be just an oversight with respect to that sum of money, and with respect to the explanations for 2013 variations. I think the less said about that one is better. Suffice it to ask: Why now? Mr. Vice-President, this Bill certainly gives the impression of poor budget administration.

Turning to the 2015 budget, and specifically the declining oil prices on the economy, most economists seem to have thumbs down on the Government's attitude to spending in the face of falling energy prices and they have argued that the Government should reduce the cost of transfers and subsidies but would not because it is an election year.

It is obviously difficult for the Government to dispute that in any credible way, except I would say in its favour that the results of the 2010 election, the results of the Tobago election, the results of the local election spoke loudly about doling out goodies in an election year. In other words, the electorate will not be swayed if they feel a certain way about the incumbent and if they feel a certain way about those who are contending for the position of Government.

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But worthy of note is that while transfers and subsidies account for well over 57 per cent of the total budget, the discretionary social services spending amounts to a much smaller amount, and there are several fixed commitments in that category, which include pensions, commitments to Caricom and OECS and security. But still there is a lot of room for pruning.

So, if I am to be consistent with what I said when the \$64.6 billion budget was presented back in September, whatever economic woes we may face would have less to do with falling oil prices than questionable policy. The problem I think is a mindset that the obliviousness to the sociological problems of the country where I think as a society we are just living on the margins of chaos. I think that chaos is well pre-empted by moneys poured into welfare programmes out of political expediency and out of just profligate spending.

In fact, whilst we have experienced recessions and economic depression before, our resilience has never really been tested because I do not think we have ever given ourselves that chance and everyone from babies in arms to elderly to NGOs to businesses are reliant on government handouts or incentives to survive.

This does not mean that welfare is not essential to cushion the vulnerable, except for the Government under ANR Robinson back in the '80s when that Government embarked on a bold venture of social and economic adjustment. Of course, we know there were serious consequences. There was a lot of anger, so we do have the experience when harsh medicine must be delivered, but it is my belief that strong medicine in one dose is the problem. If we are heeding advice and curtailing spending as we go along, then a lot of the fallout would certainly be cushioned over time.

In present time, the economy is not where it was back then, but if, as I said, in every area of existence the Government jumps in to fund every aspect of our lives, then we will not learn to be productive and resilient. Too much government largesse just weakens the society. It deepens the dependency. It diverts capital from growth-enhancing projects which would help expand the non-energy tax base.

Now, falling energy prices present to us more opportunity for gain than loss, depending on how we look at gains and loss. It allows us to examine our lifestyles and to rid ourselves from the unnecessary and costly baggage and to plough resources into activities that would yield wealth down the road. All the talk about the Heritage and Stabilisation Fund as a fallback and months of export cover, I think that is part of a depressing culture. I think it is a distraction from how complex the problems are. We run huge annual deficits and then lavish self-praise over the Heritage and Stabilisation Fund.

[MR. PRESIDENT *in the Chair*]

If after spending billions of dollars on free education from primary to tertiary all we can do is to continue to spend what we have not earned, then we should question what we have been learning with the help of GATE and through experience. So the trend of spending will not change unless the culture of leadership changes to one that sets the tone and the example for the rest of the population.

As I said in my contribution last year on the budget, I recognize that social welfare is a viable economic tool to stimulate the economy. It certainly injects money into households. It develops skills and generally it improves the standard of living. That is, if it is used as intended. So, to some extent I agree with the economic thinking that if we panic and slash spending too deeply without a well-thought-out plan, we are likely to make economic problems worse and more difficulty. Now, cutting too deeply will curtail too much consumer spending. That would affect business revenues and certainly it will result in job loss.

Now, business people are already closely monitoring the situation. I was told by some of them that, in fact, they have not taken back all of their contract workers in the new year, so the prospects of job cuts as prices continue to fall and the Government continues to believe that it need not take any significant steps with respect to spending, I think the trend is already there.

As I said, the problem is social spending and all too often these decisions appear to be by whim and fancy. In short, they are perceived as political tools which eventually become a big pot to facilitate greed, corruption and dependency of able-bodied people. And it is why it was so easy to dispense with hundreds of millions of dollars under the infamous LifeSport Programme, including giving one person \$34 million just for the sporting fun of it. [*Desk thumping*]

Then there is a lot of doublespeak to deflect from significant issues of the short-termism and the dysfunctional politics. So with respect to our economy, a decline in price of oil and gas is certainly no shock. It is par for the course as it is with any industry depending on market behaviour in terms of supply and demand.

2.30 p.m.

Falling energy prices should be expected to happen from time to time and, consequently, policies in times of high prices should cater for that, instead policymakers use the windfall to deepen social dependencies. So the problems we had virtually 60 years ago are still with us, except they have become much worse. So, I think this is a Government policy problem, not a problem of oil price, and simply because the realities of the past years continue to be ignored in preference for expediency and spinning tails about threads of gold where none exist.

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Only four months ago in September the IMF expressed concerns with respect to spending. It was the IMF that stated that advice on subsidies and transfers were not likely to be taken seriously in an election year. The fact is, while there have been increases in drilling and exploration investments, production has fallen from 109,000 barrels per day in 2009 to just over 86,000 in 2014. I would advise the Minister of Energy and Energy Affairs that I read from the same statistics that he has.

The average production for 2014, based on the information available to date is 81.3 barrels. Now, that is a marginal increase over 2013. So, yes there is a little blip on the scale to show improvement, but the energy sector would have registered a -1.7 per cent decline as a percentage of GDP in 2014 over 2013, and the forecast for 2015 is an increase of 1.8 per cent. Energy exports would experience a marginal growth of 1.5 per cent or thereabouts in 2014 over 2013. The public debt increased from \$45.5 billion in 2009 to \$73 billion as at September 2014. If one includes open-market operations, it would take it to about \$90 billion. So, that increase also includes the CLICO and HCU bailout of \$20 billion.

Of course, the Government's response to these facts with respect to productivity: it refers to temporary halts in production for maintenance; it continues to advocate that the economy is rosy as the country continues to attract investments; it mentions a relatively low debt to GDP, again, depending on how one looks at debt. That is important because I recall when the Government was on the campaign trail it defined "debt" as everything including open-market operations. So, I always say depending on where you sit, the figures tend to change. It, of course, mentions a low inflation, relatively speaking; it mentions full employment, but all of which does not change the fact that productivity is low and there are structural employment problems including a high rate of unemployment between the age group 19 to 45, more so among males, and there is a parallel between that and crime. [*Desk thumping*]

Now, what the falling prices will do is simply emphasize and exacerbate the structural problems that exist. The challenge facing us is the ability to deal efficiently with social problems, barring throwing money at them and, in short, what we really face is a cultural problem, it is a political problem and it is a problem that is also compounded by corruption.

You see, there is a notion of progress and that notion is about increased trade across borders without becoming self-sufficient, so we cannot feed ourselves. I know that we are trying with agriculture and there is some improvement in

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agricultural output. It is all about the import of external innovations and we give nothing. It is about abandonment of creative art forms; it is about destroying beautiful heritage and it is about building more highways across fragile ecosystems. [*Desk thumping*]

So, I think that common sense seems to have eluded us. I think there continues to be much talk about diversification and a new economy, but the new economy started with globalization about 20 years ago, so it is getting to be a very old economy. But we have to consider the phenomenal growth of the Internet purchases which provide consumers with a wide variety of purchases and greater convenience, and there is a reason why I am mentioning this as you would see later.

Mr. President, e-commerce is booming. I understand that e-commerce locally is over a billion dollars, and we have been scratching our heads wondering what has been happening with the US currency. It is growing at the expense of the retail sector and local manufacturers. All over the world retail outlets, apart from food, are shutting down and those that are remaining are giving the consumer the option of purchasing their merchandise online. At the same time, businesses here are “catching their tails” to get suitable labour while the Government seems to have missed a major point in its labour policy.

First, let me emphasize that I do not advocate people should be able to come here illegally or overstay their permits. I support our laws on immigration, but what is the Government’s policy on immigration as it relates to the labour force? There are serious problems in the service sector, especially food, entertainment, private security and “big time” in construction, and this is setting aside the health sector. Three business persons said to me, were it not for labour from Caricom countries, Africa, China, India and South America, they would have to close up shop.

The status of some of these workers is pending regularization. Some have overstayed their permits and are working illegally. I am told that in several instances it is not simply that persons opted for an illegal status, but they apply for extensions with the help of the employers, but the process takes a long time, and probably the immigration process should take a long time, because, you know, one has to check people out—their backgrounds and what not—that is understandable.

If, or rather when these persons are caught, they are hauled in a detention centre, or worse, they could end up in jail. I hasten to add again, they could have returned home when their permits expired, and they all entered legally in the first

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place to avoid that pain. So, I am not advocating leniency for people who break our laws, I am merely putting forward legitimate concerns from our business people. We have one or two business people on this Bench—Sen. Balgobin—and I am sure he would be able to comment on that. These business persons say the Government is aware of their plight.

There are issues with local labour in terms of quantity, work ethic, quality of skills. They explained this, these are some words: we pay our workforce much more than the minimum wage. We train them, it is a small market, the competition attracts them away with even higher salaries, then the very workers provide the competition with the same shoddy service, high level of absenteeism, and it is a vicious cycle. Whereas they say the work ethic and skills of the foreigners are what are desirable. Two of them told me, “Listen Helen, you know, we do not hire directly, we hire through an agency, but they are aware that 30, 40 per cent of their workers are illegal, but what are they to do.”

I am told with respect to the differences in the quality of the service delivered that it is more evident in the health sector. One businessman suggested that the Government examines a policy akin to the Canadian one, where businesses are given a quota to manage responsibly. He recognized that that system was abused, but said we could innovate something that is practical for us.

You see, this situation provides us an opportunity for the Government to look at CEPEP, to look at URP, [*Desk thumping*] to consolidate all of its training. This is why I say more gain and more benefit could come from this job loss. I am aware that the Ministry of Tertiary Education and Skills Training is trying to do a lot in terms of attitudes and work ethic.

I believe that immigration should be aligned to business and labour. The purpose of Caricom under the CSME should be advanced with advancement of pre-arrival screening and monitoring of persons suitable for areas where skills are needed, such as in the entertainment, health and construction industries. This was a recommendation of the chamber of commerce.

This highlights another reality, getting back to the Government’s “make-work” programmes such as CEPEP and URP. These programmes need to be revamped. CEPEP is doing the work of local government, so there is duplication, and duplication means a high cost. So there is need for restructuring. We have been saying this over and over. Some of the business people I spoke to do not believe that these programmes, however, are the sources of their labour problems right now for the simple reason of the skills and work ethic they desire in their food outlets, their restaurants, their hotels and their health care and construction businesses.

Now, employees of government programmes and other sectors of the public sector are acculturated to short work hours, relatively high pay, no accountability for poor quality work or absenteeism. Now, of course, that drives right up to a management and leadership problem. So the businessmen or people on one hand might speak about work ethic and attitudes, but it is also a function of human resource management.

I recall when I commented on the budget back in September I said that it was stuck in a familiar zone of more welfare programmes, more spending of money we have not earned through productivity. I said we were price-takers with a taste for luxuries, and should anything happen with the price tomorrow then we would understand the seriousness of the situation. So I did put goat mouth on the budget. I had said that welfare spending was almost like a defence mechanism against the risk of imaginative change, that it is not consistent with an economic environment and that all production figures and revenues were, in fact, heading downward, maybe not in absolute terms but in percentage of your GDP. So, here we are, falling energy prices, an institution called Petrotrin with a \$14 billion debt and the spending spree continues.

It is okay to criticize. Let me make a few recommendations as I wrap up. I see no reason why the Government cannot cut out entirely the \$410 million it allocated for constituency funding. I said falling prices provide us with opportunities. This is an opportunity to cap the fuel subsidy so that when prices continue to rise or go back up whenever, it is now capped at a certain level—maybe cap it at \$20 as the case might be, you know, within that framework.

I really believe it is time that we cut Carnival expenditure. It is time Government minimizes its involvement except for the basic infrastructure and traditional folk activities, and just leave it to the private sector.

Now, I mentioned Internet services for a reason, and that is all governments are now taxing these purchases. So, there is an opportunity to look at that. It is not going to affect the most vulnerable.

2.45 p.m.

I believe the Government should reduce spending on GATE. Like everything else, to some extent, the Government has crowded out business. Once upon a time, you know, whether it was banks in the large corporations, if they are good workers, they want to fast track them, they would put them on scholarship. Yes, businesses are still continuing with their training funds, but today they do not have to bother with the scholarship and things like that, because the Government is doing it. So you have a bank that was making profit of over \$1 billion, surely, it can pay for a few scholarships.

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I believe that state enterprises with deficits, like the Water and Sewerage Authority, should tighten their belts rather than crow so heavily. I mentioned that to the Minister a while ago and he had a very little cute analogy. It went like this: like a turtle lays eggs and keeps quiet, a thousand eggs and keeps quiet, weeps silently; the hen lays one and cackles, and I told him that the cock does absolutely nothing but it crows. [Laughter] So, there is a reason why the turtle weeps silently, it wants to protect its young. [Laughter]

Hon. Senator: You need to keep a straight face, comrade.

Sen. H. Drayton: How do you expect me to keep a straight face with it? [Laughter]

Now, this one is not going to happen but I am saying it as a matter of principle, and that is the Government should remove the tax amnesty and enforce the law. I think it needs to examine all infrastructural spending and take the opportunity to cut back on the highway spending. I think it should cut all vanity advertising from the budget. There is a distinct difference between political advertising and information the public needs to have. None of these things would affect people genuinely in need. So, for whatever it is worth, I suggest the Government heed all the advice it has been given. I thank you, Mr. President. [Desk thumping]

Mr. President: Minister of Trade, Investments and Communications.

The Minister of Trade, Investments and Communications (Sen. The Hon. Vasant Bharath): Thank you, Mr. President, for allowing me the opportunity to contribute to this very important debate. A debate that has moved from being a debate on the Finance Bill and the variation of appropriation to, essentially, the management of the economy Bill, and I intend to speak on this matter extensively today.

Let me, at the outset, Mr. President, before I start my contribution, offer sincerest best wishes for the new year to all our senatorial colleagues, as well, of course, to the population at large in our country. I also want to take this opportunity to offer condolences to the family of a former Member of this House, this honourable Senate, Mr. Martin Joseph, who sadly passed away at a very early age, and as I extend best wishes on the one hand and condolences on the other, I am reminded that what unites us as a people is much stronger than what divides us, and, ultimately, I am hopeful and I am sure, that we all stand together as one people. So, Mr. President, may Mr. Joseph's soul rest in peace, and, again, my condolences to his family on his untimely passing.

Mr. President, I listened very attentively to the speakers before me and I want to deal firstly with—I will deal with some of the points that Sen. Drayton made a little later in my contribution, but I wanted to deal, initially, with some of the points that were made by Sen. Henry, who really regurgitated, sadly to say, the same old tired rhetoric that he does almost on an annual basis when we discuss matters of the economy. He talked about the situation being critical, he talked about no revenue-generation plans, he essentially predicted doom and gloom, and then, finally, he came up with this pivotal, essential, apocalyptic economic theory, which together he shared with David Cameron, of what goes up must come down.

I want to suggest, Mr. President, that the social sciences first year student, who would have written his speech maybe back in 2010, would be a very wealthy young man or woman today if he or she were working on royalties, because the number of times that this speech has been rolled out, Mr. President. As I say, the young man or woman must be really ringing his or her hands that he did not secure a better deal. And then, of course, he talked about the Opposition not being frantic with regard to the current situation, and, clearly, they are not frantic because they know the situation is in good hands. [*Desk thumping*]

Finally, Mr. President, you know, I heard last week, in the other place, a Member, a colleague of Dr. Henry, suggesting that the standards at UWI had fallen significantly, and I had no idea at the time he was training his guns internally. [*Laughter*] Anyway, let me say, Mr. President, that I am very grateful for the opportunity to contribute to this extremely important Bill that really has significant impact on our country, not just for this Government or for the other, but significant impact for the future of how we manage affairs in Trinidad and Tobago.

For the first time, Mr. President, in a very long time; in fact, in probably in recent history, a Prime Minister has had a very candid conversation with the country. A very candid conversation highlighting the present circumstances, the issues, the present challenges that confront us, our plans as a Government to deal with them and how we will continue to protect the livelihoods of our citizens and the future. It is clearly an ongoing exercise, as she would have said, where the Ministry of Finance and the Economy would have conducted several different scenarios in arriving at a figure of US \$45 per barrel of oil and US \$2.25 per MMBtu, but anchored in the decision, or the decisions that have been made, is the basic philosophy of prosperity for all. That is what has anchored this Government to ensure that the economic benefits of the country and the economic resources of Trinidad and Tobago are shared as widely as possible, and that is why when the Government came into office—this Government came into office in 2010—we ensured that the developmental programmes of the Government was spread across Trinidad and Tobago.

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So, therefore, whether it is from Chaguaramas to Sangre Grande or from Mount Hope to San Fernando, and further south and further east, you will see development taking place across Trinidad and Tobago, and it is all centred on people-centred development and poverty eradication. Of course there are other issues that are important and we view, very critically, national security of person and, of course, of the country, creating a knowledge-driven society through diversification and education, and, of course, our foreign policy on how we deal with our regional partners, as well as the world at large.

So, I want to put that up frontally that this was a categorical statement of authority that was well thought through by the Prime Minister and her Cabinet to ensure that the population was assured that the economy was in good hands. I want to contrast that, Mr. President, with the last time that this country saw falling revenues, and that would have been in 2008 when economists were warning about the major spending patterns of the then Government, but also the Governor of the Central Bank at the time, and I have a headline here:

“Central Bank Governor warns about oil falling to US \$40,
BIG TROUBLE AHEAD”

And just smaller down here, Mr. President, you would not be able to see it from there. It says:

Prime Minister “to address nation tomorrow”—and—“IMF hits Govt spending.”

That was Tuesday, November 18, 2008, Mr. President.

On Tuesday, November 19, 2008, the day after, this was the headline: “Football first,...economy later”, and I will just read a little bit from it for you, Mr. President:

“Prime Minister Patrick Manning yesterday postponed his much anticipated Address to the Nation, in which he was expected to give his Government’s plan to protect TT’s economy amid the global financial crisis, because of last night’s World Cup football qualifier.

Instead, the Prime Minister is expected to address the nation at eight o’clock tonight.

PM Manning was among a list of VIPs who were extended an invitation by the TT Football Federation (TTFF) to watch last night’s game at the Hasely Crawford Stadium.

Amid frank warnings earlier”—during the—“week from Central Bank Governor Ewart Williams and IMF official Christina Daseking, for Government to curb public spending, Manning’s address was much expected.

And in the wake of these warnings came devastating flooding on Tuesday in which the capital was inundated with flood waters, several bridges”—were—“washed away, vehicles washed away and houses destroyed in landslides. Two persons were also killed in landslides.

A statement from The Office of the Prime Minister, sent at noon yesterday, stated: ‘The Prime Minister was initially scheduled to address the nation this evening (Wednesday), but opted to postpone it for 24 hours, due to the critical World Cup qualifier being held at the Hasely Crawford Stadium this evening’.”

That, Mr. President, is the level of concern that the then Government showed when they were in a similar problem. They did not take the bull by the horns, they did not say, “This is a problem we must deal with”, what they said was, “A football match was far more important than the country”, at that point in time. That is the difference between how they handle critical issues of the economy and how we handle critical issues of the economy.

Mr. President, let me reinforce and state categorically and emphatically, this is not an economic fundamental issue that confronts Trinidad and Tobago, what confronts us is a cash flow problem, a revenue problem. It is an issue of the timing of cash flows coming into the economy, because our economic fundamentals, contrary to what Dr. Henry would have us believe, are extremely strong. They are very strong. What Dr. Henry failed to tell us is that when we came into office, for the first time in 17 years, this country suffered negative growth in 2010, 2009 to 2010, minus 4 per cent. It was the first time since 1993 this country had suffered negative growth.

In fact, although in 2011 we brought it back to zero one year later, in 2012 it was 1.4 per cent, in 2013 it was 1.7 per cent, and, of course, as we know, the Governor of the Central Bank has just readjusted our rates to zero, or projected rates of 0.5 per cent, but the Ministry of Finance and the Economy has another projection of 0.8 per cent at this point in time; of course, it is just a projection, as we all know. So, we are not quite sure exactly where it will settle.

3.00 p.m.

Mr. President, if you compare that with what is happening in our neighbouring countries, with Barbados, Jamaica, St. Lucia, St. Kitts, Dominica, and if you went even further afield to the Central American countries, you would see that Trinidad and Tobago is still way ahead in terms of its growth, in terms of employment levels, in terms of its

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inflation, than most of our surrounding partners. In fact, more so, even with regard to our trading partners, the European markets in particular. So we are not doing badly, but, of course, that does not mean we can turn a blind eye and go to a football match and forget about the country and the economy.

The fact is, if we were to highlight some of the economic fundamentals, just for the purpose of reinforcement, you would see that from 2010—2014, and I am just going to give you some of the figures: in 2010, our GDP was \$88.8 billion; today it is \$93.3 billion, contrary to what was stated in another place, where it was said that today the GDP was lower. In fact, the measurement of the GDP should be done principally on constant prices. That is one way of ensuring that you can measure effectively.

Our non-petroleum sector contribution to GDP has moved from \$51.6 billion to \$56.8 billion. That is a movement of \$5 billion in our non-petroleum sector contribution to GDP. Our inflation rate in 2010, was 10.6 per cent; today it is in single digits. Our unemployment rate was 5.9 per cent; today it is 3.2 per cent. Basic prime lending rate in 2010 was 9.5 per cent; today it is down to 7 per cent. Our net international reserves that Sen. Drayton mentioned, was \$9.1 billion in 2010; today it is \$11.3 billion, an increase of 25 per cent. [*Desk thumping*]

Our foreign direct investment in 2010 was US \$570 million. It is projected in 2014 to be over \$2 billion. Market capitalization, \$78 billion in 2010; today \$109 billion, an increase of 40 per cent. Of course, our Heritage and Stabilisation Fund when we came into office was US \$3.5 billion; today it is \$5.6 billion, an increase of over 60 per cent. In fact also, our balance of payments when we came into office, was negative US \$712 million; today it is a positive of \$786 million. [*Desk thumping*]

So those who are predicting doom and gloom, many of them on that side there, they certainly do not know one part of their anatomy from the other.

In fact, Mr. President, in 2008/2009, when the economy was in real trouble, right in the midst of recession, which at the time they denied, and economists, both locally and abroad, were warning the then Government, they came up with the issue that the sky would not fall—the sky is not going to fall in. That was the words of the then Prime Minister of Trinidad and Tobago. In fact, the Minister of Works at the time, when asked to hold back on many of the major projects that they had embarked upon, his words on a headline were: “It is full steam ahead”. In other words, he was not going to listen to anybody tell him, or tell the government of the day, that they were not being as cautious as they should be or, in fact, they were being reckless. His words were, “It is full steam ahead”.

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The Governor of the Central Bank made a statement, front page of the *Daily Express* on Friday, April 24, 2009:

“Guava days are here”

Many of you who were around at the time would remember. “Guava days are here”, and, of course, the then Opposition Leader and today Prime Minister of the country, accused the then government of the day of something called “racket rail” rather than “rapid rail”. But this was just one of the mega projects that they failed to curtail at the time.

Mr. President, much is being said—and I am certain the speaker who may be coming after me may want to make mention of it, so I want to pre-empt him, and also Sen. Drayton had mentioned it—the talk about the Government’s communications programme and the fact that we have chosen to highlight, elucidate, to educate and to inform the population, of the availability of goods and services and the delivery of government services, something that we call “citizen engagement”.

For the first time the citizens of this country are aware of what is going on throughout the country. How would a citizen or a resident living in Westmoorings know what is taking place in Toco? How will he or she know that for the first time in Toco, or the first time in some rural area, a resident of Trinidad and Tobago has gotten water 24 hours a day, seven days a week? How would he know that? [*Desk thumping*] Are you aware, Mr. President, that when this Government came into office in 2010 only 18 per cent of our citizens got water 24 hours a day, seven days a week? Today, it is over 70 per cent. Seventy per cent of the people of Trinidad and Tobago get water 24 hours a day, seven days a week. That is a fact that cannot be denied.

So how do citizens in one part of the country know what those in other parts of the country are accessing, getting, based on the fact that the Government is working for all of the citizens of Trinidad and Tobago? [*Desk thumping*] And that was the purpose of highlighting government services, but also allowing citizens to understand what goods and services were available to them and how they could access them at the different Ministries and at different agencies.

You know, the Opposition has balked about the fact that for the period ended September 2014, the Ministry of Trade, Investments and Communications spent just about \$12 million on its communications programme. I do not have the actual figure, but I think it is \$12,607,000 on the communications programme. What the Opposition has failed to realize is that in the years leading up to the time when they were unceremoniously booted out of office in 2010, in 2007 they spent \$131 million on advertising and PR and communications—\$131 million.

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In 2008, they spent \$128 million, 10 times what the Ministry of Trade, Investments and Communications has spent this year on PR and communications, and in 2009 they spent \$107 million on PR and communications. Mr. President, a grand total of \$366 million in the three years leading up to the general elections.

Sen. Al-Rawi: “Where you get dem figures?”

Sen. The Hon. V. Bharath: And they are baulking at \$12 million that has been spent in the entire year by this Government.

Sen. Coudray: Shame, shame, shame.

Sen. The Hon. V. Bharath: I also want to put it in context, because sometimes when we haggle in Trinidad and Tobago, we do not understand what goes on in the wider world. I want to just give you an indication of a report I was reading recently where it says the US Government last year—this is on foxnews.com, I have just pulled it up—the US Government—it is a report actually from Homeland Security; maybe you might believe that one.

Sen. Al-Rawi: *Fox News?*

Sen. The Hon. V. Bharath: It is a report quoting Homeland Security & Governmental Affairs Committee. It said that the US Government spent at least \$945 million on advertising in 2010—\$945 million. This report has only just come up. It says:

Federal agencies spent at least \$945 million on contracts for advertising services in fiscal year 2010.

And that sum does not even include all public communications and expenditure. The purpose of it really, as they have stated, is to alert the American population about the work that their Government is doing for them. How different is that to what we are doing here?

Australia’s policy on advertising—it says:

The key markers for this policy is to bring public awareness to increase the access to basic services, feedback mechanisms through ministries and agencies.

Mr. President, how different is that to what we are doing here in Trinidad and Tobago?

In the United Kingdom—pulled off the *BBC News*—maybe that is a little bit more reputable for the hon. Senator.

Government marketing budget to increase.

It talks about the fact that the Government has increased its spending in order to be able to reflect changes to the welfare system and trying to convince health service workers and the public of the merits of the NHS system. These expenditures are quite big and the issues are potentially sensitive, that you would imagine would need a reasonable amount of money to be spent for them to be able to talk to stakeholders and the public.

It goes on to say:

It is sensible for the Government to spend money on communication particularly if it is targeted at hard to reach groups, such as young people and pensioners.

How different is that to what the Government of Trinidad and Tobago is currently doing? All we are doing is what First World countries do. We are adopting a methodology to be able to alert, sensitize, inform and educate our population about the goods and services that are available to all of the people of Trinidad and Tobago. [*Desk thumping*] We are not hiding it and making it available only to a very few. We are making it available to the entire population of Trinidad and Tobago.

Mr. President, why have we chosen in the Prime Minister's debate to pitch oil at a price of \$45? Well, as I said before, the Ministry of Finance and the Economy would have looked at very many scenarios, from \$60 a barrel all the way down to \$40 a barrel, and we felt, based on the information that was being projected by S&P and Moody's, who had projected short-term prices to go to about \$70 and, of course, the US energy information administration who are projecting \$62.70, we felt that \$45 would be more than conservative. Of course that would have led to a further budget deficit, because I heard other people talking about the fact they were not sure whether the \$7.4 billion was in addition to the previous deficit or not. Clearly it is easy to work out. It is in addition to the existing budget. We had to find a way to try to shave expenditure that we felt would not be critical, to allow us to come back close, somewhat closer, to the original projected budget.

Let me also say, as the Minister may have mentioned, that we must remember that the projected budget for 2014 was \$6.3 billion. In fact, through prudent management and fiscal discipline we came in at \$2.6 billion, a saving of \$3.7 billion, because of the fiscal discipline that this organization, this Government, under the leadership of Kamla Persad-Bissessar, has exercised in the last 12 months. But we have still taken a sharp pencil to the expenditure that we have

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looked at, and details will evolve over the next week or so. We have been able to cull about \$1 billion off of our PSIP programme, where we felt it was non-essential expenditure or expenditure at least that can be deferred to another time; \$3.5 billion from goods and services and from minor equipment purchases. Again, those would be motor vehicles, those would be things like stationery, those would be everything that relates to goods and services within the organization. Of course, the \$1.4 billion savings as far as the subsidies are concerned, because there is an inverse relationship as we know with the price of oil and the price at the pump. So the lower the price of oil falls, the less subsidy we have got to pay and so, therefore, there is a savings of \$1.4 billion there.

The Prime Minister would have also mentioned that the remainder, if we chose to look at it from that perspective, would be made up from the continued programme of the initial public offerings to the public.

3.15 p.m.

I want to say there has been a lot said about the FCB IPO, and the fact that we ought not to be proceeding with any other IPOs until the SEC makes a determination on FCB. Well, you know, Mr. President, I think the 8,000 investors who have been now brought into the system, who would have made a considerable capital gain as having been involved in the sale of 20 per cent or close to 20 per cent of FCB, are not worried about that. They are chomping at the bids. Other investors are chomping at the bid to be in a position to also get involved in the sale of further public assets, so that they can also share, for the first time, let me say, in the energy assets of Trinidad and Tobago. [*Desk thumping*]

And with regard, Mr. President, to the concern that not enough detail was given in the Prime Minister's presentation, let me say, the Prime Minister spoke for just over 20 minutes. There is only so much she could have said. All she needed to do was identify the broad categories that will allow for revenue generation, as well as the broad categories where we are likely to be deferring expenditure. Those were the broad categories that she outlined. The Prime Minister could not possibly have stood up and talked about how many reams of papers we were not going to purchase or how many pencils we were not going to buy. Those are the details that would now be worked out between the individual Ministries and the Ministry of Finance and the Economy in the weeks to come.

Contrast what the Prime Minister did, Mr. President, with, again, a former government that was in office in 2005, and you will see when they were confronted with a similar situation of economic downturn, the then Prime Minister said, "you have faith or you do not". In other words, it was left to the Gods to make a determination and to guide us through. I am not saying that we ought not all—we ought not to be spiritual or we ought not to be religious. But the point is, you cannot leave it in the hands just purely of the faith.

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“A confident Prime Minister Patrick Manning yesterday reassured the national community that the current economic downturn, gripping the world and Trinidad and Tobago, was temporary in nature, merely a blip.

That too shall pass, he told the Breakfast with the Prime Minister gathering, as he delivered an optimistic assessment of the country’s developmental...”—agenda.

That was how they handled things, Mr. President. That is why, as I said, they were unceremoniously booted out of office in 2010.

What the Prime Minister said and she was very specific about this and what we intend to make sure is that there are certain things that we will not compromise. We will not compromise the vulnerable; we will not compromise the disadvantaged; we will not compromise national security; we will not compromise education; we will not compromise housing; we will not compromise health care. Those are the things. We will not compromise jobs and salaries. Those are the things, Mr. President, that are important to the people of this country. [*Desk thumping*] Those are the things we will not compromise.

So, those who criticize and scream for the cuts in transfers and subsidies, maybe, just maybe—and I certainly do not classify Sen. Drayton in that grouping—but maybe they do not understand the disaggregation of what makes up transfers and subsidies. I, just for the record, want to give you some of the highlights. And I want to ask those across there, those who are criticizing, those who have not come up with one single constructive thought [*Desk thumping*] about the way forward—you know, I will tell you this, Mr. President. Had this been the first year of a Government and they say well, it is your job. You are the Government, you come with your plans and your projects. You do it. This is the first year. But, Mr. President, this is an election year. They are positioning or attempting to do so to be the next Government of Trinidad and Tobago. They have not come up with a single, not one single constructive [*Desk thumping*] thought either in the other place or here. [*Crosstalk*] Indeed.

So, Mr. President, let me just highlight some of the areas that make up the \$31 billion of transfers and subsidies, and let us see which one of them they would cut. Public Transport Service Corporation—\$290 million to keep our buses running across the country, and to deliver quality service to particularly the rural areas. Government Assistance For Tuition Expenses—GATE programme—\$650 million. Will they cut that, Mr. President? When they get up to speak, let them say whether they are going to cut the GATE programme. When they get up to speak, let them tell us whether they will cut the billion dollars that go to the University of the West Indies and the University of Trinidad and Tobago—\$684 million and \$430 million. I want to say this.

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I was recently reading an article on the OECD countries, and they were suggesting that tertiary graduates between the ages of 42 and 54, earn on average 100 per cent more than those who do not have a tertiary education in those countries—100 per cent more, Mr. President. That is the reason why we have embarked on creating a knowledge-driven society where we educate all of our children free of charge. [*Desk thumping*] That is why we do it. [*Desk thumping*] That is why we maintain GATE. Minister Karim will tell you, when he gets up to speak, clearly we have made some changes because there were some abuses within the system, and we may need to tweak it, but can we really remove GATE, Mr. President? Is that what they are asking? Are they asking us to remove social services and pensions? Mr. President, I say that the Prime Minister was very adamant that we should not affect the vulnerable and disadvantaged in our society. [*Desk thumping*]

Mr. President, let me tell you what makes up the \$9 billion for social services and pensions. It is made up of the increase in the disability grants that the Minister would have spoken about which affects 24,100 people in Trinidad and Tobago. Are they going to touch that? Are they going to interfere with \$300 additional grant for public assistance which affects 24,797 citizens of Trinidad and Tobago? Are they going to interfere with that? Are they going to interfere with \$75 million allocated to food cards which affects 49,930 households in Trinidad? Are they going to interfere with the senior citizens increase of \$300 amounting to \$200 million which affects positively 84,720 senior citizens in Trinidad and Tobago? Are they going to interfere, Mr. President, with the \$300 million allocated for the public service retirees, the public officers that the Minister spoke about affecting 35,000 retirees? Are they going to interfere with that? These are the things that we must ask. Are they going to interfere, Mr. President, with the Infrastructure Development Fund which builds schools and hospitals across Trinidad and Tobago and is responsible for most of the infrastructure projects?

Let me tell you what the Infrastructure Development Fund of \$4 billion has been used to build—the oncology centre; the Couva children's hospital; the San Fernando Teaching Hospital; and currently the Point Fortin and the Arima hospitals; roads, the Valencia bypass that has eased the traffic for so many people; [*Desk thumping*] the south Caroni Road running in front of Frederick Settlement by the Motor Vehicle Authority; the Point Fortin Highway, the Diego Martin Dual Carriage; the new Rivulet Road, that is being dualled as we speak. [*Desk thumping*] Mr. President, the 80 new schools have been built under this Government by the Minister of Education, Dr. Tim Gopeesingh; we have given out 96,000 laptops. Minister Karim will talk about the increase in tertiary education. Those are the things that we are talking about when we talk about allocations, as far as transfers and subsidies are concerned.

Mr. President, are they going to remove the transfers to the regional health authorities of \$3 billion that looks after the health care of Trinidadians and Tobagonians across the country? Are they going to remove the \$2.2 billion given to the Tobago House of Assembly? Because that is in here as well, Mr. President—\$2.2 billion to the Tobago House of Assembly. Are they going to remove that? Are they going to remove moneys given to WASA? I just mentioned 18 per cent of the population had water 24 hours a day, seven days a weeks in 2010; today, it is 70 per cent. Are they going to remove that? [*Desk thumping*]

Mr. President, those are some of the issues that make up the transfers and subsidies. So, we have to be very careful. When we just willy-nilly say, remove transfers, remove subsidies, reduce, cut, slash here and there, we have got to be very careful about what we are talking about, and we have got to be very focused. I am not for a moment suggesting, Mr. President, that all is well as far as the labour market is concerned. I have come from the belly of the private sector, I know. I hear the woes. But the point is, we have to create a balance between the social programmes and the need by the private sector to have labour. Because if we just slash and burn, we are going to have problems in Trinidad and Tobago, social problems, that we are not going to be able to deal with in a timely manner.

So those are some of the issues, Mr. President, that confront us when you are in Government. It is very easy when you are in Opposition, eh. It is very easy when you are in Opposition. Do this. Do that. Because it is very easy to just say anything, because at the end of the day you do not have to carry it out.

So the reason that the Prime Minister was very confident when she made her statement was simply that she understood very clearly what she was talking about. She understood the challenges and she understood very clearly that she had a team of people with her who could confront those challenges, overcome them and make this country a better place. [*Desk thumping*]

Mr. President, Sen. Henry talked about not having any revenue stream. Well the Prime Minister talked, at length, about the diversification process. Every single sector, as far as non-energy is concerned, has increased since 2010—every single sector. Mr. President, the revenue generated from—according to the *Review of the Economy*—the non-energy sector between 2010 and 2014 has increased, by you know what?—\$13 billion—\$13 billion. [*Desk thumping*] That is not to be sneezed at. That is additional revenue that was not existent in 2010 that is existent today. And as a result we have started to tilt the balance between the share of GDP shared by oil and gas energy, and the share of GDP shared by the non-energy sector.

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Manufacturing now represents 9 per cent of GDP, employing over 60,000 people. The services sector, Mr. President, and real estate over 15 per cent of GDP.

Recently, Mr. President, and tourism—as the Minister when he has the opportunity to speak—will talk about the resurgence in tourism, with the number of arrivals. In 2010, we had 342,000 coming by air to Trinidad and Tobago; for 2014, it was 434,000 people; that is almost 90,000 people more over that period of time. For the first six months of 2015 we are already up to 225,000 people coming in. So—last part of 2014. So, Mr. President every area of the diversification process is now in full speed.

Indeed, the financial sector which is one of the areas that we are looking to put a lot of emphasis and aggressively pursue, has now seen 1,000 new jobs, valuable jobs, created in the back of this function area through Scotia Bank and Royal Bank or RBC. That has happened in the last 18 months. In fact, some of the biggest names in back office processing has been here to Trinidad, to look at Trinidad as a destination, and is now in the final process of making a decision between Trinidad and Tobago and some Latin American countries. I will tell you who they are: Mphasis, General Electric, the Hinduja Group. They are all here looking at Trinidad—why?—because we have created the enabling environment to allow business to take place, Mr. President.

When I became Minister of Trade, Industry and Investment one of the biggest issues that confronted the private sector, and has been for the last 30 years, was the bureaucracy involved in doing business in Trinidad and Tobago. Well, the World Bank statistics will now show us, that in 2014, Trinidad and Tobago increased its position by 12 places, Mr. President. And Trinidad and Tobago was the only economy in Latin America and the Caribbean to be in the top 10 reformers in the world. [*Desk thumping*]

3.30 p.m.

And I can speak at length to the diversification process and some of the areas that we are looking at. But, of course, in addition to that, Mr. President, what we are also doing is creating new markets because Trinidad and Tobago is only a market of 1.3 million people. Any serious manufacturer who wants to expand and spread his/her wings can only do so and compete, even in the local market, if he/she generates the economies of scales that is required to bring the cost of production down. Even in the local market, because he/she would be subject to international competition, he/she has to make sure that they are manufacturing efficiently to survive even in the local market.

And, therefore, we are now creating new market spaces with our bilateral and partial scope agreements with other countries: Guatemala, Panama, Costa Rica, Ecuador; all of these markets in addition to the European Partnership agreements which we signed last year in 2014, which opens up a market of 500 million people to Trinidad and Tobago manufacturers. All we are waiting on for that agreement to allow manufacturers to proceed is the phytosanitary certification for their products going into those markets. So, this is how we intend to face the challenges head-on, Mr. President. How we can ring-fence and we will ring-fence our people so that they do not feel the pain and the burden of the deferring of revenues that we expect to happen.

Mr. President, this is a situation where an Opposition is trying to position themselves to wing their way back into Government. They are hopeful that the country would have forgotten what they did up until 2010. I do not need to go into the tail of woes of all of the mega projects that failed and identify them. I think over the last four years the country has a very good feel on the failures of that regime and the then government. All I will say there is, theirs is a tail of economic mismanagement and squandermania, theirs is a tail of hardship and social anxiety, theirs is a tail of big buildings and economic instability, theirs is a tail not that where they care for people, not what the people want, but what their party wants, in the hope that their tail is one of boom and bust economics, of abandoning the people, and they have done it on two occasions. They have abandoned the people on two previous occasions, in 1995 when the going got tough they bailed out and they jumped overboard, and they did the same thing in 2010 when the going got tough, they did not know what to do, they jumped ship, they called another election. [*Desk thumping*]

Whilst they would gleefully stand by, point fingers, pontificate, whilst the others were doing the work. That is what they are hopeful now that everything has been remedied, everything has been fixed so, therefore, they can now standby and pontificate and hope that they get back into office. You know, Mr. President, one of their members—

Mr. President: The speaking time of the Minister of Trade, Industry, Investment and Communications has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. E. Moheni*]

Question put and agreed to.

Sen. The Hon. V. Bharath: Thank you, Mr. President. I just wanted to highlight the philosophy and the ethos that drives that organization, as elucidated by one of their senior members, then a senior member of Cabinet and now a senior member of their party in the other place. And he said, this is on September 22, 2014 on a CNC3 Morning Brew Programme with Hema Ramkissoon, the Member of Parliament for Diego Martin North/East. He said and I quote:

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What happens with the PNM is we become arrogant. We stopped listening and we got voted out. We go into the Opposition and we listen. One of the problems that we have as a party, and I think I have a responsibility to change that, is that when we get back into Government we stop listening again. *[Laughter]*

Those were the words of a senior member of that party, a senior portfolio Cabinet holder in several of the governments of that organization. Those were his words, Mr. President.

Sen. Hadeed: Who said that?

Sen. The Hon. V. Bharath: The Member of Parliament for Diego Martin North/East. But, Mr. President, this is not something that was said five years ago, 10 years ago. This was said on September 22, 2014. These are the people who are trying to get back into office to run the affairs of this country. This is the admittance, this, as my friend over there said, that confession is good for the soul.

So, Mr. President, what we really have here is a comparison between an organization and a government who has been there, who has picked up the pieces, who has worked hard, worked diligently and worked for the people of Trinidad and Tobago. *[Desk thumping]* We worked conscientiously, we repaired the damage that they have created. *[Desk thumping]* They are, in fact, the boom to bust poster boys. That is who they are, the boom to bust poster boys. *[Desk thumping]* Brian Lara stadium bust, the International Waterfront project bust, the Government Campus bust, the Scarborough Hospital bust, the rapid rail where they spent \$500million for a box of paper on a prefeasibility study. Not even a feasibility study, a \$500 million of taxpayers' money on a prefeasibility study, essentially a box of paper lying in somebody's office, nobody knows quite where it is. Money budgeted, money allocated, money spent, projects incomplete, projects abandoned, debts owed, and not a single indication of what happened to the money.

Sen. Hadeed: Three billion in scrap—

Sen. The Hon. V. Bharath: And my colleague here is reminding me of the world GTL project, \$3 billion of scrap metal that cannot even be sold. *[Desk thumping]*

They took money from contractors and they spent it. When this Government came into office there was a \$2 billion debt owing to contractors of Trinidad and Tobago. They took \$2 billion from the private sector for VAT and they spent that too. When we came into office there was a bill of \$2 billion owing to the private

sector for VAT. They could not settle the \$20 billion hole for Clico and HCU. We had to come in and settle that. [*Desk thumping*] And, of course, over 70 wage negotiations that they could not settle, they just left it, they ran, they jumped ship like rats and hoped that someone else would pick up the pieces.

Mr. President, all of this points to the fact that the biggest risk that the people of Trinidad and Tobago faced are not from the external shocks of oil and gas, it is from the internal shocks of the PNM. [*Desk thumping*] They are very well burst—versed, versed, a Freudian slip there, Mr. President. They are very well versed in the art of “bustonomics”, and given the opportunity they will surely lead us back to their friends at the IMF.

So, Mr. President, as I conclude, the reality is that the People’s Partnership has earned a reputation of knowing how to build an economy that will last, how to empower our people, how to ensure that prosperity is always the people’s reward. We are the only party with the skill, the experience and the capacity to weather the forces and the challenges that face us. We did it in the 1990s as the Prime Minister spoke about, with oil at \$9 a barrel. Although, their leader in the other place suggested that oil was never at \$9 a barrel in those days. We did it when oil was \$9 a barrel, we did it in the midst of the world’s biggest financial disaster in 2008, when we picked up the pieces in 2010, we took a fragile and weak economy and we carefully nurtured it back to full health. We understand the need for creating the balance between social progress and economic advancement and diversification.

Mr. President, let me say categorically that we have the plan, we have the tools, we have the leader, we have the people to build a society and country that we all can feel a part of, and all of us can be proud. [*Desk thumping*] Mr. President, we have wherewithal to create prosperity for all of the people of Trinidad and Tobago.

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

Sen. Shamfa Cudjoe: Thank you, Mr. President, and thank you colleagues. Mr. President, I want to take this opportunity to extend New Year’s greetings to you and to the hon. Members of this august House. I consider 2015 to be the year of possibilities. Possibilities for the people of this country, possibilities for this Parliament, and certainly possibilities for my political party.

Mr. President, I also want to take this opportunity to thank my political leader, the hon. Dr. Keith Christopher Rowley, for the opportunity to represent the People’s National Movement in the greatest forum of the land, and I thank the Tobago council and the people of Tobago for their continued support and encouragement.

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Now, before I delve into what I want to speak about, it is always interesting to hear Members opposite, especially Sen. Bharath, speak about the People's Partnership as a party, and I can remember this Partnership as a group of partners getting together in Fyzabad, and the only thing they had in common was their dislike or their hate for the People's National Movement. [*Desk thumping*] They had no plan then, they have no plan now in Government, and they will have no plan when they demit office this year.

But I would link that as I go on in my contribution, because that same presentation or this address to the nation that the hon. Prime Minister would have delivered last week showed that this Government still does not know what they are doing, they have no plan and they have lost their way. As a matter of fact, they did not have a way in the first place, they have been operating by "voops, vaps and vaille que vaille". It was so when they got together, it was so while they are in Government and it would be so after they leave.

So, Mr. President, allow me to continue with my—[*Interruption*] Sen. Lambert, intelligent people are. Mr. President, we are being asked today to support these measures that are intended to give effect to the 2015 fiscal package, and as we are all aware, the 2015 fiscal package or the budget, as we would call it, was the largest budget in the history of this nation, with the largest fiscal deficit, and in usual UNC style, long on expenditure, short on revenue. Mr. President, at least 11 of the clauses in this Finance Bill today speak to increased social assistance, subsidies, tax and fee waivers. It speaks to increase pension, disability grants, baby grants, and other forms of social assistance. I remember last year September when this budget was read—I think it was—what was it, September 09?

Sen. G. Singh: Yes.

Sen. S. Cudjoe:—members of the public, scholars, different people in their different areas would have, even up the region, people from the University of the West Indies up the region, Caribbean news, people from Caricom, and all these other scholars would have called or referred to this budget as an election budget, as a welfare budget. And the Government has been accused by the people of this country, and everybody else out there who are right-thinking citizens and right-thinking people as to how they are going to sustain this kind of free handedness, because they are being seen as literally throwing money at the country's problems rather than implementing effective strategies to treat with and resolve the same. They continue to destroy the nation's socio-economic fabric and our very advancement.

Mr. President, this budget speaks to increase spending in CEPEP, increase spending in URP, and all these other grants with no real mechanism to making these programmes work more effectively or to ensure that the people who are most in need of this social assistance receive this kind of help, Mr. President. Citizens at large would have enquired as to the Government's capacity and capability to finance this kind of spending, especially considering the difficulties that we are now being faced with in the international economic framework. The original 2015 fiscal package was predicated on an oil price of \$80 per barrel. So, we would remember that from 2010 to about mid 2014 world prices would have been fairly stable at around \$110 per barrel. Since June of 2014 these prices more than halved, dropping to less than \$50 per barrel. As I checked today, the price today is about \$45 per barrel.

3.45 p.m.

Mr. President, with over 30 per cent of our revenue coming from energy exports, this current crisis is compounded by the Government's posture towards weathering the storm and has become a very difficult pill for us to swallow. While we read the daily editorials and follow the regional and international news—we are weighing in on the discussions and we are watching countries implement strategies to keep their economies in motion and to avoid the full brunt of this economic storm—we are being told by this Government to keep calm; they have everything under control.

I want to place on record and I want to support the statement made by a former Prime Minister, Basdeo Panday in 2008 when we were being faced by the 2008 international economic crisis, and Minister Tesheira, the former Finance Minister, would have come to the House and expressed the state of affairs as it relates to our economy and the different cuts and the changes that would have to be made.

Mr. President, former Prime Minister Basdeo Panday would have stated that the main purpose of a budget, or a fiscal package, is supposed to make the people, or the citizenry, feel comforted and feel happiness, and that 2008/2009 fiscal package did not fulfil its purpose as it relates to bringing happiness and comfort to the people.

I feel like today I can say the very, very same thing about these provisions that are before us because these provisions do not instil any sense of comfort, any sense of happiness and it certainly does not reinforce our safety and security in the midst—or should I say against the backdrop of the current economic environment. Mr. President, on the contrary, this discussion that was called a candid conversation by Sen. Bharath has brought discomfort and scepticism.

Before I go any further, I want to remind this country, for those who would

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have listened to the Prime Minister's statement, of which Sen. Bharath would have spoken so glowingly—the Prime Minister's statement last week Thursday. The Prime Minister spent 20 minutes on our television and at the end of the day people were still asking questions. There was no substance, no ideological moorings, no explanation as to how they got to \$45 per barrel, [*Desk thumping*] as to what is going to be cut, as to how it is going to be cut.

But we were told that even against the backdrop of our revenue purported to be less than 50 per cent of what the oil price was pegged on in September of last year—it is now at \$45 per barrel, which is almost half—expenditure remains the same, and Sen. Bharath wants us to come here today and support these measures and sit idly by and support his proposition that everything is okay, everything is under control, this was a well calculated and cerebral statement that was given to the people of this nation. [*Desk thumping*] And we are supposed to sit idly by and accept it.

This is 2015. We are dealing with a very intelligent, up-to-date population and they are very well aware of what is taking place. We are listening to the discussions and weighing in on the discussions on CNN, BBC. We are talking to our peers up the region, so we are very well aware of what to expect.

So I consider it disrespectful. I consider it an affront. I consider it a slap in the face for any Member of the Government to come here today and tell us that we were apprised as to the state of affairs as it relates to this budgetary package, or the amendments that ought to be made as it relates to our spending and our expenditure because the Prime Minister, in her candid—or should I say her candied, her sweetened words, in her little conversation—her candied conversation—she did not give us any of that detail.

Hon. Senator: That is right. [*Desk thumping*]

Sen. S. Cudjoe: So the questions remain. How did you come up with \$45 per barrel? Sen. Bharath told us that they did these papers and these calculations and came up with \$45 per barrel. Mr. President, we are still awaiting the explanation and the proof of such. Exactly how do you intend to sustain this free-handed culture? Mr. President, the smallest child receiving a little \$5 a week or a \$10—well, probably now \$20 a week—would know if you want more snacks than you usually do, you have to have more money.

Hon. Senator: That is right.

Sen. S. Cudjoe: Your mother cannot be going through a hard time and now

giving you \$10 and you still expect to buy \$20 in snacks. It is impossible. A four-year-old, a five-year-old, who received a little money at Christmas time can tell you that. So to stand here and tell the entire nation that “Everything is okay. We have this thing covered and you could spend as usual” even while we are having so little revenue, Mr. President, that is a slap in the face, and it is one out of two things. Not even one out of two things. It has to be you do not respect the intelligence of the electorate; [*Desk thumping*] you think I am foolish or you are a fool. Choose one of the three.

This is compounded by, after the fact that she gave this presentation, she did not entertain any question. So I am left to believe it is either that they do not understand the situation; they do not know what to do, or maybe it could be that they do understand and they know what to do but they simply do not care. [*Desk thumping*] Mr. President, I will lean on the third.

So while we on this side endorse the efforts to reinforce the social fabric, or the social welfare of our nation, the question remains: how do we finance this thing? You are going to do one out of two things: draw out from our savings or you are going to borrow. Based on your practice and our experience with this Government, you are going to borrow.

When this Government came into power in 2010, we spent two difficult months hearing people like former Sen. Mary King speak about a one horseshoe economy and we did not diversify the economy, and we were at 35 per cent public debt at that time, and that was atrocious; that was so dangerous to national development and they have doubled the fiscal deficit; they have doubled our debt. [*Desk thumping*] All of a sudden today, that is blue skies. When it was 35 per cent it was no problem. [*Interruption*] You would have your chance to speak! I am on the floor right now. Mr. President, may I have your protection, please? Because I would not like to have to protect myself.

Mr. President: Senators, can we listen to Sen. Cudjoe in silence?

Sen. S. Cudjoe: Thank you, Mr. President. [*Crosstalk*] I try not to protect myself.

So, Mr. President, it is very simple. It is not rocket science. As a parliamentarian, as a citizen, as a young professional, I think I deserve to find out what are the plans, what are the strategies this Government has in mind to financing this kind of spending. So I really find it out of place to be asked to endorse these measures not knowing how they are going to be paid for, and to even be engaged in some kind of discussion.

That is why last week Thursday, we sat at the edge of our seats. I remember I

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was at a youth group meeting last week Thursday afternoon and we were forced to wrap up early because the young people in the group wanted to hurry home to hear what the Prime Minister had to say. Because even though you are not an economist, just by paying attention to what is taking place in the media, or on the international stage, you know that a fall in oil prices, especially when you come from an energy economy, it is going to have some kind of impact on your household spending, on your national budget, on the way we live our lives.

There are young people within my age group who want to purchase houses, who want to start a family, who want to go away and study, and the very basic things that you want to do in your life you know that this international crisis would have some kind of impact. You may not know how, you may not know why, you may not know when, but you know that there is some kind of impact because you are following what is taking place in the international community, especially on the Internet and so. And every time you go on facebook, this is the discussion on facebook.

So for the Prime Minister to tell us, “Do not worry, keep calm, we have this under control”, Mr. President, I find it quite disrespectful. My father always told me that the essence of true leadership and integrity is not about doing what is easy but about doing what is right, and I believe on this night the Prime Minister and her Government took the decision to go with what is easy and not what is right.

True leadership, especially in this time, as a political leader, as the Prime Minister, as the CEO of the Cabinet, I think true leadership is based on doing not what is best for your party, but what is best for your country. We like to boast about country first, but on that night last week Thursday, this Government did not take the decision to do what was best for the country, and telling us to keep calm and trust them, it simply is not enough.

Everyone, all the listeners, were disappointed. You get on Caribbean News Network, their website the following day, on facebook, when you follow the editorials in the newspapers, everybody was disappointed.

I want to point to an *Express* story on January 09, 2015:

“Chaguanas Chamber wants details on the Govt cutback

The Government needs to focus more on lowering the food import bill and more detail is needed regarding government’s budgetary cutbacks to deal with falling oil and gas prices.”

This Chaguanas Chamber even went as far as asking to be engaged and wondering

why they were not engaged before some kind of comment or statement was made because the Prime Minister gave the impression that she was not clear or she does not understand what was taking place, so the Chambers felt like they could have been engaged.

At least six or seven of the Chambers, from the American Chamber, the Chaguanas Chamber, the Penal/Debe Chamber, were all complaining that the presentation lacked economic substance, and in that whole 20 minutes of saying all those things, the Prime Minister actually said nothing and brought no comfort, no safety, no security, to the people of this nation.

Some of us may think that the Prime Minister does not understand or does not know what is taking place. Maybe she does, but in usual UNC style, they have always opted for doing what is best for their party and not what is best for the country. [*Desk thumping*]

Hon. Senator: Right.

Sen. S. Cudjoe: And I feel that the—[*Interruption*] Mr. President, I feel that the—Sen. Hadeed is provoking me, Mr. President, but I will stay focused. I have a whip in “meh bag, yuh know”.

Mr. President, I think that the Prime Minister missed the opportunity to do so much, or to say so much, or to regain the confidence of the people because all confidence is already lost in the Prime Minister and in this Government, based on our experience. [*Desk thumping*] So she lost the opportunity—she missed the opportunity—to engage the Chamber; she missed the opportunity to treat with matters relating to diversifying the economy.

When they were in Opposition, I read the debate of 2008 and 2009 and from Basdeo Panday to the hon. Kamla Persad-Bissessar, to Member of Parliament, Winston Peters, Member of Parliament, Tim Gopeesingh, they all had the answers as to how CEPEP is supposed to be used to revitalize the cocoa industry, and employment under CEPEP is not real employment and should not be counted in the employment figures; as to what is supposed to be done to reduce the public debt. Mr. President, they had all the answers.

They came here in June. They brought us out early in 2010 and we spent most of our July/August here, listening to a whole battalion of them beating us on our heads with a stick about what we should have done about the economy, and you sat there for four and a half years on your laurels and did not do a thing. Four and a half years! Rome was not built in a day, but after running the largest budgets and the largest budget deficits over this four and a half years, what do you have to show for it?

Hon. Senator: Nothing. [*Desk thumping*]

4.00 p.m.

Sen. S. Cudjoe: I could tell you something, Mr. President. SIS has something to show for it, [*Desk thumping*] Resmi probably has something to show for it, but we do not have anything to show for it. So when you hear we will rise and everybody living happy and everybody living good, we now have to go back to first year and second year where the teacher used to do subject verb and ask: Who are we? In this sentence when you say we, who is the “we” you referring to because it is not these people over here and is not the people out there. So who is we, or who are we? So they have nothing to show for it. Then to be told by Sen. Bharath that, “Well, the Prime Minister could not explain everything because she only had 20 minutes.” This Government that bullies the media? Mr. President, for the Chaguanas election, for so many other national events, this Government bombarded us with all kinds of media presentations and so on.

I remember for the Tobago House of Assembly election we had to sit and listen to Ashworth Jack pretend to be Chief Secretary bringing an address to us in what capacity we do not know because they had the money pay, they could pay for that, and you trying to tell me she only had 20 minutes, she was confined to 20 minutes, she could not explain to us. Poppycock.

Mr. President, I think that the Prime Minister and this Government also missed the opportunity to explain to us how they are going to implement mechanisms in order to manage this social assistance programme. I think the People’s National Movement and the People’s Partnership, we have not done a good job on managing this whole social assistance. We have tried to make sure that the less fortunate are well taken care of and so on, but at this time, and even before, I think we need to implement mechanisms just like the United Kingdom has done and so many other countries are now doing to ensure that the people who really need help are the ones receiving help. [*Desk thumping*] I do not understand why GATE should be afforded to, let us say, parents who both make over a million dollars per year and you have one child to take care of. That family is clearly not in need of GATE. There are people who are not in need of your laptop because they already have a Mac at home. I think we need to examine all social assistance programmes on a case by case basis.

Mr. President, how we can utilize CEPEP and add new programmes to CEPEP and URP to ensure that CEPEP does not become a career? How do we keep people with bachelor’s degree out of CEPEP? You have people with degrees who come to you and say, “I want a morning wok. I just want to be out there early in the morning and be out by 10.00/12.00” How do we keep these people out of CEPEP?

So we need to examine each and every one of these social programmes and make sure that the people who need the help are the ones getting help. At election time you have people who do not need food cards being given food cards. We need to also take a look at social programmes like the disability grant. Why does the disability grant help the people who are disabled? “Just because yuh foot huting yuh or hurting or aching doh mean you have to get a disability grant.” I see it way too often.

As a matter of fact, the State is becoming a barrier to productivity and work, because what I found from the people who are disabled, they usually have some very special talent. There are some of them who are very versed or very proficient in computer and technology programmes and so on. So we need to make sure that by providing certain social assistance we are not in fact promoting that which we are actually trying to prevent. I also think the Prime Minister missed the opportunity to re-engage confidence in the business community as it relates to investment and so on.

So, I think by now you would have recognized based on my contribution that I am voicing the concerns of the young people with whom I am affiliated and much of the nation. I have been following the editorials, following what the Caribbean News Network and facebook has to say and we are all very, very disappointed. Mr. President, we have been here before. This is nothing new to Trinidad and Tobago.

I was not born yet, Mr. President, but in my research I recognized that New Year’s Day of 1974 we were faced with a similar crisis in the energy industry and it was the hon. Dr. Eric Williams that asked the nation to put aside their New Year’s Day celebrations, and he addressed the nation as to the current state of affairs as it relates to the international economic crisis, what were the implications for Trinidad and Tobago. He outlined how the Government was going to go ahead or go forward in treating with those matters.

Sen. Lambert: At that time was PNM.

Sen. S. Cudjoe: The same could be—[*Interruption*] PNM tabanca. 2008/2009, Mr. President, there were at least four or five addresses to the nation by former Prime Minister Patrick Manning and former Minister of Finance on the state of the economy. So from the time the conversations started in October/November we were addressed on November 30, 2008 by the hon. Prime Minister, and then he came back again in January of 2009 to bring us up to date as to where we are, to say here in November 30, 2008 he made a comment, things have changed since 2008 to January 2009.

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Now, Mr. President, do you want to know when this conversation started in October 2009 where our Prime Minister was? In November, people like Mr. Lalla and people from the Chamber were calling for a comment—John Lall, sorry. Raphael John Lall—from the Prime Minister. She was somewhere about with her Santa Claus hat handing out cheques, handing out hampers and pampers, giving the churches cheques. There are churches in Tobago waiting for you all because there are some who got and some that did not get, but they waiting. We do our thing when the time is right. So that was where the Prime Minister was. So while Sen. Bharath wanted to speak about some football game, November passed, December passed and it was the pressure from the business community that resulted in a statement being made in January. [*Desk thumping*]

So while we watched the rest of the world plan, we were here sitting, watching the Prime Minister having a good time distributing hampers and pampers against the backdrop of a declining oil price. And, Mr. President, even if you want to pretend you did not see it, every 20 feet you drive her face was on a billboard smiling in a Santa hat with Santa bag. If she did not have on a Santa bag, her face was there and we were not happy to see it, [*Desk thumping*] but that is your Government working for you.

So, we are not satisfied with this message of “don’t worry about the intricacies or the implications of this thing. Just trust us.” Mr. President, the last time we trusted them to create a sporting programme to deal with crime and so on in the community, they gave us LifeSport and somebody friend went home with \$34 million that we cannot retrieve yet; [*Desk thumping*] the last time they asked us to trust them to build a prison for rehabilitation somewhere in one of these communities, we ended up paying Wala Wala over \$50,000 a month for a prison we could not use that had a big hole in the roof—one million dollars a month; the last time we trusted them to revamp SSA, they promoted Resmi Ramnarine from the bottom of the barrel to the top; [*Desk thumping*] and the last time we trusted them to strengthen autonomy in the Tobago House of Assembly, they gave us the Ministry of Tobago Development and we asked: what is this thing, what does it do, what is it supposed to do? Instead of strengthening and creating links between the Tobago House of Assembly and central government, you have a Ministry of Tobago Development duplicating the functions of the Tobago House of Assembly and emasculating the Tobago House of Assembly.

The Ministry of Tobago Development employing people—what else are they doing? They are duplicating departments that deal with tourism, that deal with businesses; they are giving grants, cheques; all kinds of goodies; people getting their home fixed and their business financed. That is the Ministry of Tobago Development. What kind of advancement towards internal self-government for Tobago? That is being

aided and abetted by this Government and when you ask the Minister why is he doing what he is doing, he said, “I am fulfilling the mandate of the People’s Partnership and my Prime Minister”. So the last time they asked us to trust them, they emasculated and belittled us, but 2015 remains the year of possibilities, and it is this year that we will show them our motion and bring back our country, Trinidad and Tobago, under the loving, caring hands of the People’s National Movement where it belongs.

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

Sen. H.R. Ian. Roach: Mr. President, I thank you for the opportunity to participate in this debate, but let me first crave your indulgence to extend New Year greeting to the entire Chamber and their families and to the population of Trinidad and Tobago at large.

I also extend my deepest condolence to the former Senator and Minister, Martin Joseph’s family, with his untimely passing and I hope that they will find comfort in the positive contributions he made during his lifetime with us. May his soul rest in peace.

I also would like to further crave your indulgence, Mr. President, to express my deepest sympathies to the families of 17 persons murdered already within the first 13 days of this year. This dastardly state of senseless violence is sadly matched by the terrorist acts in Paris a few weeks ago where 17 innocent people including 12 journalists lost their lives as bold and brave believers in the freedom of speech and the freedom of the press. To the families of those slayed in Paris, I also wish to express my sympathies and find great favour in the journalists stance of defiance demonstrated by the million march and the solidarity expressed in one form or another from around the world.

Mr. President, it gives me no modicum of comfort to know that in our country there is a great chance that many of these recent murders for 2015 and those of the past years may not be solved, unlike what we witnessed in Paris in a rapid and clinical response of the French security forces supported by Government to track down and capture the terrorists dead or alive within days of their carrying out their murderous activities.

The people of Trinidad and Tobago are investing millions of dollars of our petrodollars into our state security sector hoping to stem the tide of murders, but to date the returns on this investment have been dismal and discouraging to say the least.

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Mr. President, having said that much, let me also say that as an optimist I will not lose hope nor should our people lose hope for eventually good will triumph over evil; that our beloved Republic could again become a place of peace, prosperity and unity once we stand together with earnest purpose to do our part individually and collectively to make a positive difference in the order of the day.

This takes me to my succinct contribution to the debate on the budget 2015 which was set on an oil price base of US \$80 per barrel, with estimates of revenue of, I believe, \$55 billion, which represents yet another successive breaking budget which was pegged, I believe, at \$64 billion. The lion share of the budget was divided among certain high priority Ministries: the Ministry of National Security, I believe, was given \$6.994 billion; the Ministry of Education was given \$10.126 billion; the Ministry of Health \$5.545 billion; and the Ministry of Public Utilities \$3.932 billion. These sums of moneys are by no measure insignificant allocations from the Treasury purse. These said disbursements may very well have been justified and affordable if the projected oil and gas revenues by the Ministry of Finance and the Economy had remained consistent for the financial year budgeted.

4.15 p.m.

Before I go further, let me, for the record, declare that I am not an economist or do I pretend to be an expert in fiscal or macroeconomics. My learned colleague, Sen. Dr. Mahabir, I guess, is quite qualified and I am looking forward to his contribution today. Be that as it may, any good lawyer would, in circumstances of ignorance, seek advice from qualified and competent people in the particular area of concern. Mr. President, that is exactly what I did. I sought such advice and did some research myself. I thought it fortunate to say the least when I heard and read the contribution of one of the MPs in the other place say that the University of the West Indies is intellectually bankrupt based on its academic silence on the face of global energy sector turbulence.

My own observation is that I have found a growing uneasiness among certain members of the employed population unwilling to say much in the open about many matters of national interest for a perceived fear of negative repercussions should they express themselves. I cannot say if this perception also resides in the University of the West Indies and accounts for the Member's comment. As a matter of fact, I was fortunate to have sourced and received valuable economic advice and insight on the current energy crisis from one of the University of the West Indies' foremost academic and economist in Dr. Anthony Birchwood.

Dr. Birchwood was quick to point out to me that the bottom has fallen out of the oil prices and it is an international crisis. He said given the fact that Trinidad and Tobago is an oil and gas economy, it is subject to the boom and bust cycle of economic extremes. For the ordinary man and woman on the street, what does that mean?

Boom and bust cycle is defined by the economist as a process of economic expansion and contraction that occurs repeatedly. This is a key characteristic of modern capitalist economies. During the boom, the economy grows, jobs are numerous and the market earns high returns to investors. However, in the subsequent bust, the economy experiences contraction, it shrinks, jobs are lost and investors lose money. I am told that the boom bust cycle last for varying lengths of time and may also vary in severity.

Mr. President, my research has informed me that since the mid-1940s, the United States of America has experienced approximately 12 boom and bust cycles; in the case of Trinidad and Tobago, the country has experienced, I believe, two: in 1980 and again, in 2009. Such cycles—and in each case, in the first instance, I think it lasted for 10 years and in the second instance, it may have lasted for a year and a half.

I am also informed that the Central Bank plays a critical role in boom bust cycles as the ways of how it handles the money supply. For example, lower interest rates and people will overinvest. This excess investment is called mal-investments: supply would outstrip demand and the bust cycle will set in. This is what is now happening in the energy sector with oil and gas as there now exists an excess supply of oil of outstripping effective demand. This has to do with geopolitics playing itself out among the major oil producers and price makers. We are price-takers, not makers.

Government subsidy, it is said, which makes it less expensive to invest, also contributes to the boom bust cycle by encouraging companies and individuals to overinvest in the subsidized items. What is clearly the preferred position for Trinidad and Tobago is an economy structured in such a way that will give rise to a long and steady economic growth period that will protect us from the episodes of boom and bust cycles.

Mr. President, here we have before us the largest budget passed since 2010. It just seems too high. Now the oil price has dropped and the rug has metaphorically been pulled from under us. Faced with this oil and gas crisis the Government needs to urgently deal with the technical issues of adjustment, starting with the critical and pragmatic review of the budget allocations as proposed and passed in

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this Parliament. So far, the Government has not clearly stated its position, vis-à-vis what Items or from what Ministries it is prepared to make rational adjustments. My urging does not mean to panic but to act decisively and responsibly in keeping with the Government's mantra that it is a caring Government working in the interest of the people. That is what every Government ought to do upon being elected to office: act in the people's best interest at all times, in good times and in difficult times alike.

Mr. President, I really recognize that there is no quick fix to this situation and it requires robust, intellectual and technical industry to shrewdly navigate this energy crisis to stave off any possible recession or depression from occurring. What is very obvious to me is that this Government has some hard choices to make to reliably address the situation. Some of the hard choices may well have a bearing on a Government's re-election ambition, but if the country's welfare comes first, this should not be a deterrent. The country has experienced high expenditure for over four years with negative growth. I believe, in 2010 and for 2015, it is projected at 0.5 growth as stated by the Central Bank. The Minister, in his contribution, said that the Ministry of Finance and the Economy has projected 0.8.

I do not have the answers but rudimentary economics will tell me that in times of low income, low revenue, cost and expenditure have to be reviewed for downward adjustments. Priority of need over want is yet another matter of immediate focus for the Government. Since no one can predict with any certainty how long the depressed oil and gas prices would last, the Government's action cannot be delayed or obscured by political expediency, notwithstanding that we are perhaps mere months away from an election.

The concerns of the business community who have expressed the desire for the Government to articulate what exactly is its proposed strategy in response to the drastic falling oil prices underscore, the importance of Government acting now, and not forestalling what may inevitably be the need for stringent fiscal discipline going forward.

Finally, Mr. President, the matter of the Heritage and Stabilisation Fund is of concern to the people of this country. How is it going to be used during this time? Some indication from the hon. Minister of Finance and the Economy will be appreciated. He needs to tell the country: what is the Government's intention to extract from the fund during this time? I have reviewed the Heritage and Stabilisation Fund Act, No. 6 of 2007, and I have some concerns after reading sections 12 to 15. The Fund was established precisely for this type of situation we now face and it is left to be seen how the Government intends to use it. If I may just look at the sections of concern to me. Section 12 of the Heritage and Stabilisation Fund Act states and I beg your indulgence to read it. It states:

“The resources of the Fund shall consist of—

(a) moneys transferred from the Interim Revenue Stabilisation Fund;”

Which I believe, by now, has been done; it has been deposited in the Stabilisation Fund. Secondly, the:

(b) petroleum revenues deposited into the Fund in accordance with section 13; and

(c) assets acquired and earned from investments.”

Section 13 states:

“(1) Where petroleum revenue collected in each quarter of any financial year—

(a) exceed the estimated petroleum revenues for that quarter of the financial year by more than ten per cent, the currency of the United States of America equivalent of the excess revenue shall be withdrawn from the Consolidated Fund and deposited to the Fund in accordance with section 14(1); or.

(b) exceed the estimated petroleum revenues for that quarter of a financial year but do not exceed such estimated revenues by at least ten per cent, the Minister may direct that the currency of the United States of America equivalent of all or part of the excess revenue shall be withdrawn from the Consolidated Fund and deposited to the Fund in accordance within section 14(1).”

Subsection (2) reads:

“The deposits referred to in subsection (1) shall be made no later than the end of the month following the quarter in respect of which the deposit was calculated.”

But more importantly, subsection (3) goes on to state:

“For the purposes of this section the estimated petroleum revenues, other than royalties, shall be calculated on the basis of a unit price for petroleum derived from an eleven-year moving average for prices at which crude oil and natural gas were the disposed of in a current financial year, such eleven years being five years immediately prior to that current financial year together with the prices projected for the disposal of such crude oil and natural gas for the five years immediately following the current financial year.”

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Indulge me to go on. For the purpose of this section, it states what a “quarter” is. But section 14 goes on:

“Allocation of deposits to fund.

- (1) A minimum of sixty per cent of the aggregate of the excess revenues shall be deposited to the Fund during a financial year.
- (2) All revenues to be deposited into the Fund shall be a charge on the Consolidated Fund.”

Now, those provisions deal with what is to be deposited into the fund, how much money, what percentage of the revenue derived from petroleum is supposed to be deposited. Obviously it is not a straightforward calculation for me at this point in time. I believe the economists such as Dr. Mahabir probably would have probably paid closer attention and be able to articulate with much more certainty and give a sort of clarification, for public purposes, exactly what is expected of Government, according to this Act, to contribute from the revenues derived from petroleum on an annual basis into this fund, for us to provide for what exactly is taking place here.

What is also of importance, Mr. President, is section 15 which states:

- “(1) Subject to subsections (2) and (3), where...petroleum revenues collected in any financial year fall below the estimated petroleum revenues for that financial year by at least ten per cent, withdrawals may be made from the Fund as follows, whichever is the lesser amount:
- (a) either sixty per cent of the amount of the shortfall of petroleum revenues for that year; or
 - (b) twenty-five per cent of the balance standing to the credit of the Fund at the beginning of that year.
- (2) The amount withdrawn from the Fund in accordance with subsection (1), shall be deposited into the Consolidated Fund within forty-eight hours of such withdrawal.
- (3) Notwithstanding subsection (1), no withdrawal may be made from the Fund in any financial year, where the balance standing to the credit of the Fund would fall below one billion dollars in the currency of the United States of America, if such withdrawal were to be made.”

Now, section 15 clearly deals with how the money is to be withdrawn and on what conditions the money is to be withdrawn.

What is required at this point in time from the Minister of Finance and the Economy, from this Government, is to articulate, for the purpose of the public's edification, whether or not the circumstances that exist now with this current energy crisis requires the Government or entitles the Government to have access to the Consolidated Fund. If so, could it spell out carefully what has triggered it, in what terms and how is it going to deal with any withdrawals as such? Okay? I certainly hope that my colleague, Sen. Dr. Mahabir, that he probably may have looked at this item and probably would have something to say.

But these are the matters that I think that are concerning public's interest because we have a Heritage and Stabilisation Fund which is set up for rainy days, for days like this, and this may not be the time, but I find probably the Act should be reviewed for the purpose of clarification and articulating the way in which it is to be managed. Because you have heritage which signals and provides for something completely different for which is stabilization, and based on what I have seen in the section of the Act, you could withdraw to the extent that US \$1 billion remain. Outside of that, you can withdraw whatever is in excess of that.

4.30 p.m.

So it means, if you are looking at it in terms of heritage provision, that only \$1 billion is secured at any point in time for sure for heritage purposes and, therefore, if you were to have \$20 billion right now in existence, in the Heritage and Stabilisation Fund, you can extract \$19 billion easily and, therefore, undermine what probably could be a more substantial provision for securing the heritage of the future generation. So probably it is something to look at in future. But at this point in time I think that some sort of clarity ought to be coming from the Minister of Finance and Economy as to whether or not, according to the provisions of this Act, the Heritage and Stabilisation Fund, if it is a situation that is ideally geared towards him accessing it in order to stabilise and cater for the difference in what revenues were projected to what revenues are going to be received and how recurrent expenditure is going to be really catered for.

During Sen. Vasant Bharath's contribution, he did make mention of a few items, which he articulated as what they are looking to, in terms of saving cost, which was helpful. But I believe probably in days to come more would probably be said from his ministry or from the Ministry of Finance and the Economy itself.

He did say that that PSIP is supposed to save \$1.1 billion. He said goods and services is supposed to save another \$3 and a half billion. He said subsidies were \$1.4 billion. And then he spoke about the IPO, which is supposed to probably raise some revenue but not saying exactly how much revenue would be raised from that.

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At the end of all of it, what is important is that this is not the first time we are here, which is true but I think it is not an excuse for this Government or any government who at present has stewardship and is in power now to deal with navigating this crisis. Its needs to articulate, I guess, with much more clarity and cogency exactly what is their strategy, what is the Government's plan, so as to alleviate any anxiety and panic that may certainly well be lurking right now in the public at large, especially in the business community.

As any shrewd person dealing with finance would tell you, it is not necessarily, as my colleague was discussing with me a while ago, it is not how much money you get but how you deal with the money that you have. What are the priorities? Is the Government going to revisit the spending? Of course any reasonable person who understands the dynamics of politics knows that in a year of elections, looking to cut certain social programmes is almost like suicide. That is not expected, but one certainly would expect that whatever the Government is contemplating should be articulated early so as to give some comfort to us the public who is very much uneasy with the rapid and continuous decline in the revenue projection from \$80 in the space of a few days of the year to almost past half. It is now, as was quoted a while ago, \$45.

Also, what I am told by the economist is that it is not just that even though we are saying that Trinidad and Tobago is not an oil-based economy but also more of a gas economy, the gas price fluctuation is also affected. It is also—there is some sort of parity. I cannot remember the economic term he used, but it is also falling as well. So, therefore, what is falling in gas and falling in oil—I think he gave me some percentage of 0.7 per cent, in terms of parity. So it means that we are also experiencing a decline and also exposed to a lower revenue coming from gas.

As one of the prior speakers said before as well. You have a number of different countries and companies coming on stream with the supply of gas. For the same oversupply that is being experienced in the oil, is also subject to the gas as well and prices will be depressed. So, therefore, what is our Government's vision? What is our Government's strategy, in terms of addressing the situation is of immediate concern.

A couple of weeks ago the bp management met with the Senate in articulating and giving us an understanding of their projections, and so on in the economy, in terms of gas. One of the concerns raised I think, was the negotiation of contracts; contracts that are pending to be renewed. In these, declining revenue, energy, oil and so forth, this must have a bearing on the strength of our Government to be

able to negotiate contracts that would be in our interest; that would be in the country's interest. Would they be more vulnerable to give up more than we were able to get and secure in this thing? All these are things that, I believe, must be taken on board in considering, as a strategy, how we are going to navigate this period of time, the duration of which are not certain about. It is all good to be positive and optimistic in saying it would not fall below \$40-something a barrel and it may go back up within the next few months, who knows, between 60/70. No one can say. No one can say with any certainty.

So, in the meantime, I think that whatever measures need to be taken ought to be taken boldly, honestly, transparently and put our country in a state of preparation to deal with whatever may be the ultimate fallout from declining revenues in the energy sector.

In closing, Mr. President, I know the choices for the Government to cut back spending at this time cannot be an easy one, but if that is what is demanded economically so as to avoid down the road even more difficult economic times, the Government should do so. Clear and cogent information must be provided by the Government. Its intended strategy to address the lurking economic crisis that the country is facing must not be delayed.

With those few words, Mr. President, I thank you.

Mr. President: Hon. Senators, it is now 4.37 p.m. I propose to take the tea break at this point and to resume at 5.10 p.m. This Senate will stand suspended until 5.10p.m.

4.37 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

VISITORS

Canadian Parliamentary Delegation

Mr. President: Hon. Senators, before we continue the debate, I would like to recognize the presence of Senator Meredith from the Canadian Parliament and the delegation from Canada who have been here over the past few days. We hope they have an enjoyable opportunity of witnessing our Senate in session. [*Desk thumping*]

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) (FINANCIAL YEAR 2014) BILL, 2015

The Minister of Tertiary Education and Skills Training (Sen. The Hon. Fazal Karim): Thank you very much, Mr. President, for allowing me the opportunity and the privilege to contribute to this Finance Bill, 2015 and an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2014) Act, 2013.

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In doing so, let me join with you in formally welcoming our colleagues from the Canadian Parliament and to wish them, as you indicated, a very pleasant stay in our beautiful twin island Republic.

Mr. President, I also wish to offer by best wishes for a very successful 2015 to all my colleagues in the Senate and to tell Sen. Shamfa Cudjoe that we are in for no surprise. We know the result. [*Desk thumping*] We are going to be here again. This is work in progress. This is the continuity of a great Government. This is about a Government that cares for the people, of the people and by the people.

Mr. President, may I also take this opportunity to join my colleagues in expressing condolences for former Senator Martin Joseph on his very untimely passing and the family of Senator Joseph.

Before I get into the heart of my contribution, I wish to say, a saying that I hold very close to my heart and I know you would have read this book several times. It is a statement that we all should be guided by. It comes from the book *The 7 Habits of Highly Effective People* by Stephen Covey, in which he says, among other things: the things that are closest to us we take most for granted, to which I have added without Mr. Covey's permission, until something happens and it is too late.

Mr. President, we thank Almighty God for the opportunity to be here and for every day of life and as my wife would always remind me: what you confess, you will possess. And we confess, among other things, that Almighty God will spare our lives for many days and many years and to see the successful return of the People's Partnership Government. [*Desk thumping*]

I do not want to go down the road of my colleague, Sen. Cudjoe, who just left the Chamber, because I thought I was here to contribute to the 2015 Finance Bill and the Act for appropriation. But, in listening to her I looked back at my notes and I thought for a moment that maybe it was an Act to critique the statement by the hon. Prime Minister a few days ago. [*Desk thumping*] Because everything that my colleague spoke about, I was trying to follow it from my notes, but it was really about a dissatisfaction.

Mr. President, let me just say—and my colleague on the other side, the Leader of the Opposition Bench—that statement from the hon. Prime Minister was prudent, it was timely, it was relevant, it was responsive, but most important of all, it was responsible. [*Desk thumping*]

5.15 p.m.

That is what leadership is about and, therefore, this is not about leadership by “vaps, voops and vaille-que-vaille, to go to ah football game”, this is about taking the business of the people of this country seriously. [*Desk thumping*] I want also to say to my friend, Sen. Roach—unfortunately he is not here—that that statement was a statement in my view for the country; that was a statement of comfort; that was a statement of confidence; and that was a statement of security for the well-being of every citizen of Trinidad and Tobago. [*Desk thumping*]

Mr. President, lest I repeat what is already there in writing, I just want to refer, and I made reference to the fact that I am speaking on two pieces of legislation. As it relates to the Appropriation Bill, let me just indicate with respect to Head 72, the Ministry of Tertiary Education and Skills Training, which I have the honour to lead, and which I am extremely grateful to the hon. Prime Minister for allowing me to lead, [*Interruption*] of which this and all my colleagues [*Interruption*] on this side, and all my ministerial colleagues are excelling beyond expectation for a Government. [*Desk thumping*]

Let me say, that Sen. Drayton had indicated that we must look at how we rationalize all training. How do we rationalize? In fact, let me just say to my friend who is now getting some attention on this side, since Minister Ganga Singh was talking about that we are excelling, let me just say one way in which we are excelling. When we came into Government in May of 2010, the participation rate in the tertiary sector was met at 42 per cent. The Government of the Republic of Trinidad and Tobago, Mr. President, set a target by May of 2015, “which we eh reach yet”, of 60 per cent. I want to announce to this House, that as at the end of December 2013 and certainly for the entire 2014, we had exceeded that participation rate to 65.2 per cent. [*Desk thumping*]

I want to tell you that we have not even checked in as yet for the flight with the vocational sector. When we add the vocational sector to that, never in the history of this country have we had a participation rate in the tertiary sector like this, under the Government of the Republic of Trinidad and Tobago. [*Desk thumping*]

So we have a transfer of \$6.8 million—to be exact, \$6,803,480—and that would have been for salaries and cost of living allowance, allowances for monthly paid officers, government contribution to NIS, and in addition to that, we also have government contribution to group health insurance for monthly officers, the ECIAF, the Eastern Caribbean Institute of Agriculture and Forestry, and overtime for daily-rated workers, totalling the \$6,803,480. [*Desk thumping*] [*Interruption*] Sen. Lambert is exuberant because this is about the daily-rated workers. We do not discriminate. We treat everyone with equality and equity of opportunity. [*Desk thumping*]

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In addition to that, I want to also say that with respect to the Finance Bill, 2015, equality of opportunity is now extended to the Arthur Lok Jack Graduate School of Business for VAT exemption, like the University of the West Indies, St. Augustine Campus. [*Desk thumping*]

Mr. President, I indicated that I wish Sen. Roach, my colleague, would have been here, because he spoke about the fact that we need to avoid panic. We need to ensure that there is calm. I want to tell you I have the speech from the hon. Prime Minister, her address to the nation. I was going to remind him about what she said to ensure that what he was asking about is in fact here, and I quote:

“Fellow citizens, the things that matter most to you are the things that matter most to Government.”

The people and the Government are at one in terms of how we take care of our people.

“Therefore, with the necessary adjustments we will not compromise and we will continue:

to provide protection for the most vulnerable and disadvantaged;

to ensure that the pace of business activity continues;

to preserve jobs and personal incomes;”

And let me just add to that, to increase jobs and job opportunities. [*Desk thumping*]

“to intensify our efforts in making our nation safer;”

We have the very distinguished work of our colleague, the hon. Minister of National Security, [*Desk thumping*] Sen. Gary Griffith.

“to maintain our successful investments in education that have reaped so many rewards;”

I want to congratulate as well, my Cabinet and ministerial colleague, the Minister of Education, hon. Dr. Tim Gopeesingh. [*Desk thumping*]

“to make improvements in the quality of health care...”

—through Dr. Fuad Khan, Minister of Health. [*Desk thumping*]

Never, ever in the history of this country, we do not have to go selling buns and cake and raising money with “tooloom”. And my colleague said that candied speech—or even selling candy to raise money to have an operation. We will be opening the children’s hospital right here. [*Desk thumping*] And we can boast about the relationship we have with the Hospital for Sick Children in Toronto. We are going

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to have international cooperation and branding, but that is only one among the many. In fact, for the first time in the history, again, after we opened the Mount Hope Medical Sciences Complex, we have opened—and it is going to be populated with programmes now and students—the first teaching hospital in San Fernando. [*Desk thumping*]

Hon. Prime Minister also went on to say:

“to keep our commitment to critical infrastructure projects including schools, hospitals, the energy corridor...”

I want to congratulate my colleague, the Minister of Energy and Energy Affairs. [*Desk thumping*] Housing, all of these—I can go on and on. It is all here. [*Crosstalk*]

“Unemployment”—rate—“historically low at 3.6 per cent;”

Therefore, when we are speaking about the opportunity for education and training—because it is my view that education and training is the passport from poverty to prosperity. [*Desk thumping*] As a matter of fact, for very many years we have read, we have listened, we have heard the voices of Lloyd Best, the Plantation Economy. We have heard added to that, Prof. Kari Levitt from McGill University, the Plantation Economy furthermore modified. We have read Girvan and Jefferson. We have read George Beckford’s *Persistent Poverty*. We have read all of these with the plantation monoculture, but this Government is moving to diversify the economy of Trinidad and Tobago. [*Desk thumping*] One of the ways we are doing that is by building the brains, unleashing the human potential: the knowledge economy. [*Desk thumping*]

As a matter of fact, I want to say that recently—we are talking about university—I listened to “de side talk an ting and de sidewalk” as well, [*Laughter*] but I want to tell you as well, very importantly, whatever institution has been paid and made for by the people of this country, is the possession of the people of this country, not any administration. [*Desk thumping*] While you would have opened, under your administration UTT in 2004, we have captured, repositioned, promoted and progressed the University of Trinidad and Tobago, the only national university. [*Desk thumping*] Let me tell you how. I will tell you how. [*Interruption*]

For the first time in the history of Trinidad and Tobago, at the Creativity Campus right here, the former John S Donaldson Technical Institute—Mr. President, you live in this area, you know you cannot drive on Wrightson Road without looking left if you are going west. [*Desk thumping*] It is a facility that looks splendid, but not only that on the outside, but we have changed the internal operations, the curricula, the outcomes, the learning situations, the strategies and the graduates of that institution.

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Let me just say one thing. Soon to be launched there in this year, 2015, will be the first UTT University Press. I want to make it abundantly clear, I proposed and asked the President, the Chairman of the Board of UTT to allow for one year, free of charge, anyone—faculty and student—who wants to produce their dissertation or their studies will be able to print and be bound there free of charge for one year. [*Desk thumping*]

Mr. President, I want to tell you about UTT as well. When you pass San Fernando—and my friend from San Fernando went to the same school as I, Presentation College. When he passes what used to be the San Fernando Technical Institute, he is proud to look at it, because it is now called the Manufacturing Campus, the former San Fernando Technical Institute. We have done again, wonders with that. All of these institutions are relevant, they are responsive to the socio-economic development of Trinidad and Tobago.

This is not about simply putting on programmes. This is what I call, education and training must be demand-led. It cannot be supply driven because if it is supply driven, then what you would have been doing like in the past, is just contributing to a heap of what I call “the graduate glut or the discouraged graduate”. That is, persons who the taxpayers have invested in education and training, at the end of which you do not even have the acknowledgment of a letter of application, let alone a job. Why are we educating and training with \$650 million as Minister Bharath was saying, in terms of the GATE Programme?

Let me just say something about the GATE Programme as I am there. I am going to come back to UTT. My colleague, Sen. Cudjoe, was saying that GATE should not be made available to persons and families who are earning in excess of \$1 million. Well, I want to ask my colleague and all my other colleagues on that Bench, where were you from 2004 to 2010 in May? You did not know that? You could not do anything about it? What did you do about it? You allowed the GATE Programme—in fact, you stole the idea of Dollar for Dollar and tried to improve on it. [*Desk thumping*] That was not your idea. You saw a gate open when you saw Dollar for Dollar there.

I want to tell you something, we have taken this Government, under hon. Prime Minister Kamla Persad-Bissessar, we said, in the 120-day action plan, item No. 2, that we shall preserve the GATE Programme and expand it for the first time. You were there and you did nothing about it to technical and vocational education and training. [*Desk thumping*]

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Mr. President, the evidence is there. I will talk a little more about the GATE Programme, because I want to say something. *[Interruption]* When you look—*[Interruption]* I am hearing some voices in the wilderness. *[Crosstalk]* They were there and I want to say that you are in the wilderness, and after the next election, you will continue to be there. *[Desk thumping]* We will respond to you. I want to tell you, you have the equality of opportunity to raise matters, and I want to tell you, we do not discriminate. *[Desk thumping]*

I want to tell you, if we were discriminating, we would not have expanded like this. *[Holds up a map]* This is the new map of Trinidad and Tobago with all the improvements in the tertiary sector. We opened an MIC in the Diego Martin West constituency. We opened two in La Brea. *[Desk thumping]* I could call all of them, look it here. In fact, what I will do, I will help you. I will give you a copy of this to take home. *[Laughter]*

I want to tell you, Sen. Cudjoe is not here, but I want her to remember what I am going to say. She is saying that she is still awaiting the explanation from the hon. Prime Minister. She is saying: “You do not respect the electorate. She is saying you do not know what to do and do not care”. Well, I want to tell Sen. Cudjoe, we have an educational terminology to describe that behaviour. It is called cognitive disability. *[Laughter]* That is where you do not have cognition. As a matter of fact, all you have to do is go back to Bloom’s taxonomy, the education psychologist that talks about the three domains: the cognitive, that is the knowledge, the head; the affective, that is the heart; and the psychomotor, that is the skills. Read about it, Bloom’s taxonomy.

I want to tell you as well, I am going to come back to the GATE Programme with some more details. Minister Bharath raised a point about Sen. Drayton indicating a concern for advertising.

5.30 p.m.

As a matter of fact, I know people on the other side have raised questions as well about advertising, but let me say, for the Ministry of Tertiary Education and Skills Training, we have spent, since 2010 to currently, \$1.5 million in advertising. That pales into insignificance with the former regime from 2004 to 2010 of \$10.7 million.

I want to tell you something, Mr. President, I was trying to look for evidence of this expenditure of \$10 million. I cannot find it, but what I came across when I was looking are supplements that we had from our Ministry, under our administration, the evidence of accomplishments and achievements. “Look them here.” You can see something tangible. But, of course, you know, when you do economics, you talk about the tangibles and the intangibles; the visibles and the invisibles. So some of these expenditures may be visible without any visibility of anything being done, but we will talk about this on another occasion.

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I want to say as well—let me make it very clear, abundantly clear—one of the things the hon. Prime Minister said is that we will not compromise the social services. I want to make it abundantly clear that you will hear it from none of us here.

I want to say, very clearly, the Government Assistance for Tuition Expenses is very secure and will expand. And I want to say to the country, the public that is looking on, on television today and listening on the radio, beware, listen to the comments of Sen. Cudjoe, your GATE might be in trouble. It might even close, and when the GATE closes you have nowhere to go—up, across or anywhere else. So be careful.

I want to tell you that we continue to secure the GATE and let me tell you how we expanded the GATE. Mr. President, in Camden, in Couva, there is a runway of 5,000 feet, underutilized for very many years. As a matter of fact, I know it as a boy going there because that is where the dust croppers, what we called the dusting plane, used to take off and land. That is where the bomber used to take off and out as it were, open the belly, water will fall. I am sure Sen. Baldeo-Chadeesingh will remember that, being from Central in the sugarcane fields, and certainly Sen. Avinash Singh from Felicity. That runway sat there and continues to sit there and is now being used for racing. I want to compliment my colleague, Sen. Bharath, for allowing the racing fraternity to use it in their spare time.

Mr. President, do you know what I have done? I said to the University of Trinidad and Tobago: “Let us utilize that underutilized facility. Let us use that runway. Let us begin the concept of a consortium aviation campus.” [*Desk thumping*] It might interest my colleagues who are here from abroad in Canada, and my colleagues who are here in the front and now listening and learning, some of whom do not have—and I am sure one of my colleagues, particularly is a—I know he listens well. I want to tell you about that Camden airstrip.

We use that Camden airstrip to configure a consortium campus. Who is this consortium campus? Guess who? [*Laughter*] [*Interruption*] That is the problem when you teach and you have students who disturb a class. [*Desk thumping*] When you have finished, there will be failures in the class. So the reason is evident.

I want to tell you about the aviation campus. We use the University of Trinidad and Tobago, accredited, internationally recognized; Caribbean Airlines has guaranteed that all the persons we are training there will be employed by Caribbean Airlines; the Trinidad and Tobago Air Guard; the Civil Aviation Authority; the National Helicopter Services Limited; the Metal Industries Institute

of Technology and the National Training Agency. I want to tell the country, and to tell this honourable Senate, we now have a class of 25 persons, young boys and girls, for the first time in the history of this country, who are doing a GATE-approved Certificate in Aviation Technology. [*Desk thumping*]

I welcome any donations from my friends who are listening to us in the Public Gallery of anything to the Aviation Campus. I know in Downsview there is a training school. I know where Bombardier is located, but I want to tell you that we have parked up at the south terminal of the Piarco International Airport, a 727 jet courtesy FedEx and courtesy the Civil Aviation Authority that is a donation to the aviation campus in Camden. It was donated—and Minister Bharath was there. I want to compliment Minister Bharath who was there to receive it as well.

You cannot expect to diversify your economy if, like the former administration, you are doing the same thing year in/year out and expect a different result, otherwise you will have to go somewhere. [*Desk thumping*] Those who do that, you have to go take a road at the side of Queen's Hall and they will carry you up to a place where you will find some solace and comfort. [*Laughter*] Those of you who do that and you do that to yourself and you inflict that injury on you, you have to go for restitution there. The road goes north at the side of Queen's Hall and you will meet the building on the left.

Mr. President, I want to tell you that this is the third class. We have graduated two classes already. We have graduated two classes in avionics and navigation systems. I want to tell you, we have a donation of two Sikorsky-plus helicopters courtesy the National Helicopters Services Limited for which I want to thank my colleague, the Minister of Transport, hon. Stephen Cadiz.

Mr. President, do you know that we spent exorbitant amounts of money—and we are talking about frugality. We are talking about cutting the cloth to fit the suit. We are talking about conservatism. We are not saying that what somebody else said that Minister Bharath said, full speed ahead. “Doh worry. Who get lick up, lick up.” We are here. We are a responsible and caring Government. We “doh” only write and say we care. We show we care by our actions. [*Desk thumping*]

It might impress you to know and I know I would have seen you already over there and you know Miami well—as you come out of the airport, on the right side, George T. Baker Aviation School, Embry-Riddle Aeronautical University, Florida Institute of Technology; all of them we are talking; and collaborating. To do what? So that we can train our boys and girls right here. This will the Caribbean Centre for Aviation Studies. [*Desk thumping*] This is what this is about.

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Recently, we saw where soon there will be flights from Sao Paulo to Tobago. What does that mean for us? It means opportunity. It means education. It means training. It means, above all, sustainable jobs. [*Desk thumping*]

I talk about UTT. I talk about the aviation campus. I just want to tell my friends on the other side—not on the far other side, just in the immediate so that they can hear, cognitively—after 100 years of oil in this country, for the first time under the Kamla Persad-Bissessar administration, a drilling school was launched. [*Desk thumping*] I am sure Sen. Small applauds that because we are now bringing people from abroad to be trained right here. You can find a Trinidadian and Tobagonian in many of the oil fields and gas fields in the world—anywhere. [*Interruption*]

Yes, and in fact they are part of that as well, and Kensal School of Technology has students there at the drilling school. I want to tell you: Ferguson, they were our first customers at the drilling school because they understood the importance of not sending people outside, of not exporting foreign exchange, of not letting our talent go. As a matter of fact, Mr. President, I want to tell you, it is my view that “talentism” is the new capitalism. [*Desk thumping*]

Hon. Senator: A new word.

Sen. The Hon. F. Karim: Those who would like to learn, there would be a test afterwards, not now. We will facilitate you with multiple choice questions so you do not have to study hard. All it calls for is a little memory.

I want to tell you I am passionate about what I do. You know why? Because of the leadership of the Government of Trinidad and Tobago, Mrs. Kamla Persad-Bissessar. [*Desk thumping*] I want to tell you that with respect to the GATE Programme, we talk about the participation rate. Let me just tell you what I inherited with the GATE Programme. We inherited a situation where students were failing and not being held to account. We inherited a situation where institutions were over-invoicing. We inherited a situation where there were variations, wide variations in the fees that were charged by training providers. We inherited a situation where sometimes people simply put a GATE stamp, “GATE Approved”, without being registered or accredited by the Accreditation Council.

Mr. President, I want to tell you that that no longer exists. We are securing the GATE Programme, but we are “efficiencying” the system. As a matter of fact, we now have 67,000 persons registered in the tertiary sector, of which 59,000 access the GATE Programme, all of whom are now uploading on an electronic system called the GATE e-services—first time in the history of Trinidad and Tobago. [*Desk thumping*]

Mr. President, I am saying that because it is not a boast about this Government only. While we achieved that, this is for the benefit and the welfare of our citizens. You know why? We no longer have to take piles of GATE applications manually. Every one of them will be uploaded and, not only that, we will be able to track you where you are. We will be able to know what programmes you are doing. We will be able to know if you are attending classes.

I see Dr. Balgobin because I know that he runs an institution like that and he is an excellent person. As a matter of fact, he commended what we are doing and I thank Dr. Balgobin for his support with respect to the adjustment to the GATE Programme.

This is a period of adjustment. The more money we can save with efficiency in the system, the greater for innovation, access and opportunity. The line does not have to be long, but why, I ask the question, why are we allowing, sometimes without proper career guidance and counselling, students to do two first degrees when you can do one first degree and go higher up? Upward mobility, not lateral accessibility.

I had an encounter recently. I went to the GATE office to visit and I saw a young girl there. I said: "How are you? Happy New Year. So what is the problem? What are you doing here?" She said, "Well, I am here to register for a degree in management. My mother got a stroke, so I want to transfer from where I am doing the programme here to south."

I said, "So how is the course going?" She said, "Good". I said, "Why are you doing this degree in management?" "Well, I did another degree." If I only call this degree, you will know the institution, so I am not going to call it. "I did another degree at an institution where the class size was 300 to 400 persons. And you know what Minister? I could not get a job when I did that degree." And I said to myself, "That is why we launched, for the first time, the J and C, the Jobs and Career Coaches, an innovation".

We have them in Canada as well. I saw it there. They move around to Pickering, to Mississauga, to all the malls. They go to schools. They go to fairs. They go to bazaars. We have that in Trinidad, but we have improved upon it. These buses—and I want to tell my friends on the other side—are not only for us. These buses are also cognitive improvement and we will allow you to use them free of charge. You do not have to pay.

I want to say what these buses are for. On those buses, if you do not know how to write a letter of application, you go to that bus. When you write the application, it asks you for a CV. You do not know, you go to that bus. When you get the CV and they tell you to come for an interview, you go to that bus. They prepare you for the interview. You can find out from that bus any course you want to do. They will advise you what you should do because they have the labour market study loaded on that bus.

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As a matter of fact, I tell people, “doh miss dat bus” because that is important. If we cannot advise you properly—listen, some of us who went to school, some of us probably did not go far in school, but for those who did not go far, I would never say that you are uneducated, but I will tell you the difference. I am sorry some of my colleagues are not here. There is a difference between education and schooling as there is a difference between qualification and certification. A lot of people might have paper, you know. Some people have paper right in front of them now, but it does not mean that you have a paper, it might certify you. It says that you may be able to do a job, but sometimes it is not only that. We are talking about competence to deliver.

5.45 p.m.

As a matter of fact, Mr. President, I want to tell you, there is another innovation coming called RRW. For those on the other side who would not have much to do after the next election, we have opportunities for you especially if you are reaching retirement age voluntarily or involuntarily. The programme is called RRW. RRW means Retirees—it is nobody’s name—Returning to the Workforce. [*Desk thumping and crosstalk*] So, after the next election when you find, “You eh ha nothing to do because yuh lost the election”, come to RRW. As a matter of fact, I want to tell you what it is.

The concept of the RRW is, we are finding—I am sure you will appreciate this in all seriousness now, our colleagues on the other side—today you are 60 years so you retire, tomorrow you start 61 but, guess what? You are going to buy papers, drink coffee and give your wife trouble home. Well, we say, “Listen, we want to utilize your brain or your husband as well.” I am just using that tongue-in-cheek because, you know, sometimes people stay at home and they just find nothing to do.

As a matter of fact, I want to tell you something. I have seen evidence where people who would have worked for many years find it difficult to adjust to retirement. Sometimes they continue to get up to bathe, to shave, to dress and, “eh ha no way to go.” I am saying RRW is for you; Retirees Returning to the Workforce. [*Desk thumping*]

As a matter of fact, my friends were talking about competence and capability, I want to tell you what we are doing as well. You see, people will tell you, “Well, listen, situation bad, gloom and doom, we eh ha money, we cyar do this”, but sometimes it does not take much money to do effective things. [*Desk thumping*] The small things in life could lead to big things later on.

As a matter of fact, if you feel that now is the time for us to cut back on training, I am saying now is the time for us to ensure that we continue to be consistent with training, so as we increase and the upturn comes again, we will be able to have more people in jobs. Now is the time for study to make sure that you get work in one, two or three years as the case may be. I say that in the context, for example, of a few letters I am going to describe call WAC. What is the WAC?

Sen. Robinson-Regis: Wack!

Sen. The Hon. F. Karim: You see, my friend is so accustomed with CEPEP and wacker. [*Laughter*] They engineered the “wack”. From the time you hear “wack”, you say wacker, and after that is CEPEP gang. Oh Lord, but I will tell you something. Do not worry, sometimes when you listen, it is as if they gone out “ah wack”. The way how they talk, they gone “wacko”. So, the WAC is really the Workforce Assessment Centre. What is that? That is for those persons who have skills, competencies, but not the next “c”, no certification.

You have plumbers, masons and hairdressers. Look how beautiful some of my friends look! They could do nails; they could do hairstyles, they may be a seamstress. “Meh partner could be a good auto mechanic, very good.” There are some auto mechanics—Sen. Small would tell you—who listen to a car and tell you what the problem is. They listen! They are real car doctors but, guess what? They have no certification. So what we are doing, we have developed the National Occupational Standards of Competency, internationally recognized, through the award of ACVQ, a Caribbean Vocational Qualification, awarded by whom? Not me, by the CXC, internationally recognized, so that you can be assessed against any standard—you are a welder, a plumber, a mason, a carpenter, all of those.

Mr. President, I want to tell you, under the People’s Partnership Government led by the hon. Kamla Persad-Bissessar, we have touched 5,000 lives [*Desk thumping*] that would have never been touched. Do you know what? I could hear it on the other side: “Buh we is ah Government that use to care. When we was there we care”, but you did not care for them. You saw them as less than equal.

As a matter of fact, I would tell you something. There was a perpetuation of the philosophy and the ideology of the lack of parity of esteem. What does that mean? You see the groaning and the pain, it is hard; it is hard. I remember, as a matter of fact, I would tell you the vocational sector was condescended upon, Mr. President. As a matter of fact, when you look at academia—you look at two children in a home and the principal call your parents—one going to a prestige school and the next one going to a junior sec at that time, you know which part the parents going first.

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As a matter of fact, I want to tell you what we have done now. We are creating the level playing field. [*Desk thumping*] Read the McKinsey Global Report, and you will see that by 2025 how many thousands and millions of jobs will be available in the vocational sector. Read why Germany has one of the lowest rates of unemployment. It is because of the dual system of training, the apprenticeship system, the My Star system, which is being modelled here by MIC. We are going back to the trade school system.

Sen. Small would be happy to know, right now, we have about 75 students on the Point Lisas Industrial Estate with two years, six months each rotation, on the major plants in Point Lisas. [*Desk thumping*] The trade school concept is back. [*Desk thumping*] We care, but we do not only care. I want to tell you, Mr. President, how we care. [*Crosstalk*] Mr. President, it is all right, you know. Listen, I have the ability like Howard Gardener—multiple intelligences is to listen to things that are not intelligent while I talk, but it is all right, I would not be disturbed.

I want to tell you what we are going to be opening. In addition to the trade school concept, I want to tell you what we will be opening soon. In this year, for the first time—almost like my colleague, the Minister of Energy and Energy Affairs would be very familiar with Petrobras, the company in Brazil and Petrobras University—we will be opening for the first time a Petro UTT Campus at Petrotrin in Pointe-a-Pierre with the workers there. [*Desk thumping*]

Mr. President, the number of things I have to talk on here today, I do not know if I have enough time, but I want to tell you we are going to be with the trade school concept. We launched a trade school with the PTSC. Minister Cadiz has now asked that the NESC engage with the PTSC to train all their mechanics and technicians; that we will be doing. [*Desk thumping*]

As a matter of fact, there are so many technology centres that we propose to open and, again, another first for Trinidad and Tobago. At Woodford Lodge—you know, I was almost tempted to give descriptions as to the closure of Caroni (1975) Limited which took place under that famous—[*Interruption*]

Sen. Robinson-Regis: PNM Government.

Sen. The Hon. F. Karim: Look, you say that, so it is like a chorus. What I will do, I will say the first part and you will repeat. [*Laughter*] Everything I say, you say, “is the PNM government”. So, who closed down Caroni (1975) Limited? The PNM Government. Who had overruns in all of these projects? The PNM. Let me just come to my point. For the first time, I want to tell you, Mr. President, the Transport and Field Engineering Departments of Caroni (1975) Limited were as follows: Usine Ste. Madeleine, Brechin Castle and Woodford Lodge. All are now under the jurisdiction of the National Energy Skills Centre.

Mr. President, the latest one we opened, we—opened an auditorium recently at Usine Ste. Madeleine, that is where the drilling school is—but in Chaguanas, the Transport and Field Engineering Department, for the first time a state-of-the-art automotive technology centre with heavy equipment training facilitated by Caterpillar and Tracmac. Never before! [*Desk thumping*]

As a matter of fact, I have asked my colleague, Minister Gopeesingh, I say, listen, if in the schools that were built in the years gone by, you do not have up-to-date labs and equipment in block A and block O, the two vocational blocks, and if you have an extension of block L, which also has some vocational or block C—I know the school by heart. I went to school. I teach in the school too—but for those areas where we do not have up-to-date equipment, I told Minister Gopeesingh to come, bring the students. We will not leave them disenfranchised to learn, bring them there and we will allow you to use the facilities. It is one Government and one people for the benefit of everybody. [*Desk thumping*]

So, we would have opened a number of centres as I indicated. We would have opened for the first time COSTAATT, Sangre Grande, there is a campus there. Again, under the previous administration they talked about the El Dorado Girls Youth Camp. Mr. President, I was there. I went and see it. They left it to rot, to decay, to be abused. Let me tell you what was being held there. They left one class at a big facility in El Dorado. Do you know what was the class?—it had nothing to do with the girls youth camp—a class of 10 people doing music from the community.

When I asked for that facility to be transferred—I want to congratulate the hon. Prime Minister for allowing it to be transferred to our Ministry—for the first time the El Dorado Girls Youth Camp formerly is now the El Dorado Nurses Training Academy, 1,200. [*Desk thumping*] It is also being used by the University of the West Indies, St. Augustine. COSTAATT has expanded. As a matter of fact, I remember the days when Dr. Tewarie was in charge of COSTAATT, the chairman. The Community College, that continues to have a place in our education sector. We will be expanding.

If you were to pass now at Connector Road in Chaguanas you will see a facility being constructed, and on that road that facility is going to be called COSTAATT's main campus, on 30 acres of land. [*Desk thumping*] That is coming. But, you know, as I talk about nurses training and so on, as I talk about Chaguanas, because they say—I want to answer this question, Mr. President. They have a saying on the other side that we are taking a lot of things to central and south. I want to tell you and I want to tell everybody that all the people in this country—Trinidad and Tobago and Tobago and Trinidad—must have the equality of opportunity. Central Trinidad, south Trinidad, north Trinidad and Tobago is not a place that you pass through, it is a place that you must take notice of.

Mr. President: The speaking time of the hon. Sen. Fazal Karim has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. Sen. G. Singh*]

Question put and agreed to.

Sen. The Hon. F. Karim: Thank you very much, Mr. President. I want to say that I am really genuinely grateful to my colleagues on the other side who really supported the extension of my time. Thank you very much.

Mr. President, I want to say as well, with respect to COSTAATT, I want to tell you that we intend to expand COSTAATT training. I was talking about Chaguanas, and I was saying there is a statement that is being made that things are moving central and south. Well, I want to tell you that north Trinidad is in Trinidad, south Trinidad is in Trinidad and central Trinidad is in Trinidad, and whatever we are doing in the north we will do it in central, we will do it in the south and we will do it in Tobago. [*Desk thumping*] But in case you want me to elaborate, I would elaborate, but not on this occasion. I would tell you after how many years you kept everything in certain constituencies and you did nothing in the Opposition constituencies before. Do not let me go down that road. It has plenty data, it has plenty statistics, but then for those who have cognitive dissonance or disability, the mathematics might be a little problematic. All I ask you to do is when we speak to make sure that you prepare with the three r's: the reading, the writing and the arithmetic especially. [*Desk thumping*]

Mr. President, I want to tell you that in central Trinidad, as you drive from Mount Hope in the north and you see on the left side the National Oncology Centre being built—I want to tell you, we are talking about austerity. The other side is saying we should save we should not waste. I want to ask them: “How you could put \$100 million in concrete and eh build nothing again and call it an oncology centre?” You did not know what an oncology centre looks like! It is not concrete; it is not a platform, so we have to finish that. And as you go down the road, you will come to another building near the Divali Nagar, the first of its kind. One word will describe that building, Mr. President, the word is called “decentralization”. We talk too much, we are putting it in action. [*Desk thumping*] And hear what they are saying: “Plenty traffic jam, productivity, man hours, women hours everything.” Listen, this is about making access.

I want to state categorically from now, the Government Assistance for Tuition Expenses Head Office will be in that building in Chaguanas when we open it. [*Desk thumping*] Everybody can access that and, therefore, we are going to be

saving rent. We moved from Agra Street to the Tower C here, and we are now moving to our own property. That is what we should be doing, investing in people, investing in infrastructure, owning your facilities.

6.00 p.m.

Mr. President, as I continue, I just want to also talk about YTEPP. Again, YTEPP continues to be a World Bank success story. It was not started by the former administration, it was started under the NAR, and for the first time, again, for the first time, what we have done with YTEPP, we have expanded a number of centres. I could call these centres, and contrary to what some of my friends may want to say if I call the names, they are not in Government areas only, in areas of our Members of Parliament, they are in many areas, including Tobago. As a matter of fact, as I look here, I see four in Tobago. My colleague, Sen. Cudjoe, is not here, but I know she will be looking at the television, let me read them for her: Tobago, Bacolet; Tobago, Buccoo; Dutch Fort, Tobago and Hope, Tobago. That is among many other centres, but, Mr. President, what I wanted to also indicate, again, we developed an initiative. YTEPP has different modalities of training: one, part-time centres, which is in the schools, like the secondary schools; two, full-time centres; three, community-based programmes in the community, and what we have done now, we have added to that, mobile training facilities.

Mr. President, I took some buses from PTSC, we carpeted those buses, we built workstations, and each of those buses have a minimum of 12 computer terminals, and we call those buses, “Taking technology to the community”. “Yuh cyah come, we coming to meet you.” And if you are living in Toco, we are bringing the bus up there too, once we get some nice pommecy there juice and thing—local cuisine. As a matter of fact, we have the school up there, but let me tell you about a next facility. A next facility that we are going to launch very shortly for the first time, we are going to launch a mobile cosmetology facility. I am seeing some of my colleagues on the other side missing, but you will do well to attend that facility. *[Laughter]*

I also want to indicate that for the first time, we have the bus landed already, in conjunction with the private sector, we will be launching a technology bus for the disabled, the sighted, the visually disabled. That would be a first time in this country. As a matter of fact, again, I “doh” want to be on the road by Queen’s Hall, going up the road; you “cyah” be doing the same thing and expecting a different result, otherwise we will have to ask the dearly reverend to pray for you, to lay hands on you, *[Laughter]* because that might be the only salvation and redemption and liberation.

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Mr. President, I want to tell you what we have done, we have started something called uSTART. When you look at uSTART, uSTART is start-ups, small companies. It “doh” take much, you are training, you are teaching, you are educating, but you must start your business. I always make reference to Singapore. Singapore is 272 square miles, Trinidad alone is seven times the size of Singapore; Singapore is five times the population of Trinidad. Listen to the inverse relation, eh: Trinidad is seven times the size of Singapore and Singapore is five times the population of Trinidad, and you know what they are built on? “Dey doh ha oil, dey doh ha gas”, they are built on brains, and they called that in 1997, Singapore was preparing to launch for Y2K, something called Singapore ONE, you know what is the ONE, Mr. President? O, One; N, Network; E, for Everyone—wired community. They were going to call that—in fact, it was being called, Singapore, the intelligent nation, and I am saying, “Look at Trinidad and Tobago, we could take the whole of Tobago and WiFi it”, but my colleague “eh” here, I “cyah” offer that suggestion. *[Laughter]* Cognitive disability, we will move from the cognitive to the affective to the psychomotor; we will talk and we will do. That is what it is about. *[Desk thumping]*

As a matter of fact, Mr. President, I want to tell you, when you look at Stanford, there is a professor from Stanford, I am trying to get to collaborate with the University of Trinidad and Tobago. A full class, building what? Mobile applications. We met with Khan Academy, Salman Khan, not the actor from Mumbai. Salman Khan from khanacademy.org in Palo Alto in California. We looked at Coursera. We have a relationship with Coursera, we signed an agreement. Coursera, started by Professor Andrew Ng and Daphne Koller, both Stanford University professors—to do what, Mr. President? To expand the learning horizons through knowledgett.

You will learn not only in the classroom or in the Senate, but you will learn in your home. Learning comes to you where you are. That is how we are going to build capacity. That is how we are going to move—the passport area and the passport from poverty to prosperity. That is how you are going to be competitive, as Dr. Tewarie has his competitiveness council. That is how Minister Bharath is going to improve the whole aspect of trade and commerce. He has now accomplished what nobody has accomplished before in record time to start up a company, and that is what we are talking about. We built a facility called uSTART in Frederick Settlement with UTT. You know what it is, Mr. President? It is cubicles. If you are a student, you have a business idea, you go there free of charge: telephone, fax, phone, call cards, and you have all the infrastructure. That is what it is about. It is about animation as well. We have to diversify the knowledge base of our society. We have to. *[Desk thumping]*

Mr. President, it is lamentable sometimes when you see the former administration that we have inherited. I listened to some of my colleagues there and she was saying think it is Sen. Cudjoe—"We have a high debt ratio". We must have a high debt ratio, we received all the debt that you made and you created. "You gih we de debt. Wuh we guh do with it?" I will tell you one example of the debt. They started to build a UTT Tamana campus and when they built the building they then asking, "Well, how we go geh children to come to this place? It eh ha no dormitory. It eh ha nothing." You are going to see, now I have to finish that Tamana—at least I want to deliver one building before the election, whenever it is going to be called. The first thing they does do is put down power plant. "Nothing eh wrong with dat, but yuh put dong power plant but what about de people? Wey dey coming from? Dey ent even kno where dey coming from." That is why when we built the University of the West Indies, Penal/Debe campus, one of the first things we did, we have four halls of residence, 100 rooms each in a building.

So they say we are moving south, yeah, but we was moving north before but we are making accommodation for you. You want to go down to south? And let me just announce, Mr. President, while we have the Arthur Lok Jack Graduate School of Business in the north, I am asking the University of Trinidad and Tobago to launch the university's first business school. We inherit it, we are going to improve it for the people of this country. It will be called UTT Business School, the School of Banking, Finance and Entrepreneurship. That is what it is about. That coming. [*Desk thumping*]

I will tell you how easy it is, we have 10 rooms at SAPA in south by UTT, we are going to start it there. Programmes would be available throughout. You can learn anywhere at your own ease now, that is what is called the MOOCs, M-O-O-C-s. Now, I am not calling anybody a "mook", eh. "Alyuh doh geh meh wrong." I am not saying anybody is a "mook". I am saying that the programmes that are being offered is through the MOOCs. What is a MOOC?—Massive Open Online Courses, and, therefore, you can study at your own convenience in the comfort of your homes.

Mr. President, as I conclude, because I know my time is almost up, I want to tell you one of the things that we will be launching shortly.

Sen. Hadeed: "Tell we about TechnoKids, man."

Sen. The Hon. F. Karim: TechnoKids. My friend wants to hear about TechnoKids. TechnoKids is a programme that we have started for children six to nine years old in the primary schools, and the TechnoKid concept and the philosophy was, the primary schoolchild of today, the secondary schoolchild of tomorrow, and the tertiary schoolchild of the third day. That is what we were preparing, so I took them and they were exposed to the iPad, the iPod, the smartphone, the

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desktop and the laptop, everything, and it was a marvellous programme, but guess what? As you asked me to talk about TechnoKids, we are going to be doing TechnoKids again this year, when we started was 142, in the second day it was 275, this year I am targeting 500 children throughout the country. And let me tell you something, they come from all parts of this country, including Tobago.

I want to say, I have already asked the University of Trinidad and Tobago, when we open that hangar at Camden and the 727 jet is parked up inside with the two helicopters, I will be starting and launching there, on that day, Junior Aviators Programme—[*Desk thumping*]*—*children who are 11, 12, not when they reach Form V. As a matter of fact, I am going to be building a weather station. Minister Ganga Singh has agreed to assist me with the MET services station. We will have a control tower.

Listen, this is about learning here, staying at home, keeping the money inside, but, most importantly, keeping the people here. [*Desk thumping*] The GATE Programme, I want to tell you, the GATE Programme is doing that. We are enforcing the GATE contract. No longer do you have to serve in the public service, you can serve anywhere in Trinidad and Tobago. In the private sector you could start your own business, study and work right here. Work your tenure out right here in Trinidad and Tobago. [*Desk thumping*] That is what it is about.

As a matter of fact, for those people who would like to migrate and would not like to have the benefit of GATE, you are free to have it converted so you can pay what we would have invested for the child who is coming behind you. The GATE Programme will be invested with more efficiency in the system.

Therefore, as I conclude, I want to say, Mr. President, that today is an important opportunity for us as we debate these two important pieces of legislation. While we may have exercises of cost cutting and frugality, it is an opportunity for us to build capacity; it is an opportunity for us not to stop education and training; it is an opportunity for us to prepare for the future because that future also is the second term of the People's Partnership. I thank you very much. [*Desk thumping*]

Mr. President: Sen. Avinash Singh.

Sen. Avinash Singh: Thank you, Mr. President, for this opportunity to contribute in today's debate, the Finance Bill and the appropriation of the financial year, 2014, Bill. Mr. President, I would also like to join with colleagues today to pay tribute to an honourable colleague of mine that we lost a few days ago, and, in so doing, I would like to ask God that, you know, his soul rest in peace. I would also like to acknowledge the presence of our colleagues from Canada in today's debate, and, certainly, it is an honour to contribute today.

Mr. President, this is my second Finance Bill and I would really like to delve right into the meat of my contribution, but I must respond after an energetic and very dynamic political platform speech that appeared previously by the former speaker. Mr. President, I would like to comment on a few issues that were raised by the former speaker, and, in so doing, I really listened attentively, and while I commend a lot of the good work that was mentioned in that speech, to simply answer that entire contribution, I would like to say, after \$300 billion what do you expect as the citizens of this country? [*Desk thumping*]

Mr. President, the speakers prior went on and on about diversification of this economy, but they spoke as though prior to 2010 this country had absolutely nothing in place; nothing in place that deals with education, nothing in place that deals with health, nothing in place that deals with the energy sector, and it will be remiss of me to remind Members here that we have a lot to thank the People's National Movement for in this country, [*Desk thumping*] because it is with that vision and the policy direction of our past leaders under the PNM that we could stand here today proudly and look forward to a brighter Trinidad and Tobago. [*Desk thumping*]

Mr. President, the hon. Minister mentioned GATE, and, yes, the Government is boasting about GATE, but I must also add, tell us how much of that funding, available through the GATE, that you are still owing these tertiary educational institutions? [*Desk thumping*] Tell us how much you are owing UWI. Tell us how much you are owing the UTT, SBSCS, and all the other institutions.

Mr. President, he also mentioned Camden and the aviation industry, but let us go 15 seconds away from Camden; in Eden Gardens, tell us what is going on with that site [*Desk thumping*] under the seal of your hand. Tell us who benefited from that deal in Eden Gardens, not too far from Camden.

6.15 p.m.

Mr. President, he went on to say—in fact, all the speakers of this Government went on to talk about qualifications and certifications, [*Laughter*] and they laugh now, and they are continuing to laugh, but they probably forget Mr. Dayanand Birju from Airports Authority, they forget Resmi Ramnarine from SSA, they forget Simone Babwah from WASA, and the list goes on and on and on. [*Desk thumping*] They conveniently forget.

Sen. Al-Rawi: Shame! Shame!

Sen. A. Singh: While I appreciate COSTAATT's main campus building in Connector Road, [*Interruption*] let me also add—I am coming to that—that 50 feet away from that site, there is a site called the Land Delivery Programme under the Ministry of food Production, where 130 acres adjoining that site were given through the Land Delivery Programme in 2011 to 13 farmers or so. Up to this day, not one lease, no PTAs, nothing of the sort. Then this Government wants to come here today and say “diversification”.

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Mr. President, I must also add that I was looking for a comment on the actual Bill, but that did not come, so let me take a little bit of my time to go through the Bill. After going through this document from top to bottom, sideways, front, back, you name it, it is evident that from the statements made by the previous speaker, when in 2010 they came into office the participation rate they claim was 42 per cent, and by the end of 2013 that figure would probably have risen to 65.2 per cent participation rate in tertiary education and education in general.

But when you go through this document—and let me just go through the 2013 transfers and supplementation of variation—it is littered with transfers from department to department. I will try to go through just a few; you will see littered in this document the inefficient, inability of this Government to fill vacant posts. I will blame it on this Government because throughout this entire document, if we were to go through, under the various Heads: Head 01, the President's Office, non-utilization of leave relief and the not filling of vacant posts; that is the reason for the savings of \$119,900. And it goes on, the Auditor General's Office—vacant posts. Let me go through some others.

If you were to look at Head 11, Registration, the reasons for savings, where they would have taken \$261,100 to do something else, it was as a result of not being able to fill vacant posts. So all this money we would have budgeted for vacant posts, was used to do something else. If you go through, almost every single Head, the problem is the same. So vacant posts, vacant posts in all these Heads, Personnel Department—*[Interruption]*

PROCEDURAL MOTION

The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh): Thank you, Mr. President, thank you Sen. Avinash Singh.

Mr. President, in accordance with Standing Order 9(8), I beg to move that the Senate continues to sit until the completion of the business at hand.

Question put and agreed to.

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) (FINANCIAL YEAR 2014) BILL, 2015

Sen. A. Singh: Mr. President, as I was indicating, the entire 2013 transfers, almost all the Heads are littered with vacancies or a position to not fill vacant positions, but yet still this Government comes here to boast about this participation rate. As a young person graduating in 2011 from University of the West Indies, like my peers, is this Government telling us—in fact, they are not assuming to tell us, they are actually telling us—in many of these positions, the reason for not being able to fill these positions was as a result of the unavailability of suitable candidates or applicants.

So, Mr. President, is this Government telling the young population, the professional citizens of this country, that they are simply not good enough to fill positions in various Ministries, or is it that our surnames do not end in “Birju” or “Ramnarine” or “Bahal” or the list goes on? This trickles down to 2014, in that, the litter continues in the transfers, where budgeted figures have been set aside for filling vacant posts, but these moneys were used to do other things.

So all these persons graduating with that hope to have a job, to be hired into the system, what we are telling them, in essence, is that we will be now changing focus from that position or changing focus from hiring persons on these various Heads, and using that money for other things. Some of the other things that that money will be used for is paying things like telephone bills, and it was said in the other place that we need to put strategies and monitoring systems in place so that persons in the public system do not abuse the resources of the State.

Mr. President, moving further, I would like to comment briefly on the PR; I also want to call it the “public relations” part of this Government’s portfolio. In the 2013 transfer, it is blatant here, and it is coined so nicely, under the Ministry of Trade, Investments and Communications, the reason for the transfer is to pursue a multidimensional communication strategy, highlighting achievements and work of the Government of \$1 million. So this Government is telling the population that that \$1million in 2013 was more important to highlight the achievements of work, and that cost was over \$1 million.

If a government is confident that it is doing the job of equipping people or doing the job necessary to attract the electors to vote for them, I do not think it is necessary at this point in time, seeing that the oil prices have dipped so low and seeing that our country’s economic standing is vulnerable, to be going down that extreme campaign of using state funds in these advertisements.

Let me take it a little bit further, Mr. President, can you imagine, you are paying your \$18, \$19 or \$100 to go to MovieTowne, and that two or three hours you go there to watch a movie, and you think you are going there, ease of mind, de-stress, probably a nice movie is out, and you are bombarded with government advertisements on the screen. So, in essence, citizens are paying twice for government advertisements. One, you are paying via the budgetary allocations through the Ministry of Trade, Investments and Communications and various Ministries and, two, you are paying MovieTowne to go there to sit, in the essence of your private moments, to be bombarded by government advertisements, unacceptable. And they may say, “Well doh go”, but that is an insignificant point, because when I went the first time, I did not know that that is what was going on, that the Government was using taxpayers’ money to go to MovieTowne and advertise.

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Mr. President, moving further, I would like to comment very briefly on the Bill:

An Act to supplement and vary appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2014), Act, 2013.

In this Bill, a blatant slap on the faces of a lot of the professional farmers in this country, is seen when a very important Ministry such as the Ministry of Food Production takes a blow of \$13 million, in light of the cries of John Public and the population, to diversify this economy. This Government, if it is not a better time to wake up and diversify, it is now, because if they would have followed through with a lot of the PNM's policy decisions and PNM's projects in the past, we would have probably been in a better place today. By this I would mention some of the programmes that the PNM would have forecasted having as part of the economic structure in this country.

We are talking about the mega farms and projects that dealt with yachting and dry dock facilities and so on. These programmes that were online and on stream, but when this Government, this deceitful Government, came into office in 2010, they cut all of these programmes with the response that they were PNM projects—unacceptable; and now we have to pay the price, the economic price for that decision.

Mr. President, let me touch slightly on the Bill as it relates to the agricultural sector, as I mentioned earlier. This Government looked forward to that statement by the hon. Prime Minister to get comfort, as reiterated by all the speakers here on this side. The population did not get that. That is what resulted in all the media articles appearing on the social media, the newspapers, from the chambers of commerce and so on. They were disappointed, they expected more. They expected a relief in comfort and to know that their country's economic standing is in good hands, and a plan—a plan—is one such that would have eased those sores on this population.

Mr. President, we would have expected the Government, via the hon. Prime Minister, to make some moves, and they claimed that we are not offering solutions, but we are not the Government, we are the Opposition. We are here to keep checks and balances for the greater good of John Public and the population, the citizenry. So we are saying some of very basic steps that could have been taken, in light of what is taking place in our economic standing with oil prices, are cuts to the Cabinet. It has been reiterated over and over again that our Cabinet size is too big for 1.3million people.

Some of the basic Ministries that can be used as an example is, for example, the Ministry of Agriculture, Land and Marine Resources. We can join back that into one entity and have it as how it was operating prior to the decentralization of all the various entities that, in essence, simply make up that industry.

You hear the Government talk about diversification, and the hon. Minister of Finance and the Economy today in his presentation spoke at length. He mentioned in his contribution some of the clauses in terms of the Finance Bill, 2015, and the first one that came to mind was the Praedial Larceny Prevention Act. In essence, we are going to raise the fines that are associated with this piece of legislation, and that is good. As someone in the sector, as someone producing in the field of agriculture, it is a problem.

In fact, the Minister went on to say that praedial larceny is one of the single strongest entity in terms of the inputs of agriculture and the production levels. Yes I agree, because when as a farmer you go out there and you produce, especially things like the valuable crops, and you come into your fields and you see wanton praedial larceny taking effect, and you make that report, my point is leading up to the fact that while we may have legislation, it is, in essence, the enforcement that is necessary to get the results we want to have.

Since the Praedial Larceny Squad came into effect, unfortunately, and I stand to be corrected, we have only had one reported case of one person successfully being charged for committing an offence under that legislation.

6.30 p.m.

So, I would like to advise that to receive some, you know, solid, quantum responses and results in that sector, that we up the amount of persons, and we spread the broadcast of these officers and have them in the more rural areas, place them along, you know, agricultural clusters and so on, have them based close. So when you make that call, Mr. President, they are close by and they can come—they can catch the person in the act, and result is ongoing.

Mr. President, as it relates to praedial larceny as an input, that is just one of the inputs in the agricultural sector, and the Minister indicated such. Earlier today, Sen. Helen Drayton mentioned labour. Why I am spending some time in this area is because this is one of the most successful industries viewed by the world for diversification to take place. In essence food, in my opinion, is the most important resource and everything else probably comes probably after, because if we were to look at the commodities traded on the world market, you would see right under oil, it is coffee. Coffee is the second largest traded commodity in the world's market. Under that, you would find things like animal and animal by-products, things like cheese, sugar and so on, things that really, in essence, deals with the agricultural sector or the manufacturing of by-products from the agricultural sector.

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So it is my opinion that we really try to diversify our economy, and in so doing we could try a simple start in the agricultural sector. Yes, I agree that we have a dedicated Minister of Food Production, my colleague Sen. Maharaj, but dedication is not all. The thing about it is that, you have to be at the ground level and listen to the farmers. Listen to the inputs and listen to the cries or listen to the needs of the people that really drive the sector. Why I am saying this it is because—can you imagine, Mr. President, right here in Trinidad we have down-stream energy industries—and I will use PCS Nitrogen as one—that use our petroleum and produce things like urea and so on, by-products, fertilizers and so on. Can you imagine a bag of urea, Mr. President, in our local markets, it is almost 200 per cent more than if I were to import it from China. How can that be? What are you telling the farmers of your own country then, do not produce? [*Desk thumping*] What message is being set that your good quality urea, the farmers cannot afford it, and it is cheaper and more efficient and effective to import at 200 per cent less, and then we want to talk about feeding this nation or [*Desk thumping*] reducing the food import bill. This is basic, basic commonsensical measures that can be put in place.

Another one, Mr. President, in terms of VAT and duty. This is something that I have lobbied for in the past under a different portfolio when I was not a Member of this honourable Chamber. I was simply a farmer asking those in authority to look into the Customs Act and try to put in some measures in place, for example, agricultural tractor tyres, Mr. President. They range from \$8,000 to \$15,000 per tyre, and sometimes in a farmer's career he may have two, three tractors and one tyre. That is sometimes your entire profitability for an entire crop, just goes into tyres alone.

So one recommendation that I would like to make on behalf of the farming population, is to look closer to some of the items on the listing where VAT and duties are apply, and let us see and we can try to cut some of these, in terms of like parts and machinery, everything that goes with agriculture.

Irrigation hose, Mr. President—can you imagine 2015 and a farmer is dealing with the irrigation of crops, and just because those hoses, watering hoses that is used for irrigation, attracts VAT and duty because it is made with rubber. Now, we have to try and change the system, change these elements in the Customs and Excise Act, and you know, get more people involved in the sector, and to try and diversify the economy more in which we would have that success in producing food for this nation, and in so doing cutting our food import bill. In fact, what is our food import bill? I have not heard for a while—normally my colleague tends to make a lot of statements in terms of all the figures from CSO, all the figures from NAMDEVCO, and all these figures from these institutions that represent where the agricultural sector is moving towards.

In terms of incentive programmes, Mr. President, that deal with diversifying this economy, in terms of the agricultural sector. The developed nations, Mr. President, most of them are moving towards incentive or subsidy programmes geared towards the production outputs of these commodities and not necessarily the incentives on machinery and equipment and the inputs, but rather the outputs.

I am raising this to say that, recently our Trinidad and Tobago has had to face a natural disaster—if you want to call it that—in the Mayaro/Toco region, where one of the largest floods to ever hit this country took place in that region. It was reported in the newspapers that somewhere in the vicinity of \$20 million was used as flood relief compensation to farmers. This reflects not only that region, but it also reflects throughout Trinidad and Tobago throughout the season—the two seasons that we have—in terms of production of food—whereby I am sure the budgetary allocation is not sufficient in dealing with another disaster like that. Because where as we are cutting this Ministry of Food Production by \$13 million-plus, it is sending a very dangerous message to farmers that, you know, it is doom and gloom for the agricultural sector in that they may not want to put out that amount of resources in terms of capital expenditure. Because right now as it is, if you were to go and buy a capital investment machinery or equipment, the time that it takes to process from the time that you buy that machinery or equipment to the time that you are paid, is in the vicinity of months, sometimes a year. If you have obligations with the Agricultural Development Bank or any financial institution, it becomes a problem and a challenge.

So, I would like to also recommend here in dealing with this, rather than cutting the Ministry's subvention, we look into more prudent management structure and systems. And one such would be, as in the Fisheries Division in the Ministry of Food Production, and how the incentives work in that industry, where by once you are reputable and an accredited fisher folk, meaning that you have the licence and the permits to be a fisherman, you go to the point of sale and purchase your machinery or equipment. Once you submit your documentation right there on the spot, you pay the value of the investment that you are buying less the VAT.

So if you were to go and buy an engine for your boat, the engine is a \$100,000, you right there and then only pay \$75,000 because the VAT is already at the point of sale, it is reduced, and then the company that is selling you that machinery or equipment, they file from the State and get back their subvention.

So in a sense, I would like to see something like that, to really help the agricultural sector and move the [*Desk thumping*] farming population to that mental state of producing and producing with the machinery and equipment and technology available to produce food at a greater rate.

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So, I could go on and on in terms of the agricultural area here, Mr. President, but I hope that the hon. Minister is listening, and you know, it really deals with the core issues in the area, and that is from the grass roots level, the farming population, their problems as it relates to the Ministry's effectiveness in dealing with their issues.

Mr. President, moving on in terms of this Bill and in terms of the national wider landscape, we have a situation now where persons are not getting involved in a lot of business activity, only because it is not profitable or at least it is not looking profitable because nobody wants to get into a business whereby they cannot see dollars and cents and profitability. I am saying this to trigger that level—and the Minister of Trade, Industry and Investment and Communication hon. Vasant Bharath, he used that statement some years ago. I am sure he can recollect that statement, where he mentioned we, as the population, really need to make agriculture sexy. That statement really hit the cords, the mental state of every single young person because the young people they are not becoming farmers. In fact, if I were to ask hon. Senators here in this Chamber, how many of you all inside here would encourage your child to be a farmer? The answer might be very, very miniscule or belittled.

So, Mr. President, I would really like to see more done in this area, the agricultural area because we really want to see diversification taking place.

Now this issue brings me to another point, Mr. President, that deals with the ex-Caroni lands in terms of diversification. Now, recently we would have heard this Government's intention to allow these Caroni ex-workers to use that two-acre parcel of land that they would have received, to be traded, sold, rented, leased, whatever it is on the open market. That is a very dangerous precedent set by this Government, Mr. President. [*Desk thumping*] Because of diversification of this country's economy, moving towards a food secure nation, an moving towards getting more arable land in production. Now we are faced with a challenge that almost all these Caroni two-acre plots will not be used for agriculture. It is already evident, you are seeing in Southland some 18 acres already being used for a batching plant or a construction company has already set up. This is the message that this Government is sending. That you can use whatever land and do whatever you want—break the law.

In terms of the diversification, Mr. President, the PNM had a vision, the PNM had a policy in that arrangement where the land was concerned, in that the Caroni two-acre plots would only be used for agriculture, and only those who had the intention of producing food or doing any activity relating to agriculture would

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have benefitted from that lease arrangement. This Government scrapped that. This Government took those lands and put them in the hands of these ex-Caroni workers, who most of them were not farmers. Because I can tell you, my grandfather worked for Caroni (1975) Limited for 47 years. And, no, he is not rolling in his grave because he is alive, as mentioned by a prominent talk show host on 106.5 of whatever it is.

Mr. President, the point is, my grandfather is old now. He does not want to farm. He does not want to go down that road because to farm you have to have a significant amounts of capital resource, and this Government is certainly not helping any farmer in this country where capital resource is concerned. [*Desk thumping*]

Mr. President, it is sad, it is a very sad state to know that all these lands will be left for dead—if you want to call it that. Because these people who are buying and selling and trading agricultural arable land in this country, they have the intention of everything else but agriculture. They have the intention, with this Government's push, and if you want to see it blatantly evident and “infrastructurally”, go down to Felicity, Chaguanas Main Road, straight down, you will see box drains inside the mangrove. You will see box drains that are located on Caroni two-acre plots. Box drains, concrete all over the place in the tune of millions of dollars, and nobody is living there. And not a farmer can use a box drain there for food production because instead of carrying out water in the rainy season and bringing in water in the dry season, it is doing the opposite.

6.45 p.m.

Mr. President, this Government is really not serious at all about anything. As a matter of fact in this country—and that is why they would come here and pussyfoot on every single issue [*Desk thumping*] and use the parliamentary privilege to relay on us their political platform speeches. Mr. President, the time has come now where we as right-thinking citizens—and I am sure that the People's National Movement has those citizens ready and willing to help this country serve and bring us out of this problem that we are in right now. [*Desk thumping*] They may talk, they may brag, they may boast about their coming back, but, yes, they will be coming back and sitting right here on this side of the benches. [*Desk thumping*] We have cater for those that are vulnerable—

Sen. Lambert: You would not be here either.

Sen. A. Singh: Whether I am here or not that is not the issue. I am trying to defend the rights of the future generations of this country. [*Desk thumping*]

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Mr. President, being a farmer in this population it is very difficult. It is very difficult competing with all the businesses, especially when you go to the bank to access foreign currency or foreign reserve and US currency, and you see, you hear stories of Ministers with walk-in vault and all these sorts of things. I do not know, I am not one of those, but at the end of the day, we, the vulnerable people in this country, we are not going to sit by and let our future be swept away by this UNC-led Government. [*Desk thumping*] We will do every single thing possible to save Trinidad and Tobago and save it now, and that is why we, the responsible People's National Movement individuals, we have taken that oath to serve with a great degree of resilience against this UNC, and we have taken that oath to represent all in society, not just one or two major contractors in the play. Because if this Government was really serious about trickling down that economic stability and that economic power to all in society, all contractors from be it small, big, large, medium, all of them would benefit, not only one or two. [*Desk thumping*]

If they were to take the approach that you being a contractor qualified for a range from \$10,000 to \$500,000, and then a next batch of contractors from \$500,000 to \$1 million and so on. But you are seeing where one contractor is getting the pittance of contracts and the bulk of contracts and the cream of contracts, one contractor, and that is unacceptable.

Hon. Senator: Unacceptable.

Sen. A. Singh: Unacceptable, sorry.

Sen. Al-Rawi: He was going to say inappropriate.

Sen. A. Singh: Inappropriate, that is the exact word I was going to use. Mr. President, it is a very sad day for young people looking on, on television and looking at this Government's actions, deeds and words, and I join with those young people, my peers, and we beg this Government, to please listen to the cries of the vulnerable, listen to the cries of the population, the people who put you there, and do not ever for a second think that PNM people did not put you there, because PNM people voted for you all as well. You will never be able to win an election with just one section or one fraction of people in this country. And then here you are representing only the UNC people, and it is evident. [*Desk thumping*]

I have young people coming to me saying that all the persons of the UNC youth arm that are employed, contracts are being renewed, and then you have teachers, you have members of civil society, you have members' contracts not being renewed. That is discrimination, and then you come here and preach to us that you are not discriminating. [*Desk thumping*] It is blatant.

So, Mr. President, they can “steups” all they want, they can laugh, they can do whatever they want.

Sen. Lambert: Well, they did not vote for him so he did not tell them that.

Sen. Robinson-Regis: But, they did not vote for you.

Sen. A. Singh: At least I got 406 more votes than you.

Sen. Al-Rawi: That is right. [*Desk thumping*]

Sen. A. Singh: Mr. President, in conclusion, in closing, I would really like a clear plan from this Government. In fact, let me just go with one more point and then I will close, Mr. President.

Recently in the newspaper we saw an article surface. I think it was just yesterday's paper where—now, when I read it I thought it was a political party and not thinking it was the COP, and it was really a cop that was involved in that illegal hunting expedition. Mr. President, that is another issue that everybody fails to speak about and nobody wants to talk about, and I will talk about it. Why? Because here in this country, we, the population, we, the legislators in this august Chamber are silent to the fact that the hunting population in this country they have a voice too. And, yes, I agree, this is not whether I am agreeing or disagreeing to the fact that there should be a ban on hunting.

But, it remains the fact that legitimate hunters are the ones experiencing the problems, while the illegal hunters are going into our forest and massacring all these animals. Minister Ganga Singh here is well aware that most of these hunters, have gone into a type of situation now where they have their animals to take care of, they have veterinary bills, the food for the dogs—I was talking to a hunter just yesterday not even looking at how much it cost to maintain one dog, and the cost is somewhere in the vicinity of probably \$500 per dog per month, and some of these hunters have 15 and 20 dogs, and for the two years they have not been able to go out there and do their hobby or their trade or whatever they are practising hunting for. So, with respect to that it leads me to wonder whether or not we are really caring for the animals, we are really caring for the population, or is it that the security Bill to secure our forest is much greater than what we can probably use to purchase animals and bring them and have them into the system and into the structure?

Sen. G. Singh: Senator?

Sen. A. Singh: Sure.

Sen. G. Singh: I want to thank the hon. Member for giving way. The moratorium on hunting was taken as a result of the lack of empirical data to make decisions. The University of the West Indies together with the University of Chicago, they have done a methodology, and all the hunters associations are participating in the count. That preliminary count has been completed in Trinidad and they are doing it in Tobago in collaboration with the Tobago House of Assembly.

It is a country, unless there is enforcement you would not have that level of awareness. So, the preliminary count points to the fact that it is really bad. Whether it is in the hunting areas or in the sanctuary, the wild-life population in this country is under serious pressure. When the total count is finished and when the analysis is completed, I will make a statement in Parliament, because that is what it is about. It has nothing to do with the allegation of the policeman who took his neighbour and was killed in the forest and so on. But, what it is really, enforcement is the issue.

Now, with respect to the animals that the hunters have. I am very, very sympathetic to them. But you cannot have a count taking place and you have exercise of animals in the forest at the same time. It will make a farce of the count.

Sen. A. Singh: Thank you very much hon. Minister for that clarification, because—

Sen. Lambert: Withdraw your statement now.

Sen. A. Singh: What statement? I was just seeking information. The point remains—because I spoke to a few of them, that a lot of them are unaware of what is taking place and I am thankful for the clarification, at least they would know what is taking place with respect to that arena.

So, Mr. President, it gives me great honour to stand here before the country and at least try to represent those who would like me to speak for them and, in so doing, I am very proud to be here as a result of the People's National Movement, and I would like to thank them for all the opportunities that they have bestowed to me, and certainly our next Prime Minister Dr. Keith Christopher Rowley [*Desk thumping*] in his quest for bringing better days—and let the UNC faction hear this because they tend to twist my words. The next Prime Minister of the Republic of Trinidad and Tobago, Dr. the Hon. Keith Christopher Rowley, he will definitely bring this country back to sanity, he will definitely bring this country where we need to be—and they can laugh all they want. When they are praising the Prime Minister nobody tells them anything. At the end of the day, Mr. President, we are here for a purpose and let us not forget that purpose, and it is to serve all the people of Trinidad and Tobago.

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

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Sen. Dr. Rolph Balgobin: Thank you, Mr. President. Before I get into what should be a very short contribution I would just like to join with those voices that have recognized a former Senator and a colleague of mine, Martin Joseph. He was a quiet man. I remember him as a beautiful human being now gone home and, of course, his family I pray for comfort and solace in the knowledge that he is in fact home and with God.

Mr. President, we have before us a money Bill, an Act to supplement and vary the appropriation of the sum of the issue for which was authorized, and so on. And, of course, what is before us gives life to budget changes, and as with all money Bills they generate some heat, some light, some excitement, some music and so on. What is interesting about this one, of course, is that it just happens to come in the context of global economic turmoil. We have slow global growth. The World Bank has just revised its growth estimates for the world economy for this year and next downward, and we also have geopolitical posturing where major OPEC nations really throwing down the gauntlet to people who are producing shale oil and shale gas and saying, well, let us see how much capital you really have, because we are prepared to go as low as is necessary to challenge your cost regime and your cost structures.

And, really, Mr. President, this has brought into very sharp relief something which we have danced on the fringes of for decades, and that is what do we do with this economy we have? How do we diversify going forward? This diversification, the answer, how do we treat with the challenges that would be presented by conditions like we experienced in the 1980s when we bore the burdens of oil shocks and so on granted that we are now a gas economy, but we are seeing similar conditions emerge where prices have fallen precipitously. So, let us be real. A big drop in revenue, in income, at some point or the other is going to demand adjustments in expenditure. That is basic. That is common sense, and so, of course, as with any responsible household the sooner you act, the more responsibly you act, then the harsher fate chances are you can avoid.

And, what I would say is, a general election is not so far away, but I would still appeal to colleagues here, you know, not to politicize things like these. Because it is not right that we are flying the national aircraft into a storm, we are already experiencing the front end of some turbulence, and we are arguing in the aisle or across the aisles about whose fault this is. Because, in case we have not all worked it out yet, we are all on the same vessel, we are all on the same plane, or ship, or whatever. And, so, I am hopeful that the rest of my time in this Senate will not be spent listening to people throw political barbs at each other, and I am hopeful that we can concentrate on the issues and treat with those, because I think whichever party wins the next election, there is still a population to serve, and the Republic of Trinidad and Tobago will carry on. So, I think, that is where our obligation lies.

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In terms of what we face today, the prescriptions, of course, are clear and quite obvious, at least to me. There are several ideas that Government ought to consider over and above what they have said they would do so far. One of those—and I will just offer a few—is to really look at wage inflation. How do we limit rising wages?

7.00 p.m.

How do we get a grip on that and instead focus on productivity? Can we do that? Can we make the people of Trinidad and Tobago more productive? In order to treat with that we must repair the industrial relations landscape, and, of course, that landscape really needs surgery. The Industrial Court—I mean it is really a nonsense that a third party can intervene between employer and employee and coerce it to pay whatever some independent person thinks it should pay. If you have a free market dynamic it should be allowed to operate. And the way that our people get higher wages is not through coercion or sabotage or threat or even negotiation, it should be pegged to the value that they can create, the value that they bring, and that is far greater than any gain you can get through a collective process. And I am not picking a fight with my friend Sen. Lambert at all.

What I am saying is that the intrinsic value, the value of human capital is really what we want to develop and nurture so that we do not have, we do not feel that we have to defend people's interest against an advantageous employer. The employer is glad to have this person because they add value. And I think that is part of what Sen. Karim is talking about when he is talking about all of these investments in human capital and so on. But developing our human capital is not just about training people better. We have tons of people with certificates; tons of people who are either certificated or educated, whichever definition we want to use. But the truth is, many of the people we are producing still cannot do the things that their paper says they can do or that their paper says they ought to be able to do. And while we remedy that, it is also patently obvious to me that we are spending—and perhaps it is because of international accreditation requirements, but we seem to be spending a lot of time merging and managing curricular and not enough time developing the character and the social skills of the people we purport to educate.

So we are producing a lot of people who are coming from a difficult social environment as it is. It is already an antagonistic environment. We are taking those people and we are handing them certificates, but guess what, they are going into the workplace and they find it very, very difficult to develop the kind of positive, productive relationships that will assist them in their careers. And so, I

am very encouraged to hear some of what the Minister is saying, but really, the Minister cannot solve this problem, eh. This is a national problem and this problem is really created at the level of the family unit, the household. And so I want to come to that in a moment.

The second thing I would say is, every budget has fat.

Sen. George: Has what?

Sen. Dr. R. Balgobin: Fat. And of course, the first adjustment you make is to cut the fat where you can. You cut it out. I mean, I have heard people in Trinidad and Tobago say, well, our successive Governments—well, if you have to make an adjustment just stop thieving and the thing will come back into line. And that is kind of tongue-in-cheek, but really, perhaps there is some wisdom in there we ought to look at. What are the things that we really can cut back on? But so much of our recurrent expenditure is already neck and neck with recurrent income, recurrent revenue. You really wonder how much flexibility do we have and what do we need to get in there and break so that we can create some more flexibility and give ourselves some economic options.

I would also say, quite unpopularly, I suppose, that we must raise taxes. And in particular, I disagree with—while I support the overall intent of the Bill and so on, I disagree with the waiver on property tax, because, and I want to come to that, but that really benefits the rich more than the poor. Why? Why give me that? What is the point? We have gone from a property tax that was too low to none at all. We ought to move to a place where that is revisited. We ought to, similar, I mean it is an off beaten horse here, lower subsidies on gas but also on diesel. I will come to—and the reason I am saying that is, we ought to have a way to distinguish diesel that is used for agriculture, diesel that is used for things that you would typically associate diesel to be used for as opposed to diesel that powers high-end motor vehicles, that the wealthy can drive and afford to switch to from premium gas because now they find that too expensive.

The other thing we must seriously consider because it now appears to me almost inevitable, you really have to think about what is the true exchange rate against the United States dollar. In other words, you are heading for a devaluation. Well, if that is not a popular word, you are heading for an adjustment in the exchange rate. And I do not think, you know, in looking at weighty matters like this, it is not becoming that anybody, Central Bank Governor or anybody else picks a fight with the business community to say you are using US dollars for nefarious purposes. I cannot see the benefit of statements like those, and I would encourage us, all of us, as leaders in the national community to step back from positions like that unless you can prove it.

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In which case, prove it. Let us address the miscreants. But do not just take a stone and pelt it outside there without expecting 10 to come pelting back at you. It does nothing for us. And again while we fiddle, Rome starts to burn. Get the balance of payments right. Build the discipline about imports and spend use of foreign currency. I am proposing that all of these adjustments we make we do not interfere with the Heritage and Stabilisation Fund. My distinguished colleague, Dr. Mahabir, I am sure will speak about that. I do not know what his view is on that, but I am of the view that you are not at a place yet where you should interfere with it at all.

I am also of the view, Mr. President, when we talk about these kinds of Bills, when we bring these things through that now more than ever we must recognize the focus on value added, and that all business, all commercial activities not created equal. There is business and there is business. There is value add and there is no value add. The energy sector has a crass term for it, you know. They call it local content. I do not like the term.

Local content to me sounds like mud. What they really mean, I think, is local value added, and value added is an almost esoteric term. Because value added is really where the most innovative economies in the world operate. It is the capacity of our individuals to add value that will determine their natural wage rate. It is the capacity of our companies to add value that will determine their international competitiveness. And if enough of our companies are internationally competitive, the country is. Easy.

So we must focus on value added. What are the services that can be value added? How can we wean carnival off all this money we are throwing inside of it every year? If it is so good, so world-class and so famous, why do we have to drive that amount of money into it? And all of these all-inclusive fetes making a whole heap of money. Why? Where is the competitiveness of this big thing that we are proud of ourselves about? Carnival. And so we really ought to be looking at maximizing our take on value added and making this thing globally competitive. I am not saying it does not deserve any money. What I am saying is we need to seek out the opportunities to enhance value added and that is why things like manufacturing are so important. I feel very sad if I look at people who talk about manufacturing as if it is merely import substitution. That stopped being true 20 years ago. And for people who say that manufacturers in Trinidad and Tobago are not competitive because they are only regional, that is rubbish, absolute rubbish.

I am a manufacturer and I can tell you the kind of under invoicing that takes place in Trinidad and Tobago and the region. You are competing internationally even right at home. You get no help from your institutions locally. They give you no protection. So you have to fight to go into somebody else's market but nobody has to fight to come into yours. Then you have the local preference for foreign things. So believe me, when you see a local manufacturer that exporting, "dey good, dey world-class" and we have them here in Trinidad and Tobago and that is what we should be encouraging, not just distribution businesses, buy and sell.

Where is the value added? Because anybody can go on Amazon now and click and buy something. And guess what? They are. And that is dealing "ah" death blow. That is a guillotine on many of the small trading businesses in Trinidad and Tobago. It is a fact. You can buy something from Amazon and land it in Trinidad and pay without stealing, lying or misrepresenting customs duty tax, other taxes, VAT, the courier and it will still be cheaper than what you could buy it for in Trinidad. What does that tell you? So what have people intuitively worked out? This man here is not offering me any value. I am going to protect my value. Value is money. And so, I am going to buy my stuff from abroad. That is what is going on.

I am also of the view, well, not of the view, I have grown weary of accepting as true that we cannot distinguish the wealthy from the poor in Trinidad and Tobago. That for me is a gross stupidity. We must develop the means to means test. All of this intelligence we have, all of these universities, all of these degrees and we cannot check that? Come on. So what are all of these papered people doing? We cannot make a distinction between the "haves" and the "have nots". So what do we do? Everybody gets everything. That to me is fundamentally unfair. I think we ought to make some benefits free only to those who deserve it. And my view is that the wealthy are benefiting disproportionately from some of the things that we are doing in Trinidad and Tobago that really ought to be intended to help the weak and the poor and the defenceless in the society.

The wealthy are accessing some of these things with a straight face. And then we write in the papers and we talk on the radio, we come on the TV and talk about austerity. The same people, eh. I have seen them. I have seen people pull up in BMWs to go and collect food cards. Yes. I have seen people who can afford it go and hunt down things to get things free because it is their right, because they pay tax, so everybody in the society is following the example of the upper echelons which says, I have a right to get it, I want to get it. So nobody is thinking about giving.

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Was it John F. Kennedy that said, ask not what your country can do for you, but what you can do for your country. Where is that here? Everybody sits and listens to the statements and looks at these Bills to see what “ah” going to get or what “ah” not going to get. Give, the word “give” must be the least used word in the vocabulary of Trinidad and Tobago, except to say, “give meh”. [*Laughter*]

7.15 p.m.

And so, I do not have much else to say. [*Laughter*] I just have one question to ask and I just want to develop the question very briefly and then I am done.

Hon. Senator: Are you giving up?

Sen. Dr. R. Balgobin: No, nor am I giving way. My question is this: Yes, we must adjust; yes, we need austerity; yes, we must do things different and yes, we must cut back and all of that, and I agree with 90 per cent of it or more. I have one question: what do we do with the social backlash when we start these cutbacks? It is very easy for people to say, cut back URP, cut back CEPEP. Disband them. It is easy. It is too easy to prescribe from the sidelines. But these people who are in these programmes may not necessarily want to go and work in the private sector. It is not a given. And they may not necessarily want to work for the State either, for a regional corporation or whatever. It is not a given.

So is there going to be a social backlash from economic adjustment? Because when we did this the last time it did not work out so well, did it?

Hon. Senator: Robinson got shot and died.

Sen. Dr. R. Balgobin: And so, to my mind, what is called for is less pontification because a helping hand is always stronger than a pointed finger. And so, we must engage labour and the private sector. We must get together as a country now and say, “All right, our mainstay is buckling globally, what shall we do?” And ring-fence that from all of the politics. Politics—it stinks up everything, and we take serious things and we pollute it with politics: crime, education, social ills, everything. Everything! You touch it and it is like a cancerous touch. We have to ring-fence what our economic and social response is going to be.

I looked at the shooting of a police officer in Moruga and I looked at the shooting of a police officer in Paris, France, outside Charlie Hebdo, and the same mindset of that man who shot that police officer in Paris—he shot him from across the street and walked across the street to finish him. Some of the more advanced commandos in the world do that because they want to know when you are down, you stay down. You are not going to get up when they pass you. And I watched that and I watched what happened in Moruga and I see the same spirit; I see the same mindset.

The police officer that kicked open that door in Moruga, he shot, and the man who was behind the door also shot. The difference was the police officer got shot. He flinched. The man who was shooting at him did not flinch and he kept going; he kept shooting.

So we are operating already in an environment that is socially volatile and you have a criminal element that is no longer afraid of the police, and they are not afraid of the court. So who are they afraid of? In democratic societies the State has a monopoly on violence. The State has a monopoly on violence, and any time somebody else wants to step in there and challenge the State's monopoly, you have a problem, and that is what you are dealing with.

So when you talk about economic adjustments and all of those things, they have to be done in a way that is socially sensitive. We have paid too high a price for that before. And so, we are dealing with a different type of mindset now. So what I would have liked to have heard—because the prescriptions for the economy are clear, what we have to do. I do not think there is much there to debate. I think what I would like to hear more about are what are the social imperatives of the economic adjustments we must undergo now so that we do not have harsher adjustments to make later. How do we change the mindset of the population towards producing rather than receiving? That, for me, remains the unanswered question.

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

Mr. President: Sen. Raziah Ahmed. [*Desk thumping*]

The Minister of State in the Ministry of Gender, Youth and Child Development (Sen. The Hon. Raziah Ahmed): Mr. President, thank you very much, and as I rise in this Chamber at this hour, let me take the opportunity to wish all of you a wonderful and blessed new year and to express my condolences too, on the untimely passing of a former Senator and colleague with whom I served in the Senate in a previous Parliament, former Minister of National Security, Martin Joseph, and to express condolences to his family. May their grief be tempered with comfort by the Creator.

In joining the debate on the two Bills, let me start by first of all congratulating our Prime Minister, the hon. Kamla Persad-Bissessar SC, for her leadership in recognizing the need for an intervention in the country and for having the courage and the clarity of thought to bring before the country an address that was both timely and adequate in dealing with the situation of the price war with respect to oil on the international markets.

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What worries me is the fact that there seems to be a high level of impatience for the details of what the cuts are going to play out as, and let me reassure this House, as well as our public, that the details are being worked out in conjunction with the Ministry of Planning and Sustainable Development and the Ministry of Finance and the Economy, so that each Ministry will have a very clinical approach to the kind of cuts that will be implemented in the course of the fiscal year.

But I want to spend a little time speaking to the fact of the matter. The fact is that oil prices have always fluctuated and if we look, for example, at WTI, West Texas Intermediate, oil prices for the period 2009 to 2014, we will observe that in the spring there tends to be a peak in the price of oil and with the onset of winter there tends to be a trough, and I can give you some figures. In November 2009, the price of oil averaged \$75 per barrel. In April of 2010, there was a peak of some \$84.5 per barrel. In April 2011, there was a peak of \$110 per barrel. December 2011, the oil price fell to \$98 per barrel, and the peaks and the troughs in the price of oil have continued from 2010 to 2014, somewhat like an ECG, up and down. I have a small graph of it. It will probably not be visible to persons on the other side.

But during the period 2009/2010, the average price of oil was \$75 per barrel. What precipitates fluctuations in oil prices and what brings us to our current situation is really a norm of economics. We have a situation where a larger organization than a small island state, an organization like OPEC, for example, that has been controlling production of oil and influencing the price of oil bearing in on the shale oil production in the US, and what will happen to the price of oil as we go through the rest of this year is anybody's guess.

It is believed that both Brent and WTI will settle at around \$40/\$45 by midyear, and if the shale oil operators are still in business, and all other things in the world remain equal—for example, the European economy, the sanctions against Russia, the sanctions against Iran, et cetera—the prices can probably move back to about \$50 to \$60. Other than that, the over-supply of oil seems destined to be around for a while, especially since Libya's production is going back up.

It is a delicate balance. And how long can OPEC members take the economic pains they are facing, versus how long US shale producers can survive at low prices, is a part of the equation. There is room for negotiations with the West, Obama and the Cameron Government, with OPEC in face-to-face discussions to try to figure this thing out. But in the meantime, one thing is sure. Travellers on the continental US are experiencing low gas prices and low air fares. We, in Trinidad and Tobago, now have to make some adjustments to the budget that we had planned.

The Prime Minister spoke very eloquently about the need to be astute in the management of the economy, and having successfully managed the economy over the last four years, we have little doubt that a successful manoeuvre across these troubled waters will be manifest in a few months' time.

I want to move quickly to some of the issues that we have had to contend with, and I want to start off where Sen. Dr. Balgobin, the previous speaker, referred to the need to develop a stronger social skills set in the country, and that is where the Ministry of Gender, Youth and Child Development plays a very large role because we focus, really, on the non-cognitive skill set in sectors of the population that have been on the margin for a very long time in almost, what is called the cycle of poverty. I want to acknowledge the sterling contribution of my colleague, Sen. Karim, [*Desk thumping*] who spoke to the cognitive skill development approaches and how it is all-encompassing and who gave a very clinical account of the way the money has been utilized in order to ensure a future that is bright for our young people.

So, in looking at the development of our non-cognitive skills sector and the work of my Ministry, the Ministry of Gender, Youth and Child Development, I want to make the point that the focus of the Ministry has been on social integration and social development and the delivery of social services with respect to the development of our children, the empowerment of our youth and the empowerment of our women, very often targeted against those sectors that have somehow been—that the cognitive skills development sector has somehow been neglected. Whether it is because of poverty, whether it is because of behavioural issues, whether it is because of lack of opportunity, our mandate is the holistic development of our children, our youth and our women, and our strategic priority is the social and affective or emotional aspect of our human capital development.

7.30 p.m.

Problems like delinquency, inadequate parenting skills, inadequate masculine role models, the need for non-traditional skills training that are related to the gender stereotypes in society and in general non-cognitive skill development, these areas are not easy to deal with. However, since 2011, the Ministry of Gender, Youth and Child Development has embarked on a very brave and incisive programme in order to try to impact, first of all, the need of our children and the need of our society to function with certain standards in the delivery of care.

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One of the major projects that we have embarked on is the establishment of the Children's Authority, which will now supervise—as soon as the legislation is passed in the various Houses and proclaimed and that is only a matter of a few weeks we anticipate—the whole process of children coming before the courts: youths who are in remand, children who are orphans or who have gone astray, children who occupy the homes or what we are now going to call “community residences”, children who come up for adoption or who may be liable for adoption, the question of delinquency among young people. Children who are not going to school to ensure that as large an extent as possible, all of our young children, all of our youth have a secure place and can be directed to a path of development so that the gaps can be closed and we can achieve the post 2015 millennium development goal discussion standards. And therefore, the work of our Ministry is very critical in ensuring that we have a whole picture to work primarily on cognitive skill development, Ministry of Education, TEST, et cetera, to work primarily on infrastructure development, and to neglect the social margin would be to paint an imperfect picture of a nation on the path to achieving its millennium goals for sustainable development and holistic development of all our people.

So, the programmes that we have developed geared for intervention must continue. We cannot sacrifice these programmes that intervene in the non-cognitive skill, and let me just speak a little bit about non-cognitive skill. This has to do with the development of self-esteem, it has to do with the development of a sense of self, it has to do with the development of a sense of right and wrong, it has almost nothing to do with learning to read or to write or learning to do mathematics. It has to do with how do you establish yourself as an individual who is independent, who can stand on his or her own feet and survive the emotional challenges of living in an environment that is crammed with data and fed with information from every angle and from almost every source.

Everywhere you look around there is information being fed to young people, to older people, all of us, and Sen. Karim spoke to the outreach programme for Wi-Fi and Internet accessibility and the whole information super highway access. But whether our young people are emotionally balanced or not, they still are being bombarded with the kinds of information that many times we find that the caregivers in our institutions now are saying that they are not prepared to deal with. They have never encountered, for example, the kind of exposure that young people are getting out of the YouTube information channels, the availability of images, the availability of photoshop, the availability of a lack of truth and

honesty that is being peddled as though it was truth and honesty. How do we teach our young people, especially those who have somehow been bypassed by the traditional education system, how do we reach those young people in a way that ensures that they do not fall out of the system; or if perchance they find themselves on the wrong side of the law, how do we bring the care plan to these young people so that they do not end up in a worse situation than when they made that first error? And so, it is a delicate situation that we have to balance and you might think that, okay, let us start slashing left, right and centre and cut this programme and cut that programme, but the equation and the margins are so small that what and who are you going to sacrifice.

I have listened to some of the contributions and I have listened especially to the Opposition Senators who speak about the burden of debt and who try to juxtapose this decrease in the price of oil and the price of gas against a need for cutting of social programmes. The social programmes are the last programmes that you would want to cut. We need to examine how we got ourselves into the debt situation that some sectors find to be so alarming. Well, historically, 2010 we found ourselves with \$2 billion to pay to contractors who had delivered on projects, who had not been paid—\$2 billion.

We inherited the CL Financial/Hindu Credit Union situation, a \$20 billion crisis that had been festering since January 2009 and we have been able to manage and pay out the majority of persons their sums of money so that the savings ethic of a country was not sacrificed by the mismanagement of some boards of directors in the private sector. That bailout cost \$20 billion. We inherited that. We inherited the Government campus, \$2.4 billion loan—\$2.4 billion executed in 2006. We are paying \$1 billion in interest on the Government Campus Plaza. How do you continue to service your debt? How do you continue to service your debt and ensure your balance of payments? We still have to complete the government campus, outfit it. That is running up a tally of over \$1 billion, otherwise it is a white elephant standing in the middle of the waterfront area that could not be completed by the persons who were into building high-rise structures.

We have World GTL; scrapped metal in my backyard. Unfortunately, I could smell the rotting iron. It stinks the place. We have some other plants. I do not want to talk about it yet, but I seriously questioned under the then administration what really happened across the road from World GTL. I do not want to use the famous cricketer's name, but the tsunami stadium as it was first called, it was supposed to be some sort of shelter when it was first launched on the public sensitivity, and the brown bag that we had to forego, et cetera. Then on the other side of the highway an administrative building, concrete and steel that is now covered up with grass, and apart from that the general neglect of a state sector company that we inherited.

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I remember when I was growing up driving into the camps at Petrotrin, seeing manicured lawns and well-kept buildings and so on, what we inherited was a housing stock inside of Petrotrin, dilapidated and run down, not being maintained. Drive in there and you will see grass growing over buildings. There used to be there, I think, 700 houses—a housing stock of some 700-plus—a large portion of them are now derelict. This is what we inherited. How do we continue to balance the budget, continue to maintain goods and services, continue to pay salaries and continue to finance the ongoing projects that are necessary for the development of our people? What do we sacrifice?

Do we tell the young lady from Cedros or Icacos who won the scholarship, who cried almost about the pain that she endured commuting to and from that area to come into San Fernando for a secondary school education, whose family actually had to rent a temporary place in order to relieve the stress on the child? What do we say to all of the young children who aspire to pass for the best schools, who aspire to go to the best universities? Thank God we are building a University of the West Indies Campus in south Trinidad so that people will not have to undergo that level of commute. But, in terms of the international waterfront project, we have 29 semi-annual instalments of \$170 million to pay for 14½ years. Do we stop paying that; are we going to take a cut there; are we going to say well that international waterfront project and all those other things—where? Where do you make the balance?

So, what I am saying is that we have been advised that the details that Members of the Opposition are asking for, I do not know if they expected the Prime Minister to go on national TV and read a whole budget statement for three and half hours and give all the details and hand out a whole package of budget documents, statements. I do not know if that was the expectation, but if it was, then it is folly to be wise where ignorance is bliss. So that cannot have been the expectation.

What will happen now is that weighing and measuring all the different debt obligations will have to continue, and it is being done by the persons who are appointed to see about these things: the Ministry of Planning and Sustainable Development, Ministry of Finance and the Economy that will now work with the individual Ministries to see which projects can be trimmed or slowed because all of the projects are absolutely necessary. How do we say to the Children's Authority that look, we are not going to give you any assessment centres anymore and leave a whole cohort of children to go back into what exists, which is inadequate and which cannot continue? How do we say, for example, to the

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community residences that need to be raised to a standard in order to deliver best practices care for each child that enters such a home or institution? How do we say, look we have to cut the one-off grant that we were going to give to you because now we do not have the revenue streams coming from the price of oil? And so, it is a delicate balancing that has to be done and it ought not to be done in haste and it ought not to be done in a hurry. And therefore, this curiosity for all of the details over the weekend is really a folly and it leads one to think that the people who are asking for these things have really no idea of what is involved in running a government.

7.45 p.m.

I listened to Sen. A. Singh and he was making some really outrageous statements about business people in this country, and I shudder to think what they would do if they got into Government with the business community. He was attacking contractors and he was saying—and I wrote down what he said. He said, “one or two contractors get all the contracts” and he said that they—he was making claims of discrimination with contractors and so on. And I am asking: what planet did this Senator come from?

Mr. President, I find myself in a small Ministry. Ministry of Gender, Youth and Child Development does not spend like Education or Health, but we, too, have the experience of awarding contracts. And I am fully aware of the fact that it is not one or two contracts that handle the nine or 10 projects that we have. There are a number of contractors. I am fully aware that there is a tendering process. It takes months to go through these things. I do not even know the names of any of these contractors. I have no dealings with these contractors. So what kind of discrimination are you talking about? Where is this coming from? Who is dealing in discrimination?

We have signed, I think, about nine contracts in the last few months out of our small Ministry, one Ministry alone. I do not know by heart the name of any contractor. I do not know the details of the tendering process. All I know was that there were certain dates that certain things were supposed to be done; they came in on time; they were done; construction started; we know the timelines; we know the pay out and we know when we expect to finish the contract. What discrimination are you talking about? Stop being dishonest and stop saying wrong things about contractors in this country. [*Desk thumping*]

If you have evidence that there is discrimination, then take it to the relevant authority. There is an Equal Opportunity Commission. Do not come in the Senate to “ramajay” about one or two contractors who get all the contracts. Who are they? Where are they? Why is it that they did not get any contract in my Ministry? So stop making claims about people and trying to discredit the business community. These contractors also have

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families; they have workers, workers have families. So, it seems that anytime the word “contractor” comes up, people on the Opposition think that is a bad word, and yet all of our projects are being run by contractors, from VINCI to whoever is building whatever. So let us learn to be responsible when we stand in this honourable Senate. Let us make responsible contributions and stop trying to broad-brush everybody and everything and holding on to one or two names, and trying to make the whole world feel that the sky is falling.

Mr. President, it comes back to the development of social skills and the kinds of things that Sen. Balgobin was speaking to. It is the responsibility of action. It is the ability to stand in the Senate and speak truthfully to the issues at hand. It is the ability to have respect for our leaders. Sometimes when I sit and I listen to the contributions of some of the Senators on the other side, I wonder why it is that we failed some seemingly bright people when it comes to the non-cognitive skills? Why is it that you stand and you say things that you know are not true? This is something that we need to address. We cannot be talking about building infrastructure and putting up new schools and dealing with health care issues when we continue to stand in this honourable House and make statements that are false.

The hon. Minister of Finance and the Economy presented the figures that were shown clearly—and I do not want to repeat it because I know when he does his winding up, he will repeat some of the figures that he used in his introductory statement. But there are things that we have to celebrate in our economy: \$3.5 billion in deposits of US dollars in the banking system is something that we have to celebrate; the fact is that we have an overall deficit that is 1.5 per cent of GDP; the fact is that we have had better performance than budgeted in the last two months; the fact is that we continue to have a strong economy, that we turned the economy around.

And I just want to refer to the economic indicators from the *Annual Economic Survey 2008* and give some indication of what was happening between the period 2004—2008. Real growth in GDP was 7.9 in 2004 and it fell progressively under the PNM, according to the 2008 survey, to 3.5; energy sector contribution to GDP: 8.2, 2004; 8.3, 2005; 1.7, 2007; 0.4 in 2008. And I am sure that the Minister of Energy and Energy Affairs, when he makes his contribution, will tell us why. The non-energy sector, contribution by agriculture 2004: -34.2; 2005, -5.4; 2006, -1.0. That is the economy that we inherited from the work of the PNM Government. And now, we have brought all of this around into a place of stability and the respective Ministries will speak to their respective sectors.

So, Mr. President, I am making a plea that when we stand in this Senate that we do not stand here to attack people, we do not stand here to speak about personalities. We stand here to speak to the issues and we need to bring the truth. The figures have been in writing but we have a situation where figures in writing published by the Central Bank, published by the Ministry of Finance and the Economy, are being denied. We are being told those figures are wrong. They have somebody else in the back of “coorah” cooking some books with some new figures that they are telling us are better figures than the one being published by the experts at the Central Bank who are publishing the Annual Economic Surveys.

So, Mr. President, I want to make that as my final point because we have come to a point in our national development and in our economy where it is very critical for the people of this country to decide where they have gotten truth, where they have gotten hard work; for them to decide where the visibility of the work that the Government has done is there, coming in on time and within budget. Driving down the highway, we have the testimony in Couva, we have the Aquatic Centre almost complete; we have the children’s Hospital, and a little bit lower down, we have the hospital on one side, the Aquatic Centre on the other side—testimony to the work that the Government of the People’s Partnership has done—and go down to Pointe-a-Pierre and we have testimony to work that the PNM has done in the stadium on the left and they abandoned Petrotrin headquarters on the right. Look through the fence—I am urging you, look through the fence, get permission to drive through, and see the state of those buildings, the housing stock especially, that are now falling apart because some of the houses cannot even come back. This is a sad state that we have inherited.

But the good news is that under the astute leadership of our Prime Minister and the Government of the People’s Partnership, we have leadership. We have leadership that we could count on. Mr. President, I thank you. [*Desk thumping*]

Sen. Diane Baldeo-Chadeesingh: Thank you very much, Mr. President. Today, I am quite pleased to join this debate to discuss two Bills together: the Finance Bill, 2015 and the Finance (Supplementation and Variation of Appropriation) (Financial Year 2014) Bill, 2015. It is a new year and as the French critic, Jean-Baptiste Karr said: the more things change, the more they remain the same.

The hon. Sen. Ahmed spoke at length about what was inherited four and a half years ago. Really, Mr. President? Four and a half years ago? They campaigned on the premise that they had the answers for everything. But it is during the norms to which she spoke—the norms of economics that you test the ability to govern and you test the ability to govern efficiently.

Sen. Al-Rawi: That is right. [*Desk thumping*]

Sen. D. Baldeo-Chadeesingh: Another point, Sen. Ahmed also spoke about the social programmes that are to be the last to be affected but I just want to—and during the course of my contribution, I will deal with that issue. And whilst it might be the last to be affected, to be cut—the last to be cut, she said, it really is the first to be affected.

Mr. President, for whom is the work and who are benefiting has become so vague that millions of dollars are now spent on repetitive mass voices convincing you that they are working. But there comes a time for reckoning and today, these two Bills before us provide an excellent opportunity to unmask the governance—the poor governance and their management of Trinidad and Tobago. Their failure to also spend wisely and to ensure saving for a rainy day, that day has arrived. The price of oil has been falling, and while OPEC has the advantage to be in the driver's seat to control the price, we were told by the hon. Prime Minister, not to worry and re-adjust, realign and alternate management. We are today none the wiser.

I heard the hon. Minister of Trade, Industry, Investment and Communications claim in the short time that the Prime Minister spoke, she could not have said everything. Mr. President, I recall the hon. Prime Minister taking a record time of eight hours from Piarco to Toco with Keshorn Walcott motorcading for weeks around Trinidad, taking as much time as the hon. Prime Minister wanted, until August 31 and Cabinet approved in the wee hours, section 34 and had it assented to, a critical law, so time is no excuse for poor details to this nation. [*Desk thumping*]

8.00 p.m.

The hon. Prime Minister took not a question on a very serious issue; one of the main revenue-earners of the people of this country. Not enough time is not effective governance. How are we planning to ride out this serious fiscal impasse? It is an impasse any school child will understand the difference in buying and spending, if today you have \$80 and next week you have \$45. This is the issue, Mr. President. Our resource is not earning revenue and is cut by 50 per cent and you have not enough time? No! Mr. President, you make time. You make time. [*Desk thumping*] If the Prime Minister has no time, then the people of Trinidad and Tobago would need people who have the time. Because the nation is important and the people need to know how their lives are being affected. [*Desk thumping*]

To reduce fear we hear: do not worry. Really? More hampers on the way then, Mr. President? This is a breach of responsible government and governance. Which Minister can indicate where such cuts will be done? Which Minister? If so, tell us in the context of the current financial 2015 Bill, which seeks approval for expenditure. It is as simple as that.

Mr. President, the role of government seems to be a question here since, instead of responsibly serving the people, they seek to tiptoe around the real issues and focus on those related issues that do not offer any sustainability to Trinidad and Tobago in an equitable and efficient manner. [*Desk thumping*] Notwithstanding minor variations in the basic theme, common consensus would have it that the first duty of government is the protection of its citizens. Adam Smith, Thomas Jefferson, political leaders of the past and present, both nationally and internationally unite around this understanding.

It is also the duty of a government to manage the country, its economy and to provide protection and services with operations based on laws that give authority to institutional systems to efficiently govern. Governance incorporates the establishment of policies and continuous monitoring of their proper implementation by the members of the governing body of the organization; in this case the Government.

With reference to Trinidad and Tobago, the governing body is, of course, the Government of the day, the People's Partnership. The responsibility of the Government includes mechanisms to check the powers, the authority, of the members associated and their accountability.

The primary duty is also one of enhancing the prosperity and viability of the organization, in this case the nation, so to speak, of Trinidad and Tobago. Hence, the exercise today is part of the law and as a Senate, we are required to effectively monitor the Government and their style of governance. It is an imperative of our Westminster system of democracy and we on this side are complying.

The conundrum of coalition government of the Partnership has plunged this country into a governance crisis from 2010. That governance of the coalition to date has created a clear and present danger economically, socially, politically to our nation. This poor governance, Mr. President, has also eroded the quality of our national security, as our services from health, transportation, and our administrative institutions.

In 2010, the revenue from the property tax was put in abeyance as a result of the coalition conundrum. The COP led the charge to axe the tax and to get the Government. The UNC promised to axe the tax, Mr. President. They repealed the property tax, which would have included many citizens and businesses that were not paying their appropriate tax. For a vote, the tax revenue was stopped and the tick "Promise delivered". That is irresponsible governance.

On the heels of this mantra of serve the people became hollow when the MSJ, which was a partner was slapped with a cap on increased wages. So COP got their election promise, MSJ did not and the Partnership began to crack. COP got the tax axed and T&T's revenue was affected, Mr. President.

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Which business, I ask, stops revenue without assessing the negative impact with sound economic analysis? This is not good governance. This is risky business; not at all responsible management. The coalition compromise continues as the institutions fail to comply with sound business practice and are manipulated to suit the many moods of the Partnership or the Government, as project to project breached ethical and quality business practice.

So, amendments to the Finance Bill, all the amendments are to enable the passage of the Finance Act, 2015; issues that are challenged by legislation and reveal the reality of the UNC's government's, of their promise and their lack of delivery.

Land and building and property taxes were a big issue, but the deception and the manipulation to fool the people was never forgotten. The 2010 campaign of the UNC, the Partnership was to axe the tax. The people were told to vote to axe the tax and no new taxes was the incoming Government's rally call. The land and building tax, under the PNM, was reformed as the property tax was repealed by the Government—no new taxes—and the repeal gave the public a “bligh”. No one paid any property taxes.

The Minister of Finance and the Economy changed that and Minister Howai, in 2013, issued a statement in the budget laid in Parliament that there will be taxes since the Partnership will revert to the land and building tax in name. So, the trick in the name indicates it is not a new tax, but the very property tax that was repealed by a 2010 election promise, which was breached.

Sen. Al-Rawi: And the land and building tax is higher than the property tax.

Sen. D. Baldeo-Chadeesingh: That is right property, land and building taxes is to be introduced by Minister Howai. He introduced that in the 2013/2014 budget and he outlined the plan. He said:

“The Land and Building tax...is a key pillar in all modern tax systems. Recurrent land and building taxes meet all the conditions of a good and fair tax.”

But further to that, it gets really interesting. Minister Tewarie said—he joined in that as well. He said:

“...it was estimated that some...”

and this was in October 2012. Minister Tewarie said:

“...it was estimated that some \$360 million was lost as a result of the non-collection of taxes from since 2010, and a new tax structure would definitely be implemented.”

This was in 2012.

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“Asked if there was a timeframe as to the re-implementation of land and building taxation, Tewarie said,”—and I quote:—““I would think that over the course of the next year and even before the next budget...””

He goes on, Mr. President:

““...I think the people of this country are anxious to pay taxes and will be quite willing to comply with the new system and the new plans,””

His words, Mr. President.

But interestingly enough, there was another article and this one, I am quoting, by Stephen Kangal on September 27, 2013. He says:

“At present there are no laws in our statute books empowering the state to demand and collect property taxes...”

So they say one thing but the laws are not in place to actually do what they are saying, but they have all intentions of bringing back the property tax to this country. But, you know, the interesting thing about it is that is the revenue that we need at this point in time.

Today, we see the hon. Prime Minister reassuring the people she has adjusted the budget to cope with the fall in oil prices. They never had intention of axing any tax, but to seem to just stop the tax and reintroduce the same tax by a former name, while no revenue was collected from building tax in four years, but it will be back.

We would have had more revenue at this point and more comprehensive reform tax system, had the Partnership not repealed the property tax of the PNM, ensuring all pay taxes. This is not efficient government, what they are doing. Today we need extra money and the oil prices have fallen. Is this your Government working for you?

The effort to pass the Bill to allow the implementation of the Motor Vehicles and Road Traffic Act, including the hybrid car, is consistent with the budgetary plans of the Government. But while the amendments require, for this area of our economy, the Ministry of Transport has to date compromised the quality of the transportation system.

What of the ongoing issue of the Tobago links, sea and air? They are not well managed. The tourism sector has been publicly seeking some redress about these issues. How can the Government neglect to deal with these critical issues, which would enable the tourism sector and even increase jobs as these upgrades can be undertaken?

Mr. President, in a post-budget forum, panellist Diane Hadad:

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She pointed to the need for greater efficiency and dependability in the transportation system between the two islands, infrastructural upgrade and development work to Tobago's air and marine ports..."

She goes on:

"Tobago's tourism-dependent economy was, she noted, negatively impacted by an inefficient air and sea transport system between the"—two—"islands...serious investment"—she says—"must be made through the Government to efficiently facilitate the connectivity in transportation between the two islands."

Mr. President, on another point, the issue of the licensing offices relocation and tardy upgrade of the electronic system for transfers and registration, which were developed by the PNM, would have been introduced with a contractor to overhaul and upgrade the system. Today we are still coping with inaccuracies in that system.

Our crime detection would have been enabled had the planned reform and upgrade been undertaken to provide in real time, vital information to assist police in crime detection and the rest of individuals.

The ongoing issues, another point, of the transport system in 2013/2014 deteriorated. The Board of the PTSC, the union, the Ministry of Transport fell short in governance, operations and quality management. And as of January 2015, the fleet of buses in Tobago has been reduced to just six. Six to service the entire island. It has been publicly reported that over 30 buses are not in use, at this time negatively affecting the quality level of public transportation in Tobago.

There are transportation and operation issues and maintenance issues as well. Tools and parts have not been provided for upgrades and mechanical repair. In addition, the very hub from which the buses are dispatched and where passengers can safely board is in disrepair, and to date no appreciable progress has been made. The issue of the Port of Spain City Gate management is still also not effectively managed.

Mr. President, the transfers and implementations of the budget have not been timely. The blind, for instance, were not spared. And DRETCHI—I brought this up in a previous debate as well, Mr. President, workers serving the hearing impaired and the deaf were also seriously affected with no service to hearing aids and assessments for those requiring hearing aids. They are just not being serviced. This is the Government that says they care for the people.

Sen. Al-Rawi: Late payment as well.

Sen. D. Baldeo-Chadeesingh: Late payment as well. There are instances where the postal workers were paid late. There are instances where persons in regional corporations as well have been paid late. So, DRETCHI is one of them suffering as a result.

8.15 p.m.

We have been advised that the Ministry of the People and Social Development has not resolved that DRETCHI board mismanagement to date, Mr. President. Our citizens suffer, children, older persons and youth at risk with absolutely no services. Approval of these amendments in the midst of maladministration is quite a challenge. We are here to serve the people, but Government has a system that does not serve with equity, efficiency or quality.

Residents of La Brea is another issue—still not receiving—they are not receiving the appropriate level of intervention as a result of the oil spill. Why? In the current situation with a falling oil price, what will become of their already challenged health? Again, a hefty budget, but no appropriate implementation for the risks and accidents of the oil sector and the persons affected.

You know, a lot of reference was made to the Prime Minister's address last week, Mr. President. I wish to deal with some of the things that were said, and at the end of the address, I was left with more questions than answers, to be truthful. So a \$7.4 billion shortfall is what the Prime Minister identified as a result of falling oil prices, right? The hon. Prime Minister reaffirmed that the support grants, of course, Sen. Ahmed also spoke to this—support grants, senior citizens' pension, the minimum wage and baby grants will be untouched. But, you know, the hon. Minister provided no precise cost cutting details or any sacrifices that the population might be called upon to make. So I ask, therefore, what are the specific cuts? In what areas is the Government planning? Because you see, this is disingenuous and reckless management. Not even, I think, a parlour would be managed this way, Mr. President. [*Laughter*]

Also, what the Prime Minister did announce, was that the Government's 2015 budget, would now be pegged on a revised oil price of US \$45 barrel. A 44 per cent reduction from the original benchmark of US \$80 a barrel, right? Now, Mr. President, we already have deficits from the last four budgets, and this oil drop has added \$7.4 billion in lost revenue. Where and how will this lack of revenue for goods and services be managed? Why, in addition has the accounting to the nation taken a long time? And now there are more questions than answers or plans revealed.

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In addition, the gas price on which the budget is premised was also revised from US \$2.75 to \$2.25. This points to a major realignment in Government revenue and, therefore, adjustments in spending. Where, I ask, will this major alignment in Government revenue occur? What adjustments have been planned and when will they be implemented? No details were given for adjustments. Nor were any areas identified to alert the public of the plans of the projects that would prevent additional hardship on the good citizens of Trinidad and Tobago.

“Hamperdizing and food carding” gave support, but no—[*Desk thumping*] food—“hamperdizing and food carding” gave support, but no Government programme [*Laughter*] to build capacity of the unemployed, to facilitate revenues for sustainable employment. [*Interruption*]

Sen. Robinson-Regis: Sen. Karim, you heard that word? “Hamperdizing.”

Sen. Hadeed: “Humperdizing?”

Sen. Robinson-Regis: Ham, ham, not hump.

Sen. D. Baldeo-Chadeesingh: You will take it out of context. [*Laughter*] So this is the method of social programmes. I know where he was coming from. I know him all too well, you know, [*Laughter and crosstalk*] all too well. It frightens me how well. [*Laughter*] This is the method of social programmes supported by the Government, and this Government insists, no impact whatsoever on social programmes. We need to know, how is this area protected from the shortfall in revenue? I know that Sen. Ahmed, when she spoke earlier on, said that the social programmes were the last to be cut, but really and truly, it would also be turned around to that. It would be the first to be affected.

So how would they get these savings? And in that address, the Prime Minister identified savings in Government expenditure from one source, and that is:

“\$1.4 billion from a lower fuel subsidy outlay.”

So:

“Amongst the areas identified for redirection of spending and indeed in helping us to make up the shortfall of the \$7.5 billion...” I am quoting:

“...these are the areas that we would consider—infrastructural projects for which funding has not yet been confirmed; lower expenditure on non-critical goods and services; and cuts in allocation in selective ministries by about 15 per cent.”

So how, where and when will this shortfall be made up?

“...infrastructural projects for which funding has not yet been confirmed;”

So how come, I ask, the San Fernando to Mayaro Highway is to be built? When was the funding secured, Mr. President?

Sen. Robinson-Regis: While they were “hamperdizing”.

Sen. D. Baldeo-Chadeesingh: While they were—possibly. Even cuts in allocation in selective Ministries by 15 per cent which, where, what was the evaluation used to determine the Ministry and the amount that will be cut? Again, the address goes on:

“Any additional shortfall will be met from revenues generated as a result of our continued public offering programme,” she added, referring to the IPO to be held for the public sale of shares in Phoenix Park, Gas.”

So what we gleaned from that? Sale of our assets to make funds available in such an environment where the gas prices are down, is so irresponsible. [*Desk thumping*] It really is poor financial management. It is like one of those cheap sales that you see.

Now, another thing that came to my mind, the inability, if the Government is to—the inability of this Government to manage the FCB IPO. To date the corporate management of this sale, and the ability of the security sector to account to this nation for sales and questionable conflict of interest in the process, leaves no confidence whatsoever in any such undertaking of sales of our assets. Mr. President, in addition, I quote from that address:

“‘The same prudence with which we managed the economy since 2010, to bring us to a position of resilience and stability, will be used in shifting our priorities and maintaining stability,’ the Prime Minister stated. ‘History will record this period as one of our finest when we stood strong, made the right choices, exercised the right amount of restraint, held the right course and indeed saw the right results...’”

Mr. President, prudence and this Government cannot be used in the same thought, \$300 billion in four years and annual deficit budgets. [*Desk thumping*] IMF alert as to the poor planning, CSO not functioning. Mass employment and supportive social programmes will continue to fool the most vulnerable who will be the first again, for the third time [*Desk thumping*] repeated, first to be affected in such a shortfall, but this Government boasts we will manage, and the UNC is prudent. The Partnership is prudent.

Show us how the nation deserves the truth? The facts, that is what we ask. Sen. Raziah Ahmed said it. She said speak the truth, and that is what we on this Bench are here to do. [*Desk thumping*] We need answers. As a responsible Opposition we are here for the peoples’ business, but many questions remain and silence reigns supreme. The Dangerous Dog Act, implemented or not? No, no implementation. The FCB IPO report and consequences are yet to be delivered. The Point Fortin Highway has raised many questions yet to be answered, as is the lack of statistics from the CSO for responsible planning and implementation plans to be developed.

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So within these Bills, we see strange transfers called “savings”. When workers’ wages were not paid as due to them, and plunge the corporations into protests as a result of incompetence, Mr. President. You know, some of my Catholic friends, they tell me very often, you know, “in the midst of water the people starve”—mammoth budgets with historic allocations. Yet today, we see the poor management and poor reconciliation of money allocated, money spent, money transferred from one Head to another.

Specific draft estimates were presented in the Senate and the other place. Implementation left to the Government, to Cabinet and alas the poor management over the last four years, is now compounded by the drop in oil prices. There is no new culture, a fiscal policy as the Government spends and holds back funds, transfer funds yet saving claims. Can anyone run a business this way, Mr. President, while there is denial of poor administration and voices conditioning the masses that Government is working? Today, the Government cannot come to the public with a plan for adjustment of the falling oil price. When the budget was pegged at US \$80 a barrel and now stands at \$45 a barrel.

So in conclusion, this must be placed before the people. It must be said with the following issues, we now face different challenges given the low price of oil and the negative impact on our gas. The business community, some of us talking about the business community, they are pleading with the Government to get down to work, and present the plan for the country during this uneasy and unpredictable energy crisis.

With that, I would like in my closing statements, to actually quote from a release by the Trinidad and Tobago Chamber of Commerce. They said, and I quote:

“...it would appear that the Prime Minister opted to avoid key issues or disclosure of the need for possibly tougher adjustments. We also believe that the Prime Minister missed the opportunity to take the nation into her confidence in terms of sharing important statistical projections in order to adequately prepare ourselves for the challenges ahead...”

It goes on:

“The...measures presented lacked economic substance...”

The T&T Chamber calls on Prime Minister to be more open and transparent in sharing the key underlying assumptions and their likely impact on balance of payments as well as inter alia, these foreign exchange availability, the exchange rate, interest and wages. These are the details that businesses and households need to make informed decisions for their sustainability. The Prime Minister also missed the opportunity to impress upon the population the need for restraint in these uncertain times.”

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And they concluded that:

“...the Government”—needs—“to engage the country in a ‘forthright discussion’ on the way forward.”

With that, Mr. President, I thank you for allowing me the opportunity to contribute.
[Desk thumping]

8.30 p.m.

Sen. Dr. Dhanayshar Mahabir: Thank you very much, Mr. President, for giving me the opportunity to speak this evening on this very, very important Bill, at this critical time.

As I reflected upon the current happenings around us, I recalled an anecdote about what occurred in ancient China. It is said that, in ancient China, whenever a baby is born, it is given the following blessing:

Welcome to the world, little one;

May you never live in interesting times.

Unfortunately, it appears that many western economies have not been so blessed because we have been living in very interesting times and we need to understand exactly how interesting really are these times.

Just recently, Mr. President, in September of 2008, we saw a financial debacle, which few people were able to predict. Globalization spread the contagion of mortgage-backed securities across the industrialized world and with it we saw the beginning of a serious problem in the mighty US economy and also with spillovers in Europe. At the same time, we observed the collapse of commodity prices—prices relevant to our own economies, oil and gas. Those prices subsequently recovered and we experienced, in 2009, a year or so of falls in revenues where, if we recall, in the 2009 budget, the then administration had budgeted some \$52 billion in anticipated revenues. In 2009, the realized revenues were \$37 billion, a drop of some 25 per cent.

So we did have that very difficult year and gradually the prices recovered, which showed that we were very vulnerable to price shocks as we were in the '80s, but it appeared as though the era of low prices for oil was gone and that the fall in commodity prices was simply an indication of the repercussions of a wider financial meltdown, and for us there was a view that the problem was not so much price, but it was output. We had been producing some 150,000 barrels in the early 2000s and output fell to around 80,000 barrels of oil and we always felt that we were experiencing declining reserves of oil, diminishing returns and that oil output was a major problem for our country.

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So we saw, in 2008, this particular problem where we could not predict what was happening to the global economy and then, when we thought that 2008 was an aberration, up comes 2014 when, without warning, we saw a precipitous and calamitous fall in the prices of our commodities, without warning, and I think there were few who were able to predict this. This was unpredictable.

So, within a very short period of time, we have seen two highly unpredictable, uncertain events affecting us adversely and this is not a very fortuitous time for members in my profession called the econometricians because their job is to forecast and to predict and it is not the right time to be in that side of the profession because they will always get it wrong. All their modelling techniques now will have to be altered if we are to chart our way in the future. Now is, Mr. President, an excellent time to be an economic theorist as I would want to argue subsequently.

But, in 2008, we observed something else and some of us recognized what we observed and understood the implications for our domestic economy and that was the ascendancy of President Obama to the President of the United States. We understood that to be a significant event because we all rather liked the gentleman. However, when one observed the Obama campaign, what we saw was that the number one plank on the Obama campaign was energy independence for the United States—less reliance on foreign oil. You go back to his 2008 campaign speeches, you will see that that was his position, firm, unyielding, unbending.

What did that mean? It meant that the United States under the Obama administration was going to pursue all avenues to increase domestic energy supplies, to produce energy from alternative sources. We all recall his measure for having more and more electric cars on the road. We recall his green policy on wind and solar and geothermal and other forms of energy and so there was an increase in the supply from alternative sources based upon his programme; and also there was, at the same time, a reduction in the demand for foreign sources.

And so, aided, of course, by what we saw as the technological thrust, we observed, in the United States post-2010, an interesting development. The technology that emerged was such that it was now economically feasible to tap into certain forms of energy that lay dormant for billions of years—if that is how long we have been around—but now the technology to exploit was available. So just like the tar sands in Athabasca, Canada, which technology and price made into a valuable resource, so in the United States, which was always a huge coal producer; China, a huge coal producer; India, a huge coal producer; in these economies where there is coal, there are, at the same time, other resources and all

you needed was the technology to be able to extract the gas and once the technology was available—and the United States is a great centre for research and development, a very resilient economy—the technology emerged—Sen. Small will have, of course, much more to say. In any event, his expertise lies there, not mine—fracking and horizontal drilling and so on—and it was, he said, President Obama who caused all of this.

So the technology emerged and in this economy in which coal was always king—remember Loretta Lynn, I am proud to be a *Coalminer's Daughter*—coal was king in the Appalachians in the United States and in—that was where the coal vein lay. And since those mines are multi-product mines, you are going to get gas and, recently, what really chilled me and put fear in my spine was a conversation—and I hope Sen. Small does not mind me repeating it in the public domain—when over tea I asked him, “Sen. Small, what exactly are condensates?” And Sen. Small said, “Well, you know, it is just another fancy word for oil”.

So I said, I always thought we were only talking about gas in these shale-bearing rocks. He said, “No, you get oil as well and you simply need the technology to extract it”. And what it means is that the Obama energy policy, the existence of coalmining technology, coalmines in the United States, the new technologies of horizontal and fracking and the high prices practised by the monopoly called OPEC certainly caused a number of factors to come together so that the United States, which was once heavily dependent on energy, aided and abetted by a number of forces, became less and less dependent and is now a major energy producer.

What did the Obama policy do? It converted a de facto monopoly in the oil market, called OPEC, into now what is a duopoly or an oligopoly. This is where the economic theory now comes into play. And this is a fine time to be a theorist because a monopolist, the OPEC, the monopoly controls output and, given existing demand, the monopoly can decide exactly how much to put on the market to maintain a particular price.

But the moment an interloper comes in, where am I going with this? It is not to give an economics lecture though I would very much like to and on that point I heard much about the University of the West Indies being silent. I want to say for the public record, I am no longer employed at the University of the West Indies. In fact, I have no academic affiliation with any institution either here or abroad. However, it is said that academics never really retire, they simply lose their faculties. So before I lose all my faculties, I wanted to put that on the record. Though I will still on the board of a journal called *Briefing Notes in Economics*, the editor is insisting that I have something valuable to say and to contribute though I have been trying to persuade him and tell him the truth—that there is nothing I can contribute there.

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The reality is economic theory is valuable to understand what we are seeing. A de facto monopoly has now become an oligopoly. We are seeing new supplies as well, like Libya. Sen. Small, in any event, will have much more to say on these supplies, but whenever we are in an oligopolistic structure, this is what occurs and I am coming to the point that I want to get to for public policy in Trinidad and Tobago.

The moment a new entrant comes on the market, what does the monopolist do? He has one option. I can cut back production and that is after the model of Augustin Cournot, in the 1820s, French economist, *Theory of Wealth*. He said the rational monopolist when he sees someone coming into the market with supplies, so the Americans coming in with 50,000 gallons per day, the monopolist will cut back his output by 50,000 and he will accommodate, so that prices will be up.

But then, later on, the model of Joe S. Bain—Bain's model was, I am a monopolist, why should I tolerate you and make space for you. You come in with 50,000 barrels. I will keep my output fixed, so it is my output and your 50,000 barrels, price must fall. This is what we are seeing.

A third model, Mr. President, is this. The incumbent firm, the OPEC monopoly will say, the United States is coming in with 50,000 barrels a day. I am producing a million, what do I do? Do I keep my output fixed? No. I will double up my output. I will just start opening the taps and the spigots and let oil flow like water and I will teach that interloper a lesson he must never come into my market, after the famous economist Tom Schelling, the rationality of irrationality.

And then, finally, the monopolist can behave as if he is a perfect competitor. He will say, well the price of my producing in Saudi Arabia is \$10 a barrel. That is the cost to me. The cost to the guys in the United States is 50, I am just going to pump so much that the price is going to come down to about \$15 a barrel and, in that model, he acts like a perfect competitor. That is the contestable model after William J. Baumol, so that—and incidentally in that particular context, there was a thesis written by a West Indian economist 30 years ago, entitled *Contestable Markets and the Theory of the Multiproduct Firm*, analyzing this particular problem which we are seeing in oligopolies. The author of that thesis was Dhanayshar Mahabir, 1984. [*Desk thumping*]

8.45 p.m.

So, we have been looking. Why would a young fella in '84 write something like that, *Contestable Markets and the Theory of the Multiproduct Firm*? He has nothing better to do. That is the only reason. So that what we are seeing there in these market structures available online, in case anyone wishes to read it. I would not recommend it. It is not the most pleasant of readings.

But, Mr. President, what we are seeing with all of these is this, the incumbent firm can choose any form of action depending on where he sees his position in the future, and we do not know where he is going to go. Is he going to accommodate like Cournot? Is he going to keep output fixed like Bain? Is he going to double up on output like Schelling? Is he going to act like a perfect competitor like Baumot? We do not know, and because we do not know, the price now of this commodity since the monopoly stature has been lost, can range anywhere between the competitive price of \$20 a barrel to the monopoly price of \$120, and this is the range that we will now see because the monopoly has been effectively destroyed.

I regret that I cannot know where it would settle. You see, we do know how the Saudis, the Libyans, the Norwegians and anyone will behave, but we do know the behaviour is left entirely as to where they see their own future lying. Is the pricing to maximize long-term profits? I do not know, all I know is that there is a huge variable, a range, and they can go to the lower range. Pour quoi? Why? Why in French. Why would they go there? Why could they go there? They can go there, Mr. President, because over the last number of years, they have been building up a huge war chest. When you look at the heritage fund of Norway, it is close to a trillion dollars; when you look at the heritage fund of the United Arab Emirates, of Qatar, of Kuwait and of Saudi Arabia, they are all in excess of \$500 billion. They have been building up these huge sovereign wealth funds, which will allow them to engage in this type of activity which is now economic global warfare, and they are able to finance it and really ensure that they can drive the new producers out of business. This is serious business.

Sen. Ramnarine: Is the market efficient?

Sen. Dr. D. Mahabir: Well, the market is certainly going to be efficient for the consumers of oil, not for the producers of oil. Those who are consuming will take it as a gift in the short period, the producers who can finance it will continue to produce.

In this context, what do we do now with uncertainty? The Government has indicated that they will choose a price of \$45 and, you know, looking at economic theory and only at economic theory, I think the Government has made a wise choice [*Desk thumping*] because if it is that the most efficient producer in the United States in the shale bearing formations can produce at a cost per barrel of \$50, then it would appear that \$50 is the upper limit that some of these countries engaged in price warfare may want to go. The moment you go in excess of \$50, you are making it more and more efficient or possible for these smaller firms to really make a profit in your industry. So, is there a limit price of \$50? If so, then it appears that the price of \$45 might very well be the long-term price for the commodity average over a while even in an atmosphere of volatility. So if it goes from a low of \$20 to a high of \$120, we can certainly say that if we are pricing to deter entry into the market, the \$45 price seems to be a limit price.

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Given that, what is the option for the Republic of Trinidad and Tobago—the option now knowing this is no conjecture anymore? The oil monopoly has now changed into an oil oligopoly. Once you understand that, Mr. President, our problems would be easier to solve. In order to solve it, understand why Saudi and Kuwait and UAE and the other countries can do what they do. They have their heritage fund.

We in this country started a heritage fund in 2001, today it is only \$5 billion. When the issue arose about the size of the heritage fund, no government committed to having a fund of a particular size because we did not realize the critical importance of having this particular fund. We know why the UAE and Kuwait and Saudi and Norway have their funds. They know the uses to which those funds and the returns of the funds would be put. In fact, in some of those countries, they could shut their wells off. It is said that Kuwait could shut its wells off, and it could live quite nicely on the rate of return on its huge funds. So, its financial returns has now replaced its real return from the oil market. We need to do something here, and this is what we need to do. Could we, finally, as a country tell ourselves let us budget as if the price of oil would be forever \$50? So if it falls to \$20, if it moves to \$120, no consequence, let us see whether we could live on the revenue of oil as if the price is \$50.

In an oligopolistic market and given the limit price of \$45, it seems reasonable. Though I could be wrong as wrong can be as well, but I am just looking at a likely scenario. If that is the case and if we can say well it appears now that the price of gas will now be forever \$2.50 because they are going to be gas producers who will engage in the same type of financial in ledger domain, so we say let us budget on a \$50 and \$2.50; \$50 for oil and \$2.50 for gas. What it means is that this country will have to learn to live on a \$50 billion budget.

Let us look at what has happened since 2001 with respect to expenditures in this country. In 2001, the population was 1.3 million, we spent \$13 billion; in 2004, same population, \$18 billion; in 2005, \$32 billion; in 2008—from \$18 billion in 2004 to \$32 billion in 2005—check the figures. [*Crosstalk*] I am coming to that Senator. I am coming exactly as to what happened—and then in 2008 we moved to \$52 billion. So between 2001 and 2008 our expenditure increased four-fold. Our population stabilized, so what did we observe? Rise in revenue from oil but, in particular, in 2005, the injection of gas revenue, rising expenditure.

We did not develop the discipline to live as the Norwegians have done. The largest heritage fund in the globe, a trillion dollars. Check it on heritagefund.com, you will see that Norway is leading them. They consume only 10 per cent of their energy revenue and they save the rest. For them, they were living quite nicely

before North Sea oil was found and they would live quite nicely subsequent to North Sea oil as well. So that we did not develop what I am here recommending again for the *n*th time where “*n*” is a very large number. Let us act as though the price will now be—look, let us go back to this heritage fund again. Sen. Roach had asked—I do not know about time, but look certain things need to be said.

When this heritage fund was first conceptualized in 1998, the idea was—and the price was very low—let us budget as if the price of oil would be permanently \$22 a barrel. I know because I created it and, therefore, although the price then was \$9, we said it is a little on the low side, if we could act as though the price is forever \$22, 1998, then anything in excess of that—no fancy formula—as I see in the Act, we simply drop it into the fund and learn to live with discipline because we need to establish a heritage fund. In my mind I said US \$15 billion, we are one-third of that. Why \$15 billion? Simple, 15 by 5 is 75, so a \$15 billion fund at 5 per cent was going to give us US \$750 million in interest which would account to TT \$5 billion or \$6 billion to finance a lot of the social programmes for the poor and the vulnerable. That was my rationale then, it has not changed in my old age now. I would like to see this country establish a target for the heritage fund so that we will finally be able to have a real buffer, not a nominal buffer. It is not judicious, it is rather non-ingenuous to say we have a heritage fund of TT \$30 billion when, in fact, our debt is TT \$70 billion. We should set a target—should we not?—of having a heritage fund, at least, twice the size of our public debt and then we are talking about a real buffer.

Let us finally, understanding now that this global energy economy has changed forever. Obama has changed it; technology has changed it and the OPEC has changed it. It is forever changed, let us now start changing our old behaviour. Let us commit to a heritage fund. Let us get a national accord going, \$15 billion, use the returns of the fund for social programmes and do not touch into the capital of that fund under any circumstance. This stabilization aspect of the fund is something that will get little or no agreement with me. We can stabilize in another way.

So, first proposal, let us budget as if the price is forever \$50. It should not be rising revenue, rising expenditure, because we will always be treading water swimming and going nowhere and the second is, let us set a target for this heritage fund. An election is coming, I want to see whether it would appear in any manifesto. Do we need a target, if so how much? How disciplined are we to get to this target? The crisis is upon us, we have the tool now, let us just work the tool.

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Let us now, in addition to the heritage fund and budgeting on a permanent price look at a measure of fiscal policy that can and should be implemented. Again, no reinvention of the wheel, Mr. President. In the '90s, President Clinton, in his attempt to balance the federal budget and, at the same time, even generate a surplus, initiated something known as the line item veto. What is the line item veto? The line item veto is, as it says. The President of the United States would simply take the budget and he would look at it line by line and he would have his red pen and what he did not wish to have spent on, he would simply cross it out. This was aimed at what in the United States is known as pork barrel projects. What is a pork barrel project? It is really giving some of the fat of the land to supporters, congressional districts in the rest of the United States, but it is doing nothing for the federation. His line item veto invoked some 82 times under his administration generated the largest fiscal surplus in the history of that country. I would recommend that the hon. Prime Minister of our country in a time of economic crisis like this consider giving herself a line item veto too.

I know we have a tradition of the Minister of Finance and the Economy doing everything, but I think as chief executive officer—Clinton was chief executive officer—go through the budget. And do we have pork barrel in Trinidad and Tobago? Mr. President, we do, by another name. It is called LifeSport. [*Desk thumping*]

We have to go in every Ministry and see where the \$34 million and \$35 million being spent for nothing happen to lie. Look at the goods and services component of our Bill; look at the various times of items procured by the Government; look at our PSIP; look and find out, as my colleague Sen. Balgobin said, there has to be some fat. We need to trim the fat equivalent to 10 per cent, and is it there. It is always there. Every budget has what is known as X inefficiency, organizational slack. It has some measure of play that vested interest groups across the country are able to get in there, and what we need to do is to cross those out first and foremost.

9.00 p.m.

Once we can trim the fat we would know that the Government, Mr. President, is really engaging in restrictive fiscal policy along a line that is going to be least injurious to the public interest. While we are, and I would strongly recommend in the Office of the Prime Minister, this line item veto, let the Prime Minister, having given us a statement in the national domain, now indicate that this situation is so serious and also it is not going to disappear. We are now in interesting times. It is volatile. We will see fluctuations and gyrations that are

unpredictable. All we could do is predict the range, we cannot predict the behaviour of the Saudis and the Libyans, and the Norwegians. So, let us consider the line item veto. Let us look for the fat and trim that. Of course, we always try to raise extra revenue via tax collections, but, immediately, if I were in Government now, I certainly will go through the big set of estimates we have on statutory corporations and on the PSIP, and everything, and look for items that if we remove, the public interest will not be injured.

Second: items could be suspended. There are some items which are priority and some items that are just good to have. Third, Mr. President, in my contribution of the main budget in September, I indicated that we need a public sector maintenance programme. We do need to maintain the capital structure, the capital stock that we have. Once we have the maintenance programme, we should be able to supply the goods and services to the population without, at low cost, and at the same time securing our economy from those adverse shocks that we are experiencing. So, fiscally, the Minister of Finance and the Economy has a lot of, what we call float. He can look at projects and he can alter the priority and he can change them. The sky is not falling but we have to recognize that it is getting dark.

Let us now look, in addition to fiscal policy, to monetary policy. One of the objectives of economic policy at this time is for us, Mr. President, to undertake the adjustments on our own before an external agency forces us to adjust. Let us adjust on our own, adjust we must, but let us determine the pace of the adjustment, and in that, fiscal policy alone is not sufficient. We do need monetary policy, and I would like to see what the monetary policy of the Central Bank is. We are told that we have some \$14billion or 14 months of import cover, and it is critical at this time that we defend our reserves so our exchange rate could be preserved.

In order to ensure that we protect our level of reserves and maintain our exchange rate, we do need to tighten up on monetary policy and that, inevitably, will result in a number of things, one of which will be a rise in the interest rate for credit. We have to pursue tight monetary policy now even though the economy is experiencing zero growth. We do need to defend our reserves, because if we do not, and if our reserves fall to levels which are dangerously low, three months or less of import cover, and we run out of reserves as we did in January of 1987, then we have to get the reserves from elsewhere, and once you get those reserves from elsewhere, you have to comply with the conditions of accessing the reserves.

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Let us invite the IMF for coffee and tea and have a chat with them, but let us not have them tell us how to conduct our monetary and fiscal policy. So, let us examine our level of reserves, and in examining our level of reserves, we need to tighten our monetary policy and brace for rising interest rates. Russia has already done that, because if you check their Heritage Fund, it is nowhere near that of any significant size. They have had to drastically adjust, and adjust expeditiously, and their interest rates have risen significantly, all in the effort to preserve the foreign reserves that they have.

Tight monetary policy, critical so we expect the Central Bank to give us some kind of insight into this matter. As interest rates rise, we are going to see something, and we will see complaints from the banking sector, because already we have high liquidity, already they are unable to lend what they have and then they are going to complain further. And what they will do, Mr. President, is that they will try to maintain their rate of return on capital employed and they will find other ways to earn money, and they will earn money on the fees that they charge. Mr. President, whenever you go to KFC, Kentucky Fried Chicken, to buy chicken and chips, you are served, but they only charge you for the box of chicken and chips, they never charge you a 10 per cent service fee.

Whenever you go to the gas station and you purchase gas, the attendant puts the gas into your tank and you never have to pay a service fee to the gas station attendant, you pay only for the gas at the subsidized price that we fortunately get, but whenever you go into a bank, every single transaction that they have, you have to be prepared to pay some kind of fee. [*Desk thumping*] You have to pay the fee, so that I would really like the Central Bank to reveal information, on an annual basis, on the amount of fees that these banks—all of them, we have them here: The Bank of Baroda, Citibank, CIBC First Caribbean International Bank, First Citizens, IBI, RBC Royal Bank, Republic Bank and Scotiabank. I have them here because they put an ad out on Christmas Eve Day. [*Interruption*] Yes, it is on Christmas Eve Day this ad came out on Bankers Association statement in response to the comments of President Anthony Carmona.

I know in this House you cannot say anything about His Excellency The President, but this, Mr. President, occurred in the *Guardian* of Wednesday, December 24, 2014. This was a statement from the Bankers Association in response to a statement of His Excellency. I would read for the record what they are saying, and I am driving to another point that we would have to be looking for in this period of adjustment. The banks are going to raise revenue from sources other than loans, because in a deteriorating economic climate the lending ability of the bank will be seriously compromised, and so in order to maintain their profit base they are going to see every customer as a potential revenue generator.

In this particular statement issued by the Bankers Association of Trinidad and Tobago, it states:

In his remarks, His Excellency called on the Central Bank to take an additional look at legislative reform of the banking sector while describing bank charges and interest rates as exorbitant. He said the Central Bank should examine this to create a sense of parity and fairness between bank and customer.

It must be noted—and they continue—that it is standard practice for commercial banks to formally advise the Central Bank and the financial services ombudsman of any decision to adjust bank fees and service charges. Customers are also advised of the level of bank fees and charges through mail and notifications on bank websites.

In addition, as a matter of course, banks take several factors into consideration in the review of fees and service charges, including changes in market and broader economic conditions. There has been no suggestion that bank fees and charges in this market are exorbitant, either in relation to fees and charges of other financial institutions locally and international.

Well, let us just go back to one line again:

It must be noted that it is standard practice for commercial banks to formally advise the Central Bank...of any decision to adjust...fees...

They did not say that the Central Bank can tell them, no. I am calling on the Minister of Finance and the Economy to look at that Central Bank Act, in particular, in relation to the ability and the powers of the Central Bank to regulate the fees that they charge.

They are correct, Mr. President, they do send information as to their fees. This came to me—this is from Royal Bank—and in one of the accounts there is a multiplier account, it says:

Monthly service charge: Free if daily balance of \$15,000 is maintained. So if you have \$15,000 in that checking account that earns .00001 per cent interest and you have \$15,000 sitting idly there, it is a free charge, they would not levy anything on you. The moment you go to the ATM and take out a little \$100 and it falls to \$14,900 or \$14,999, what happens, they charge \$20 out of your money.

What we need to do with this particular industry is to find out, on what basis do you charge these fees? Is it that you charge them because you are in a tight oligopoly that there are four or five of you and you can get together and you can levy these charges? Let us look at the credit card statement, my credit card

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statement which they sent, Republic Bank; there is a cash advance fee, over the limit fee, late payment fee, return cheque fee, annual membership fee. In fact, credit cards happen to be the worse—and, you see, I am coming to a point here—*[Interruption]*

Sen. Al-Rawi: Twenty-four per cent interest.

Sen. Dr. D. Mahabir: It is 28 per cent, Senator.

Sen. Al-Rawi: No, when you add the rest.

Sen. Dr. D. Mahabir: We have to add all.

So I think credit card fees, Mr. President, make Shylock, that merchant in Venice, look like a very decent fella. He looked like a very pleasant, kind, generous fella, and he is the kind of fella I would like to borrow money from because he is not charging me. What do they do? There are two types of customers in credit cards—*[Interruption]*

Sen. Al-Rawi: When you go for your US they have none.

Sen. Dr. D. Mahabir: Right. Well, there are two types of customers for credit cards. Mr. President, you perhaps are a “deadbeat customer”. What is a deadbeat? The deadbeat is a gentleman, who, when he has \$5,000 to pay at the end of the month, he pays it out, and they can get no interest from you. Then there is another customer called a “revolver customer”, he is a revolving customer. If you owe them \$5,000—they do not tell you this you know, but if you owe them \$5,000 and you pay them only \$4,000, you think you only owe on the next month’s balance, \$1,000? “Ah, ah, ah.” It is the \$1,000 that you owe them plus every extra expenditure you make from the day you paid your last bill; you have fallen from grace and you are a revolver.

In every financial institution there is somebody, I do not know what he is called, but I think he is called the “head schemer”. *[Desk thumping]* The head schemer is in a room there simply to take people’s money, and we need to be looking at these powerful—and I am coming to something in this Finance Bill, because I am looking at the powerful interest groups in this country, and in the era of adjustment, we need to be looking at what is fair. *[Interruption]* I was told I have two minutes of regular time, and I suspect I have some more coming up. Right.

Mr. President, we have to really review the Central Bank Act. We need to ensure that this notion of lazy economics is put to rest. Financial institutions do not exercise their market power and levy fees simply because they can, the only fee they do not charge is a fee now for you to enter the bank, and soon every bank will have turnstile and there will be a big strong fella, and the moment you enter he will say, “Whe yuh going?; “Ah going to the bank”—“\$5”. I am sure there will be an entry fee.

Mr. President: The speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [Sen. Dr. R. Balgobin]

Question put and agreed to.

9.15 p.m.

Sen. Dr. D Mahabir: Thank you very much, Sen. Dr. Balgobin and colleagues in this honourable Senate.

We really would have to be looking at the behaviour of this sector of the economy and, in general, I raise this because of what the hon. Minister indicated this morning. What he said under the Government Savings Bonds Programme was very interesting. He said the national tax free savings bonds regulations are amended in Regulation 9 by deleting the words six, seven and eight per cent and substituting the words one, two and three per cent.

What it means is that the Minister will be selling bonds now at 1, 2 and 3 per cent. Who will buy these? The objective as I recall—Sen. Small will, of course, indicate whether, in fact, I was correct in my assertion—was that we were going to give the small individual: the public servant, someone with \$5,000, \$10,000, \$15,000 an opportunity to invest in the government bonds, and he will obtain a rate of interest that is similar, that is a premium rate that the Minister can afford to pay, simply to encourage, in a low interest rate environment, the small saver to benefit from having a long-term instrument, and we would stimulate the bond market in this way.

The hon. Minister of Finance and the Economy this morning indicated that representation from the financial sector suggested that he would have—so he bowed to their pressure. He bowed to the pressure of the powerful financial elite, and that cannot be in the public interest.

The MBAs in those commercial institutions are brilliant people, but do not use your brilliance to simply take someone's money simply because his account goes dormant after two years. In fact, after two years, if your account goes dormant, they can start taking into their coffers—it happened to me—US \$5 every month for a year. At the end of a year, US \$60 of my money went to that particular bank. I did not know. What are they doing for my US \$5? They have an entry in their computer; they are doing nothing, but they are charging me fees. I do not mind paying fees. I would like to pay the gas station where I buy gas a service fee, because the pump attendant is really very efficient, kind and pleasant and performs a service for me. They make money out of me in the financial institutions. I would say, people who are accustomed to easy money, it should no longer be possible. The public interest will be jeopardized as a consequence.

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Not only are we targeting the financial institutions, we are going to ask all in this country to make adjustments. The Chamber of Commerce made a statement on the Prime Minister's statement, but I would like the Chamber of Commerce to understand, and the Manufacturers' Association, and the business group, and the owners of capital, that it is not only labour alone that must adjust in times of economic decline. [*Desk thumping*]

The Government has a tendency of looking at the supermarkets and seeing which one is charging more for soft drinks than the other one. That is not where the problem lies; that is a competitive industry. There must be 1,000 of those institutions in the country. We have to look at where there is market power. The few importers of pharmaceutical drugs, they will determine how much the pharmacy sells. The importers of food, they will determine the price at which the supermarket sells. We need to get an accord from the business sector of this country, that there has to be an adjustment on their profit mark-up. If we do not, this country will face the kinds of unpleasant experiences that we saw in the 1980s.

I am coming, Mr. President, to my very last recommendation for this Parliament to consider. It is high time we give serious consideration, not just lip service, serious consideration to this notion of tripartism. This is something that my colleague, Sen. Dr. Balgobin, alluded to. We have a labour movement. We have a business sector, and we have a Government Executive in this country. The Government has to adjust fiscally and monetarily.

The labour sector will have to adjust. We are going to be asking the wage earning sector once again to temper their wage demands, but we need also for the private sector to control the rate of return on capital employed, and my recommendation is this: let us just now stop talking about the need for tripartism and let us act.

Recently in this honourable Chamber, there arose a number of new committees of the Parliament: foreign affairs committee, energy committee, the publications committee and so on. I am now recommending, for consideration of this particular Parliament and for people in the other place, that we also have a joint select committee on tripartism and industrial relations in Trinidad and Tobago, where, given the parliamentary channel, we would be able, not only to see the labour movement on the streets, but I would like to be a member of that committee, and I would like them to come and I would like to invite them, together with a member of the Executive, and I would like to invite the executive and the labour movement, together with the representatives of capital for all types. Come in the Parliament, let us interview, let us discuss. Let me hear what the grouse of the capital sector is. Let me hear the side of the labour; let me hear what the concerns of Government are. Let us ventilate our concerns in this Parliament.

Excellent work is going on in the Parliament in the committee system. I think if we can have a joint select committee on industrial relations in Trinidad and Tobago, we will be able, not only to adjust, but to have industrial peace.

As I conclude, Mr. President, I conclude on this point: the fact is, in this new dynamic that we have, where there is an oligopoly in the oil market, where there is a struggle for market share and market power, where there is much uncertainty. A small country like Trinidad and Tobago will have to understand how powerless it is in this battle of the titans. Once we are swept away by that rip current of international commerce, we need to swim parallel to the shore, in the same direction.

If labour moves in one direction and Government moves in another direction, and the private sector moves in a third, all of us will sink at the end of the ocean.

Mr. President, I thank you.

The Minister of Food Production (Sen. The Hon. Devant Maharaj): Thank you very much, Mr. President, it is my pleasure to contribute to these Motions before us, “an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2014) Act, 2013”, and an Act to provide for the variation of certain duties and taxes to introduce provisions of a fiscal nature and for related matters.

Mr. President, I listened attentively to the contributions of all before, but in particular those of the Opposition, and the last Opposition speaker, Sen. Diane Baldeo-Chadeesingh, really echoed what a lot of the Opposition has been saying in the public media, public space, since the address of the hon. Prime Minister regarding the state of the economy. Essentially it could be condensed to the phrase that “no details were given”. It just speaks to the issue of their failure to understand a policy statement.

We indicated unambiguously to the population that the Prime Minister’s statement was to lay out in broad terms our policy direction in which we would ride this economic turbulence that the country is facing at this particular time. It would be up to the respective Ministers, as they operate their Ministries, to operationalize the necessary cuts as they see fit. That simple understanding of our approach seemed to have escaped those in the Opposition and those who support them elsewhere. But I repeat again for their understanding, and I hope that it resonates at some level, that the Prime Minister’s statement was a broad policy statement into the general direction in which we would deal with this challenge, and the respective Ministries and Ministers would take up the issue in greater detail.

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Interestingly, their response gives us an idea, gives the population at large an idea, how they would have met the challenge, if they were in our position forming the Government of the day. From their statements it seems that had the PNM been in political office today, the country would be bleeding on the side of the road, because they would have engaged into a cut policy across the board.

We have already heard from the Leader of the Opposition, even before this crisis that we are currently facing, that he would have cut the Ministry of Local Government, he would have cut the Ministry of Tobago Development and many other programmes. He would have already invited the IMF to visit Trinidad and Tobago. So one could have wondered if they were in office today, what other measures would be removed from the population via Government goods and services. Would GATE be cut, would disability grants be cut, would CEPEP be cut, would URP be cut? Tell us.

We have heard all that we are doing wrong on this side, from that side, but we have not heard a single proposal, a single recommendation from the Opposition as to the way forward if they were in charge. [*Desk thumping*] All that is being advanced from the Opposition is that things should be cut. The country would be left bleeding.

From Sen. Baldeo-Chadeesingh's contribution, we have an inkling that this pervasive approach of "cut policy" is essentially like a slash and burn policy. For my friend, Sen. Avinash Singh, to understand in agricultural terms—this slash and burn approach to economics appears to be the PNM economic model. Indeed, she has indicated in so many words, that if they were in office today we would be faced with the property tax. Now let us remember what this property tax presented the country with at the point in time, 2010, 2009. If you had a dog kennel in your yard made out of concrete, you would be taxed. If you had a swimming pool in your yard, you would be taxed higher. If you had a neighbour with a higher property value, you would also be taxed. This is what is in store for the population should they put God out of their minds in 2015, property tax would be revisited.

I enjoyed Sen. Baldeo-Chadeesingh much better when she was a radio DJ—much better. [*Laughter*] I am saddened to see how far she has fallen from my appreciation. In fact, when she stood up, I thought that the news started later at eight, because I am so accustomed with her starting at seven.

In Trinidad and Tobago, the population can be comforted that this administration will manage this economy in this challenging time. [*Desk thumping*] We have the experience of managing the economy when oil was \$9 a barrel. We have a Chairman of Petrotrin, Lindsay Gillette, who was then the former Minister of Energy at the time, managing that state enterprise. We have Minister Kevin

Ramnarine, a wealth of experience in the South Energy Chamber of Commerce; Minister Larry Howai with an envious banking record. We have the skills, we have the ability to ensure that we will maintain the social programmes. We will maintain the programmes that we see necessary for the operation of the country smoothly, so that the population will not suffer as a result of the dipping oil prices. The PNM, on the other hand, when oil was \$100 a barrel, could not run this country properly. [*Desk thumping*] They enjoyed two booms, oil booms in this country, and “dey buss”. They are the boom champions that “buss”. [*Laughter and crosstalk*]

9.30 p.m.

My contribution today—I do not intend to detain the Senate late because I know we had a long day starting at 10.30 this morning and it is 9.30 p.m. We had a very long day, but I want to turn my attention to some of the statements made by Sen. Avinash Singh as it pertains to the agricultural industry in particular. [*Crosstalk*] As he is getting married I would not do much damage.

Sen. Lambert: He was lacking information.

Sen. The Hon. D. Maharaj: Sen. Singh pontificated from the other side that woe is the agricultural sector under this administration. We are doing nothing good according to his view. And the PNM alone [*Crosstalk*] had the solution. I mean, while he was kind to me, I think he was not kind to my administration, and I take umbrage to that. [*Desk thumping*]

Sen. Lambert: He lacks information.

Sen. The Hon. D. Maharaj: I want to share with Sen. A. Singh some of achievement of this Government in terms of the agricultural sector with specific, tangible and measurable achievements. We revised the incentive programmes, such as for the first time offers farmers rebate for the installation on-farm security, aquaculture, post-harvest operation, marketing, agro-processing, start-up production cost. For the first time it has been expanded to include both livestock, as well as crop and fisherfolk.

Sen. Lambert: He is not aware of that?

Sen. The Hon. D. Maharaj: No. He is not aware of that. He is a part-time farmer, part-time Senator. I do not know what he will be full time. For the first half of—I hope he is a full-time husband. [*Laughter*] I hope he is a full-time husband. [*Crosstalk*] For the first half of fiscal 2013 to 2014, the regional administration north processed 2,975 agricultural incentive applications valued at

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some \$19,727,426.46 and they were distributed across St. George West, St. George East, St. Andrew, St. David, Caroni region south, they processed some 10 million incentive programmes across Victoria, Nariva/Mayaro, St. Patrick, St. Patrick East, St. Patrick West. Therefore, a total of 5,185 agricultural incentive programmes—incentive applications valued at some \$29 million were processed for the fiscal year of 2014; one of the highest ever.

In terms of access roads, some 28.7 kilometres of access roads were maintained in county St. Patrick, Victoria, Caroni, St. George and St. Andrew. Additional periodic maintenance on 84 kilometres of access roads for the remainder of fiscal 2014 is also being carried out. The data on the access roads currently undergoing periodic maintenance include 12 kilometres in St. George, 3.6 in St. Patrick West, in St. David/St. Andrew—2, Nariva to Mayaro—5.8; Victoria—10.8; Caroni—49.7. The Food Basket Programme which has shifted to NIPDEC, access roads allow farmers for ease of access to some 69 major food baskets areas in Trinidad.

Let us compare how our access roads and construction and maintenance programme compare to your administration, Sen. Singh. In 2008, 27 roads were rehabilitated for a total of 28 kilometres. In 2009, it was six access roads for 11 kilometres. We go now to 2011—our administration—19 roads for 34 kilometres. For 2012, 19 roads for 40 kilometres—we are getting more efficient. In 2013, 21 roads for 23 kilometres. For 2014, 25 roads at 38 kilometres.

Mr. President, it has shown that in terms of rehabilitation of access roads, the Ministry of Food Production has outstripped the previous administration's performance. [*Desk thumping*] In terms of maintenance of the roads—and these are hard facts. These are hard facts. Let me compare—2008, in terms of maintenance, 31 roads for 30 kilometres. In 2009, 40 roads for 48 kilometres. In 2011, we did 45 road for 90 kilometres. 2012, 42 roads for 113 kilometres. 2013, 58 road for 116 kilometres. 2014, 78 roads for 150 kilometres. And we de-silted some 187 kilometres of drains and constructed over 220 ponds. [*Crosstalk*]

Mr. President, all this the farming community benefitted—[*Crosstalk*] Yeah. What they do is water management on the farms so you do not have to depend on WASA and so on.

Sen. Lambert: Well treated.

Sen. The Hon. D. Maharaj: So all of these achievements occurred under the People's Partnership administration. [*Desk thumping*] Sen. Singh and his Bench would argue with these statistics because it shows our administration in a positive light. They would only criticize the CSO because people working at home and so

on, but they would use the same police statistics from Sen. Gary Griffith and say murder high, but they question in the same column or table that serious crime is down. They are convoluted in their logic. They are disingenuous. They engage in intellectual masturbation at its best, and they are specialists in that.

I turn now—[*Crosstalk*] intellectual masturbators. [*Laughter*] What is so unparliamentary about that?

Mr. President, I turn to Sen. Singh's statement on the Praedial Larceny Squad. He stated that the squad was really failing, and it is really echoing a statement made in the Lower House by another Member of his team in the Lower House. This Praedial Larceny Prevention Act came into force in the year 2000. The PNM attempted it and it failed miserably. In fact, the PNM in terms of crime on the whole has failed miserably. Thanks to Sen. Gary Griffith and his crime-fighting techniques, we are seeing some measurable achievements in that particular area. [*Desk thumping*]

In fact, in its 40 years—in its years of administration, the PNM never addressed the issue of praedial larceny for the farming community in any serious way. Now, we have a fully functional Praedial Larceny Squad operating in Trinidad and Tobago. That became a reality with a close collaboration between the Ministry of National Security and the Ministry of Food Production. And I thank my colleague, Minister Gary Griffith for lending support to take this Praedial Larceny Squad to [*Desk thumping*] come into being.

The Praedial Larceny Squad, I want to highlight some of the hard-working men and women of this squad. It consists of one superintendent, one assistant superintendent, two inspectors, five sergeants, five corporals and some 79 constables. They operate from four divisional offices which include Farm Road, St. Joseph, Central Division, Southern Division, Eastern Division and in VMCOTT's compound. They carry out a number of activities. They patrol—[*Crosstalk*] what is that?

Hon. Senator: Tobago?

Sen. The Hon. D. Maharaj: No. We are not in Tobago. And agriculture is a Schedule V area. Agriculture falls under Schedule V. Sen. Shamfa Cudjoe is quick to say that the central government is intruding in areas—[*Crosstalk*] but now agriculture, the PNM has no idea of how to deal with it. [*Crosstalk*] Agriculture is a Schedule V item. So, we will leave that for the THA. [*Crosstalk*]

Sen. Cudjoe: What about national security?

Sen. The Hon. D. Maharaj: The Praedial Larceny Squad engages in a number of activities which include patrolling on farms, investigating reports, meeting with farmers' groups, holding meetings and so on. What have they done? Unlike what has been said on the other side, one arrest or so. That is the furthest thing from the truth. I do not know where Sen. Singh finds his information, probably where he finds his party card—in the wrong place.

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The number of patrols that they did from 2013 to 2014—5,188; number of visits farmers—5,368; number of visits to markets—794; number of reports to Praedial Larceny Squad received—395; number of praedial larceny offences detected—157; number of ticketed offences detected—114; number of other offences detected which include traffic, firearms, ammunitions and narcotics—93; number of arrests—103; number of persons imprisoned—13; number of cases pending—89; total amount of fines—149,950.

Mr. President, the success of the Praedial Larceny Squad in its brief, short life so far, has been so tremendous that the Ministry of Food Production has been getting calls from across the country to set up respective praedial larceny stations in their respective communities. In fact, so successful it has been in Trinidad, that we have had calls from Tobago, that we break from the THA Act and set up Tobago as well. But we will resist breaking the law. We will not violate Schedule V. [*Crosstalk*]

The success of the Praedial Larceny Squad has restored order and justice to the agricultural sector. It has instilled that there is a sense of security for the farmer and the lands and their livestock that the rare. It has been part of the overall thrust to engender a building trust and faith in the policing system as they fall under the present stewardship, and we, more importantly, will ensure that our nation will have a firm footing on the road to food security.

Clause 6 in the Bill before us, Mr. President, that is an Act to provide the various of certain duties and taxes provides for the increase of these fines for certain penalties under the Act. The policy position would serve to complement the work being done as a unit, and help mitigate against the losses that the farmers incurred. No doubt under the last administration, we are stemming the tide.

Now, my friend Sen. Singh indicated that while I might be dedicated on one hand, I may be out of touch with the farmers; the furthest thing is from the truth. Only last week I was at Cameron Hill in Paramin talking to farmers up there. They complained that their Member of Parliament, Mr. Colm Imbert, was not to be seen at any point in time. [*Crosstalk*] Before that, I was at another farmers meeting in Carlsen Field—[*Crosstalk*] No. They do not complain. I meet farmers on a regular basis. So being not out of touch, I think is subjective. I am out of touch with PNM people. [*Crosstalk*] So, yourself—[*Crosstalk*] Not at all. Not at all.

Now, he suggested that VAT and duty be removed from certain items such as tires was the example being used, but he included other things as well. That really requires a lot of work to be done because tires are not only used by farmers. Whackers are not only used by farmers and so on. So in order to prevent abuse, there has to be a certain amount of process and transparency in it.

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He also raised the issue of having made a statement on the food import bill in a while. You will be getting that shortly. I make statements in this Senate regularly, and report to the nation via the Parliament on the achievements and the situation in the food sector.

We made a statement on the food import bill, I think, at two years ago, and we are not scared of making statements on that. I think Sen. Bharath made a statement on it last year, speaking to the fact that while the food import component has gone down in terms of quantity, the value has gone up because of foreign fluctuations in prices and so on. Well, I spoke to the incentives and so on.

The issue of the \$13 million decrease. I think you spoke to that. And that really—as I explained in the Finance Committee stage—really was as a result of several factors. I turn here to the Bill which is the Act to supplement and vary the appropriation sum. Those of you who had the opportunity to tune in when we were at the committee stage, the Ministry of Food Production had a \$13 million reduction. We attribute that, really, for several areas. The personnel expenditure was one of them, in that the sum allocated for the daily-rated workers was in excess of the sum actually needed. Goods and Services and Minor Equipment Purchases in the last week of the financial year, we had a difficulty, the system crashed, and as a result a number of vouchers and payments could not be processed in the last week.

Finally, as you know, the Cocoa Board was repealed and the ASTT board has been litigation with members of the farming community, and because their challenges in accounting for moneys allocated to them, we froze accounts. So, because of these factors there was a \$13 million decrease in the Ministry of Food Production allocation.

9.45 p.m.

So, those are some of the major issues that were raised by Sen. Singh, and I think he also spoke to the point of sale and the rebate being afforded at that point again, but we need to prevent for abuse. Because, what would stop an individual from telling his farmer partner, go and collect that there and get a discounted price. We have to ensure that this benefit if it is intended for the farmer is actually the farmer gets it and it is not abused and exploited as a result of that.

I want to turn my attention where I left off at the last budget debate, because they asked about where we were, and Sen. Singh boasted about what the PNM track record was in agriculture and how they were suffering. I want to remind, I want to rehash some of the things that the present Leader of the Opposition, the

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hon. Keith Christopher Rowley, Doctor, as he is, was Minister of Agriculture between the period 1992 to 1995, what was his stewardship? You said good chum, but I think you are being biased and severely so. At the time I think Sen. Al-Rawi—

Sen. Al-Rawi: I am as biased as you are objective.

Sen. The Hon. D. Maharaj: I think you are not being fair in your analysis of your leader presently. His performance, Minister Rowley as he was then, was characterized by much of the characteristic we see here today.

Much of his characteristic today could be found in his stewardship between the '92 to '95 period, where he had a flippant disregard for certain things. In fact, I branded him the Minister of close down and we see it reflected now where he wants to close down Tobago Development. But in 1992 to 1995 he actually closed down whole stations in the Ministry of Food Production—658 daily-rated workers were fired. He closed them down. Lands—I think the PNM policy at the time was, listen, close down all these things and release prime agricultural lands, which also had commercial value, perhaps, friends and family of the PNM would benefit as a result of that. Vehicles and equipment and so on was syphoned off. This appeared to be a well thought out strategy by the then Minister to relegate the agricultural sector into a state of nothingness, as if to act out of malice and spite, because the thinking was that the main stakeholders in the agricultural sector were supporters, and primary supporters at that, of the then Opposition, the UNC. So, to spite the farmers was really to get at the UNC base.

Mr. President, I have here in my possession documents supported by the then Minister of the time to discontinue—and I invite anybody to examine it—to discontinue the Crossbreeding Programme at Aripo Livestock Station, to discontinue the rice seed production at El Carmen, to discontinue the production of cocoa bean seed at La Reunion, to discontinue the Crossbreeding Programme aimed at developing local crossbreed dairy cows, to discontinue the production of local semen for stud bulls for artificial insemination at artificial insemination centres. All this is what he discontinued. He discontinued the propagation and sale of floral and foliage type material as well as the production of orchard crops in cocoa, endangered species at the La Pastora Propagation Station, he discontinued the propagation sale of planting material for tree crops such as citrus, mango, avocado, cocoa, he discontinued the production of vegetative planting material at the Chaguaramas Agriculture Development—15 field stations faced the onslaught of Dr. Keith Christopher Rowley as Minister of Agriculture from 1992 to 1995. [Desk thumping]

He was the Minister of discontinue, he was the Minister of shut down, and that is what the country will face should he ever operate the levers of power in this country.

Sen. Robinson-Regis: The what of power?

Sen. The Hon. D. Maharaj: Levers, levers.

Sen. Robinson-Regis: Oh, levers, not livers.

Sen. The Hon. D. Maharaj: Now, following Dr. Rowley, the other Minister of Agriculture emanating from the bowels of the PNM came John Rahaël, textile king as he was at the time.

Sen. Robinson-Regis: No, that is Aboud.

Sen. The Hon. D. Maharaj: No, well, same thing. *[Laughter]* Rahaël, Aboud, Al-Rawi, same thing.

Mr. President, he has the unenviable record as the man who destroyed Caroni (1975) Limited, who put on the breadline and suffered thousands of workers of Caroni (1975) Limited. And there are those on the other side who will say that was a Panday plan. Panday plan was to restructure Caroni, not to decimate it and destroy it and kill out the industry as it is right now. Right now we have in Brazil the sugar industry thriving. There are so many innovations in it, but the PNM, again, as an act of malice and spite, seeing that Rienzi Complex, the home of the All Trinidad and the home of the UNC at the time, that this was the way to get at the Opposition, not that they should win on the ballots, but they should win by any means necessary. They had no consideration for the socio-economic impact of the closure of Caroni (1975) Limited and its resultant implication for the homes and families affected thereby. There was no consultation by the PNM. They called the farmers to a meeting and told them what was going to unfold and what was going to happen.

Compare that to now where you have people-centred development, where you have genuine consultation by the People's Partnership administration, where you have genuine engagement; recall that the cane farmers have to go to court in 2007; recall the Deyalsingh judgment of 2007; recall that we are right now, Minister Tewarie and myself, are engaging the Cane Farmers Association to give them their due deserves. For the last 10 years members of the cane farming fraternity suffered under the PNM from neglect, and that is the legacy of John

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Rahael, their pride and joy. [*Desk thumping*] They had no sympathy for those who they inflicted pain and damage upon, and I heard nothing from Sen. Singh at the time—nothing. I heard nothing from Sen. Baldeo-Chadeesingh while she was a then DJ on 106.1.

Sen. Baldeo-Chadeesingh: I was a broadcaster.

Sen. The Hon. D. Maharaj: DJ, same thing. Hurricane George was a DJ, I did not say anything was wrong with it.

Now, I turn my attention to Sen. Arnold Piggott, another PNM performer, if you want to call it that, of non-performers. This was a gentleman under the influence of alcohol used a diplomatic immunity not to be prosecuted in Canada. He came down here and the reward for that embarrassment to the country, he was made a Minister of State. But, I do not expect anything otherwise from the PNM, because you use the word, “Calcutta ship” in Tobago, you get promoted as a secretary there. That is the behaviour that they promote in the PNM. [*Desk thumping*]

I turn to Mr. Piggott. We had a little function for our Ministry staff at Hyatt, I think last year, sometime, and he was haunting the halls of the Hyatt—[*Interruption*]

Hon. Senator: Who is that?

Sen. The Hon. D. Maharaj: Piggott—and he stopped and talked to some members of the staff and so on, but one particular gentleman he passed by as a breeze, who happened to be the director of HR. So, I asked him, I said, “what happen, the Minister ain’t talk to yuh, all yuh was not getting along and thing?” He said, “listen, I was instructed to fire somebody because he was not doing what the Minister want”, and when he resisted that was the end of he and the Minister. This is the kind of vindictiveness and pettiness that find their way in the character of PNM Ministers. But that is a characteristic flaw.

I turn now to one of the brainchildS of Arnold Piggott, PNM Minister in agriculture—Sen. Singh said that they perform so admirably about—and that is the Trinidad and Tobago Agri-Business Association. This is the report here on that investment division, central audit. Mr. President, in order to do the unthinkable, the unconscionable—they set up this organization which was to parallel NAMDEVCO. NAMDEVCO was starved for funds, emasculated and put aside to run the market, and during a five-year period a quarter billion dollars was pumped into TTABA. What do they have to show for it at this point in time? Nothing. TTABA has nothing to show for it, and I am sure Sen. Al-Rawi would agree with me that TTABA was a colossal failure.

Mr. President, coming into office we called for an audit of TTABA and the audited report highlighted the unprofitability of TTABA. An examination of the profitability of TTABA revealed that 10 commodities all yielded negative gross profits. That was in the year 2010. It included losses in raw sweet potato, pumpkin and provision packs. I hope Sen. Singh was not supplying sweet potato to TTABA at the point in time. The profitability report also showed that in 16 commodities none yielded a gross profit in excess of \$100, in 16 commodities none yielded a profit of over \$100 in the financial year 2011. TTABA was selling sweet potato fries at \$3 but it was costing them \$5.92 to produce the same fries.

So, Sen. Baldeo-Chadeesingh tells us on the other side, is this how a business is run? But, when they were in charge this is how they were running their business. [*Desk thumping*] Twenty-four million dollars were being pumped into TTABA annually—\$24 million. [*Interruption*] Point Lisas' operations were grossly unprofitable. All produce were produced at a loss. Mr. President, during the period 2007 to 2011, the majority of that period Sen. Arnold Piggott was the Minister of Agriculture, of which my friend reflects so fondly about. There was a net loss at TTABA of \$49.6 million. In 2008, under Arnold Piggott again, the net losses from the commercial operations were \$4.2 million. In 2009 the net losses under Arnold Piggott were \$11.8 million; in 2010, under Arnold Piggott, TTABA was losing \$18.6million. This is how they support their friends and family: you set up a company and you make losses in it, but everybody is eating a food, PNM style.

Mr. President, in addition to all these losses further expenses were incurred in the sum of \$23 million for non-commercial activities. We put a stop to this runaway horse. We put a stop to TTABA. Now, what is interesting, all of us here who are Ministers of Government, if we require additional funds we have to go to the Cabinet for Cabinet approval. We have to go with a Cabinet Note. I wonder what was the contribution of Sen. Camille Robinson-Regis, Dr. the hon. Keith Christopher Rowley? When Sen. Piggott was presenting this information— [*Interruption*]

Sen. Robinson-Regis: I was not here, I was in Canada, boy.

Sen. The Hon. D. Maharaj: You replaced the inebriated.

Sen. Robinson-Regis: Yes, I was the sober—

Sen. The Hon. D. Maharaj: And she agrees.

Sen. Al-Rawi: She was never the Prime Minister.

Sen. The Hon. D. Maharaj: What was the contribution? Did they sit down and dispassionately say, listen, this thing is losing money and we will continue to lose more money by giving it more, and they want to run a country? But you see, they were enjoying a boom at the time.

10.00 p.m.

But, Mr. President, under this period of Arnold Piggott also we had the famous Romeo of Caroni at the time, Uthara Rao. Uthara Rao was prevalent.

Mr. President, in the face of unfulfilled promises, the hon. Karen Nunez-Tesheira, Minister of Finance in 2009, had the nerve to say that some \$7.7 billion was—[*Interruption*]

Mr. President: Senators, we are having a difficult time getting the—Hansard cannot record the Minister.

Sen. The Hon. D. Maharaj: Mr. President, I understand that I have enthused them, I have woken them up at ten o'clock here.

Sen. Robinson-Regis: [*Inaudible*] three hundred women need to lose weight, boy.

Sen. The Hon. D. Maharaj: That is right. I hope I could count you among them. [*Laughter and desk thumping*] Mr. President, Karen Nunez-Tesheira in 2009 said that \$7.7 billion was spent on the shutting-down of Caroni (1975) Limited, which included the cost associated with VSEP, was money well spent. But where did this money go to? Where did this \$7.7 billion go to?

Sen. Cudjoe: Billion? Billion?

Sen. The Hon. D. Maharaj: Millions of dollars disappeared. Caroni (1975) Limited assets were carted away, misappropriated, vandalized, left to rot and abandoned by 2003. [*Desk thumping*] That is the good business that Sen. Baldeo-Chadeesingh talks about under PNM, letting \$7.7 billion rot and fritter away. We had the Employers' Consultative Association being given some \$16—\$18 million to retrain workers.

Now, the ECC or ECA was led by none other than the sister of party hack, Louis Lee Sing. So you see the interlocking directorate of those that feed at the trough. But more importantly, where are these workers who were retrained? I cannot find any of them. But yet \$18million was spent.

Sen. Lambert: Why do you think they throw him out when he went for interview? [*Laughter*]

Sen. The Hon. D. Maharaj: Uthara Rao. [*Crosstalk*] Uthara Rao was the Achilles heel of the EMBD, hired by the PNM, I think handpicked by the then Prime Minister after the shutdown of Caroni (1975) Limited in 2003. Under Rao, several questions came out, including the investment of some \$50 million in Clico insurance policies in his name. Nine million written off as bad debt by the EMBD and who were debtors with no documentary evidence left. They cannot explain another \$9million in management fees, proceeds from contractors who extracted Caroni sand pits and, Mr. President, \$1.2 billion was spent in developing land for Caroni (1975) Limited, \$2 billion missing.

That is the business they run. That is the business that Sen. Baldeo-Chadeesingh could boast about. This misappropriated money. These moneys that are now like smoke. We could only talk about it, we cannot—[*Desk thumping*] The EMBDC, like UDeCOTT and HDC under the PNM administrations were failures. I think Sen. Faris Al-Rawi was the Deputy Chairman of HDC at the time; as HDC Deputy Chairman he failed. We will deal with that in another place. Instead of—[*Interruption*]

Sen. Al-Rawi: “I aint fraid nothing.”

Sen. The Hon. D. Maharaj: Las Alturas coming, you will have your say. Instead of using this money to develop access roads, drainage, irrigation and electricity they put PVC pipes in the ground. I said this on numerous occasions: when you drive by in Central you see the PVC pipes sticking out off the ground and you assume, as any logical person would think, that underneath the lines there are the electricity lines, water lines or whatever utilities. But when you pull it out there is nothing. [*Crosstalk*] Uthara Rao and Mr. Piggott were planting pipe. That is the PNM’s, in their last few years, stewardship in agriculture. That is the extent of the banditry of the PNM, and we must never let you forget that. [*Desk thumping*] The PNM come to pontificate, hold out their hands, they have nothing to hide but their track record is very dirty. They have raped the Treasury. They have acted as bandits in this country.

Another pet project of Mr. Piggott was the Tucker Valley 200-acres large farm. This large farm was not a new initiative, it was actually a project between the Federal Republic of West Germany and the Republic of Trinidad and Tobago. It was set up as primarily a plant breeding and seed production project because of the isolation of the Tucker Valley area. This 200 acre acreage farm only came into being as almost as an afterthought, because do you know what, Mr. President?—it was in the gunsight of the then Minister of Housing to put down housing up there. And who was the Minister of Housing at the time?—Dr. Keith Christopher Rowley.

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Luckily, it escaped his hands at the time. He was not successful in discontinuing that agricultural programme. What did they promise with that large farm?—that 130 acres would come into open cultivation; 21 greenhouses would be set up; and some 112 grow boxes would be set up. This is what they engaged with with the Cubans. These initiatives they promised would produce a large variety of food crops and so on, and training and laboratory, machine shop and nursery—none of which materialized. None of it. A promise never materialized, á la PNM.

A year later, Mr. President, under the watch of that Minister, Arnold Piggott, what was actually achieved?—3,500 kilograms of cucumber, 800 kilograms of sweet pepper, 6,500 grams of lettuce, seven greenhouses and 28 grow boxes. Of the 130 acres promised for cultivation only 36 were under cultivation, made up of 16 acres for cassava, 10 acres for corn and 10 acres for sweet potato.

Mr. President, they cannot appreciate the importance of agriculture and they cannot deliver on agriculture. The expenditure incurred as a result of this failed enterprise included a capital cost of \$3.8 million, operating cost of \$2 million, for a grand total of approximately \$6 million. And within that cost, included a consultancy fee of \$1.3 million. Greenhouses cost \$1.2 million and office furniture cost \$3 million.

Mr. President: The speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes.
[Hon. G. Singh]

Question put and agreed to.

Sen. The Hon. D. Maharaj: Thank you very much, Mr. President, and colleagues for extending my time, especially Shamfa Cudjoe. [Laughter] I will move along within the 15 minutes I have. Now, Mr. President, a common thread through all these administrations or most of these agriculture Ministers, PNM agriculture Minister was none other than a person by the name of—[Interruption]

Sen. Ramnarine: Avinash?

Sen. The Hon. D. Maharaj: No, Avinash did not join the PNM yet. Clarence Rambharat.

Sen. Ramnarine: Who is that?

Sen. The Hon. D. Maharaj: Clarence Rambharat is the common denominator, low as it is, amongst these PNM agricultural Ministers. He happened to be the former corporate secretary and brief stint as CEO of Caroni (1975) Limited. He presided over the death of Caroni (1975) Limited. He did not bat an eyelash when thousands of workers were sent marching and their families plummeting into an abyss of despair. He walked

away however with a bungalow at Woodford Lodge. I wonder if he told the screening committee that he walked away from the dying and bleeding Caroni (1975) Limited with a bungalow at Woodford Lodge and which he profiteered subsequently by selling it to somebody else with million-dollar renovations. I want to know who authorized the sale of this property. Who authorized this sale? *[Interruption]* I will find out and tell you.

Sen. Al-Rawi: “Five years you digging and you eh find nothing as yet?”

Sen. The Hon. D. Maharaj: I did not dig on Clarence, you know. Clarence dig on me and that is what come—*[Crosstalk]* Now, what is interesting also, Mr. President, as corporate secretary of Caroni (1975) Limited, Clarence Rambharat was also head of land. A company by the name of Top Mark was the recipient of some five acres of land in the Reform area. Why was Top Mark the only company applying for this land? I want to find out exactly what was the role of Clarence Rambharat in processing this application. What is the relationship between Top Mark and Clarence Rambharat? I am told that there is a fraternal bond between the two—by one Terrence Rambharat.

This is the kind of candidates that they are foisting on the people of Trinidad and Tobago and we have their track record here in black and white. With the switchover from Caroni (1975) Limited to the Sugar Manufacturing Company, Clarence Rambharat managed some over \$60 million with no board, no tendering procedure, nothing, and it had no difficulty within the PNM. It is no wonder, Mr. President, that they did not support the procurement Bill, because they have a track record of not wanting to adhere to good procurement practice. *[Desk thumping]* At every level of the PNM, from the low level to the high level, they have an aversion towards procurement practice. There are many questions left to be answered with this procurement of Clarence Rambharat, and I have the reports here before me, you know, if Sen. Al-Rawi or any of his colleagues want to take a look at it.

Sen. Al-Rawi: “Say it outside fuh meh, nah. Ohhh gosh.”

Sen. The Hon. D. Maharaj: It is in black and white. *[Crosstalk]*

Sen. Al-Rawi: I will take a little money from it. I will take you to dinner after

Sen. The Hon. D. Maharaj: And I quote here the findings. I will show you it. Take me for dinner. Spend some money.

The Contractor: Re: Transport of Sugar. And I quote.

The Award Process A.

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And this report was done by the Ministry of Finance following the stewardship of Clarence Rambharat:

The entity does not have a standard procurement procedure for the acquisition of goods, works and service and for the disposal of unserviceable items. Documentation in respect of the renegotiation of these prices were not seen. Board approval was not seen with respect to contract for the transportation of sugar. A contract was not seen for the sugar transported by Mr. X. Imported sugar is not weighted. Conclusion: There is no evidence to indicate that there was monitoring of the removal of scrap iron from the company's premises. There was no transparency in the award process for road works which were undertaken by Mr. X construction limited. The award process in respect to the contract for the packaging and transport of sugar was not transparent.

And, Mr. President, you get the gist. This was the record of Clarence Rambharat. No transparent process. And this was done by the Ministry of Finance. This was not done by the People's Partnership. This was done in 2004/2005 under your administration. The Ministry of Finance led by a PNM Minister, and what did they do?—suppress it.

Sen. Lambert: “He going up for election?”

Sen. The Hon. D. Maharaj: They did nothing with it.

Sen. Lambert: “He cyah pass screening.”

Sen. Robinson-Regis: Yes, we screened him already.

Sen. Lambert: Which constituency?

Sen. Robinson-Regis: Mayaro.

Sen. Lambert: Well, Gypsy will get rid of him.

Sen. The Hon. D. Maharaj: This is a man that should not be holding any office given his track record [*Desk thumping*] as CEO of Caroni.

Mr. President, we have reports here from the Sugar Manufacturing Company where 10 bulbs are required and they buy 2,000 bulbs. When you look at the kind of abuses that happened under Mr. Rambharat, I shudder to think if he was in charge of a Ministry with a vote, then heaven help us. Because if you need one vehicle he would buy a whole fleet. And then he cannot find none of them afterwards.

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So, I think they really put him in a seat where they know he would lose. But I think in so doing they have tarnished their party's overall skill in choosing individuals. When you look at some of the challenges that that company experienced under Mr. Rambharat, I think it is an indictment, clearly. I will leave the rest for Gypsy because these files are extensive and the night is getting longer.

10.15 p.m.

Mr. President, much has been said about our involvement with the media. They seem offended. Sen. Shamfa Cudjoe was talking about the tagline used by the Minister of Trade, Industry and Investment and Communications, "Government working for you", and usage of time and so on. In fact, Sen. Baldeo-Chadeesingh spoke about the Prime Minister's motorcade with Keshorn Walcott, and we should have used more time on television and so on. We utilize—and we say this here and we would be answering questions filed by Sen. Camille Robinson-Regis on our expenditure on advertising. We have nothing to hide regarding that, but our figures, as Sen. Bharath indicated, is well below, and a paltry amount compared to the PNM record in advertising. [*Desk thumping*]

But what is the PNM's track record with the media? Mr. President, I have in my hand here copies of three cheques, one valued at \$300,000 dated May19, 2010. That is a mere six or seven days before the general election. [*Interruption*]

Sen. Lambert: You had your time. "Hush nuh. Why yuh didn say dat?"

Sen. The Hon. D. Maharaj: I have another cheque here, \$300,000 on May20, 2010. I have another cheque here, May 24—that is on election day itself—for \$400,000. So that is four and three, seven, and three, 10. One million dollars paid out from—the cheque here says the PNM election account. It is made out to one Ricardo Welch, better known as the "Gladiator". One of the cheques is signed by Conrad Enill; the next one, the late deceased Martin Joseph, and the third signature, I cannot seem to make it out. It looks like a scribble, but I am sure the PNM members on the other side could discern which one of their colleagues signed.

Hon. Senator: Vasant Bharath.

Sen. The Hon. D. Maharaj: So their involvement with the media, for a grand total of \$1 million—and this is only over a period of six days, eh". Six days they paid "Gladiator", Ricardo Welch, \$1 million to attack the People's Partnership on the campaign trail while they were in office. This is the insidious, sinister approach that the PNM has. [*Desk thumping*] They buy out the media. They

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operate in a surreptitious manner with the media. They try to find out what is their price and pay them in order that they lobby on the national airwaves and they hope that the media say, “Listen, we are independent”, but they are independent as far as the pay cheque comes in.

Sen. Al-Rawi: “How you connect dem dots?”

Sen. Robinson-Regis: “I doh know.”

Sen. The Hon. D. Maharaj: Mr. President, this is their approach, but already we are hearing other approaches. I could tell you right now, as we speak, PNM operatives are threatening contractors in this land. They are telling them today that “If you do not give us money to fund our campaign in 2015, if we come into office, “yuh gettin no wuk”. They are threatening contractors.

Sen. Al-Rawi: “Where you get dat from, boy?”

Sen. The Hon. D. Maharaj: They are threatening contractors and blackmailing contractors at this point in time. They are going about their business and trying to scare and shakedown contractors. Luckily, because these contractors know that the tide is in the favour of the People’s Partnership, that they are not relinquishing, at least the stronger ones. But we put them on notice that if any PNM operative is caught in such things, I am sure Minister Griffith and the Attorney General will take the appropriate action.

Sen. Robinson-Regis: The Attorney General “cyar even ketch ah fly”.

Sen. Al-Rawi: Five hundred and forty-eight murders in one year. The increase in the increase in crime.

Sen. The Hon. D. Maharaj: Mr. President, with these few words, I thank you. [*Desk thumping*]

Mr. President: Sen. Faris Al-Rawi. [*Desk thumping*]

Sen. Faris Al-Rawi: Thank you, Mr. President. Thank you, hon. colleagues.

Sen. Hadeed: How long are you going for?

Sen. F. Al-Rawi: It is nearly 12 hours since we started this debate, Mr. President, and if I may, on this very auspicious occasion of my 99th debate in this Parliament for the last four and a half years, literally, and it being a new year, may I start off with the sobriety that is required. We lost a very capable, dedicated servant of the land, Martin Joseph, well eulogised, regrettably after his lifetime—eulogies happen after—by Members, including the Government. We, I am sure as a Senate, rise to remember him—and we will, I am sure, a little bit later on, but I wish to put forward my own sentiment of gratitude for his, and for every Member’s service, that passes through the hallowed halls of our Parliament.

We lost in the PNM, the daughter of one of our strong stalwarts, a man we call King Shepherd. Ray Brathwaite lost his 33 year-old daughter to Chikungunya. We lost, in Trinidad and Tobago, a 14 year-old young man, and I confess to reading the papers this morning and looking at the face of this young man who crossed the Priority Bus Route and met his death, dressed in his school uniform.

My heart was gripped—honest to God—with sorrow. Tears welled up in my eyes, I will confess. I looked at this young man and I said, there is that familiar awkwardness of a teenaged boy's face. I have a son 15 years old. I saw this young man's face and I confess to really being gripped by the tragedy of his loss. He had not lived his life yet. His parents would not know his love, his humour, anymore. I know all of us can have that resonate in our souls. Mr. President, that driver who knocked down that 14-year-old boy has not been found.

We have had 18 murders for the year. It is true we may have had a higher number of murders in other years, but our situation in Trinidad and Tobago is one where we are gripped by fear—fear as to crime. But what is troubling in relation to crime and the confidence that one ought to have in your state of well-being insofar as your security is affected by your perception of your security personnel, and then your economic security as well, as this debate discusses—what is frightening in our equation is that our detection and conviction rates in Trinidad and Tobago are at 3 per cent, including murder/suicide. So the 3 per cent figure for detection and conviction in Trinidad and Tobago includes cases where someone kills someone and then commits suicide, so you know who the murderer is.

We just heard from five Government speakers. We have been here for nearly 12 hours. We are seven minutes and 30 seconds away from 12 hours in this Chamber. The House of Representatives sat and debated two Bills—which we debate today—for nearly two days, in one sitting. Today we debate a Bill, which is an Act to supplement and vary the appropriation of the sum issued by the Appropriation (Financial Year 2014) Act, 2013, and we are debating the Finance Bill.

We do these two debates together as we do, with the backdrop of the hon. Prime Minister of Trinidad and Tobago, the person vested with charge and conduct of the affairs of Trinidad and Tobago, having come to the nation and said, “I am going to address the nation on new year's eve”, as she put it; old year's day as everybody else in Trinidad puts it. She came forward and said, “I am going to address the nation on the state of our economy”. She did so last Thursday. Friday, we went into a debate in the House of Representatives, and the hon. Prime Minister brought forward a presentation put by my learned and eloquent colleague, Vasant Bharath, Senator, good as he is. He said that she spoke with clarity. He said that she was concise. She did not have time. She only had 20 minutes to speak.

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In the Prime Minister's statement she said that we must focus on certain fundamentals. She came to the nation and said, "Listen, there have been downward trends with the price of oil and gas, but fear not. I am the Prime Minister of Trinidad and Tobago. The UNC is here. We know what we are doing. We would revise the price from US \$80 per barrel of oil, always benchmarked on WTI basis, never Brent Crude in Trinidad and Tobago, and we will revise the price of gas at the Henry Hub price, from \$2.75 per MMBtu to \$2.25 per MMBtu."

She told the nation we would experience \$7.6 billion by way of loss of revenue as the price then had fallen by 55 per cent—that is the price of oil. She recognized that there was an associated slide with gas and that there would be an associated slide in the petrochemical industry. She said, "Fear not, we will have economic diversification". Minister Bharath said the Prime Minister came forward and he came today—and mind you, let me put an immediate caveat because he is my good friend and I have a lot of regard for him and he knows that. But he had the very difficult task of coming here and trying to sound like he believed what he said. He had the very unfortunate burden of having to truck out newspaper articles from 2008, to come and tell us what the PNM did.

The Prime Minister said to us, "Do not worry. We have economic diversification. We are going to have details come forward later". We just heard nearly one hour from the easiest sector to constitute the real substance and fabric of economic diversification, the Minister of Food Production. What did he have to say? PNM! PNM! PNM! PNM! PNM! PNM! Uthara Rao! Clarence Rambharat! Corruption! The gentleman, my friend as well, had nothing to say at all about the performance of his Ministry, about where cuts were going to be made in his Ministry or where efficiencies were going to be made better in his Ministry so that we could bring life to economic diversification.

He had the gall to come here and talk about Dr. Keith Rowley, Minister of Agriculture, saying cross-breeding was brought to an end. In 1995—he has been Minister of Food Production. His Government is in charge for five years. Did they start back cross-breeding?

Sen. Robinson-Regis: No.

Sen. F. Al-Rawi: Did they start back Caroni?

Hon. Senator: No, he is fundamentally against that.

Sen. F. Al-Rawi: Did they start agricultural development on arable lands in Caroni?

Sen. Robinson-Regis: No.

Sen. F. Al-Rawi: He had the gall to come here again and say that the PNM brought Caroni to an end, and they had no consultation—is what he said.

Sen. Cudjoe: Verbal masturbation.

Sen. F. Al-Rawi: Verbal masturbation, he said. Anand Ramlogan, Senior Counsel, Attorney General of Trinidad and Tobago, on a COP platform, lambasted Basdeo Panday and said that he brought Caroni to its knees, committing arti and all, whilst it died. [*Desk thumping*] Why? Because it was the truth. The UNC signed the Cotonou Agreement with the European Union bringing to an end the subsidies for the exportation of sugar cane. Having no preferential market, the industry was uncompetitive and Caroni died. The UNC signed that. [*Desk thumping*]

He says there was no consultation. A Minister colleague, Member of the Cabinet, Minister Rudranath Indarsingh, accepted a medal from the President of the Republic of Trinidad and Tobago for his role—an award for his role in the consultation that he carried out for the trade unions representing sugar cane workers.

Sen. Robinson-Regis: Yes, he did.

10.30 p.m.

Sen. F. Al-Rawi: What is wrong with my friend? Where does this come from? Just because he says so, it is so? If he could tell an untruth like that, what do you make of the story about Clarence Rambharat? All of this information he have about Clarence Rambharat, AG has an A team prosecuting people up and down Trinidad and Tobago. That report cannot make its way into prosecutorial hands? Me thinks that my learned friend doth protest too much and act too little. Sorry, we are not taking you on.

Leading point for diversification, nothing to say. Nothing to say by the Minister of Food Production. If he spent a quarter of the time that he does repeating the words “PNM” into policy, statement, efficiency and delivery, I think he might be doing a good job. But, Mr. President, what example does he have to follow? I have my good friend Sen. Bharath sitting opposite me rightly holding his head in his hands right now. What did he have to say? Had to say Prime Minister was well received.

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Guardian editorial, Saturday January 10, 2015—PM's missed opportunities.

Business Guardian, January 10, 2015—Business groups on budget adjustments: Give more details; Chamber disappointed at budget adjustments.

President of Chambers describing Government's response to declining global energy prices as irresponsible and disappointing.

Editorial of *Guardian*: Dangers of a soft landing; Chamber: PM quiet on key issues.

Trinidad Express: Economist: PM failed to level with the public; King: Government should recalculate budget and project.

Trinidad Express: PM holds back.

And Sen. Vasant Bharath comes to this Parliament to tell us about Patrick Manning in 2008?

Sen. Bharath stands up here with a straight face, eloquent as he is, says to us, Mr. President—let me get his words—the PNM complains that the UNC is spending this year, they are complaining about \$12 million in advertising. He said 2007 the PNM spent \$131 million; he said PNM spent \$128 million in 2008; he said PNM spent \$107 million in 2009; totalling as he put it, \$377 million as compared to his \$12 million. Sen. Bharath, you and I both know that cannot be truth.

Sen. Ahmed stood up in this Parliament today and said people must come and talk issues, not people. They must be honest, they must be truthful. I will tell you look across to her right. Do you know in the budget—when I heard Sen. Bharath say that, I went and I just pulled up sub-item 62, Promotions, Publicity and Printing. For all of the Ministries of Government, only Ministries of Government, 76 line items added together, that does not include state enterprises which have their own votes for expenditure. Do you know what the figure is for 2015? Two hundred and twenty-nine million, three hundred and ninety-four thousand, one hundred and thirty dollars. Sen. Bharath wants to tell me \$12 million? In one year this Government in the Ministries alone, not including state enterprises, this budget will spend \$230 million. It gets worse, Mr. President.

Do you know how much this Government is spending on advertising on cable and on television? For the month of May alone, 2014, they spent on cable television \$7,920,000 on average. If you were to add by way of estimation only, the fact that Flow advertises on 22 channels, 48 ads per channel, 1,056 ads per day by the Government on Flow alone. Further, local television, May 2014, 1,235

ads by the Government alone. Sixty-second ads, 90-second ads, total cost of air 988, amounts to 1,482—\$494,000 a month, total \$1,976,000 for the month of May. Add the month of May, cable television, Flow television itself, you come up to \$9.896 million.

Let us add from Sen. Bharath alone, \$80 million in contracts to Flow and digital signage—\$80 million. My learned friends, Sen. Dr. Balgobin, Sen. Dr. Mahabir, spoke about trimming the fat. We talked about pork barrel projects; we talked about line item, line vetos that the President of the United States has by way of recommendation from Sen. Dr. Mahabir whose presentation was educational as it was inspirational, [*Desk thumping*] and Sen. Bharath is sitting opposite me. Sen. Ahmed is standing up and saying be truthful. Sen. Maharaj stands up and says not a word on diversification in his Ministry. Mr. President, lest we forget. We are here to discuss—[*Interruption*]

Sen. Bharath: Senator, would you mind giving way?

Sen. F. Al-Rawi: Sure.

Sen. Bharath: Thank you for giving way, hon. Senator. I am not quite sure where the information is coming from that you are quoting, but I want to assure this honourable Senate that the Ministry of Communications has absolutely no such contract with Flow for a value of \$80 million.

Sen. F. Al-Rawi: Thank you, Mr. President. Let us take the Minister at his answer. We will produce the contracts that we have copies of and we are talking contracts and also digital signage and we will do it in the public domain. [*Desk thumping*] That is where we will do it.

Notice my learned friend did not deny the \$230 million that the Government of Trinidad and Tobago is spending on the Government Ministries alone coming under the specific Head, 62 Promotions, Publicity and Printing, far from the \$12 million he spoke about earlier. But what I am saying is, we are here talking about how our country is going to move forward in the particular climate that we are in.

Mr. President, Sen. Ahmed said something which was very interesting. She said—and I want to just get her positioning— that, what did they expect? Is it that they expected details from the Prime Minister; did they expect a whole budget? Folly to be wise where ignorance is bliss. That is what she said. She went on to say, “Discrimination and evidence, et cetera, should be taken to the authorities.” I asked Sen. Maharaj to do exactly this if he is as brave as he pretends to be in relation to the parliamentary privilege that he is afforded here in talking about

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Clarence Rambharat who I know can handle himself very well in and out of court. But, Sen. Ahmed's statement, "What did they expect budget and details." Let us put this into context. Trinidad and Tobago is faced with a situation where the United States of America is the largest producer of the oil in the world. That production of oil is rivalled by production in Russia, is rivalled by production in Saudi Arabia and elsewhere. The Russian Federation if I put it that way.

We are faced with a situation where, as Sen. Mahabir regaled us, there is a competition right now in a number of competing model scenarios where we are uncertain as to what the price of our chief commodity is going to be. We earned by far more than 55 per cent of our revenue from oil and gas—because you must add on the number of companies that are affected. The contribution to taxes other than by way of royalties and arrangements in the oil and gas sector. We have had in the 12 hours here and in the debate in the House, not even a statement or breakdown of what we are going to suffer by way of revenue adjustment, save for the presentation of the Member for Diego Martin North/East, Colm Imbert, when he read out Ernst & Young figures in relation to how taxes are going to be done.

Mr. Imbert pointed out—and it is worth putting on the record here—in the arrangement for taxation that we have in this country, that we are going to have absolutely no supplementary petroleum taxes because that is only earned when you are with a barrel of oil above \$50, that we are going to have vastly reduced revenues going down. But, Mr. President, I find it rather conspicuous that after 12 hours of debate in this Senate, not a Member opposite can speak to a single detail of adjustment or what the figures of revenue we are losing are going to be.

You must remember that the Minister of Energy and Energy Affairs has championed that the focus in Trinidad and Tobago must be on oil. He said Trinmar is the jewel in the crown. He said the PNM has spent a lot of time on gas. Well thank God we did that because the Prime Minister's statement of comfort, as inadequate as it was in detail, is based entirely upon the fact that we are a gas producing economy, and that it does not matter what the vagaries of oil are, thank God we are dealing with gas.

This discovery of shortfall is nothing spectacular. We were having this debate since 2010 when I put on the record that our Government walked away from the Cheniere deal as the Minister of Energy and Energy Affairs knows, where we were moving into partnership for commodity trading, where we were going to do more spot trading. That is where we are earning our revenue from. It may be 2.25/2.75 per MMBTU at the net back price of the well head for gas, but we earn more revenue by spot trading and selling our cargo and diverting cargo elsewhere.

But, Mr. President, the fact that gas producing countries are going to come on to the horizon very soon is nothing new. Qatar is going to come on board in a very large way very soon, and this is all public information. BP has a very interesting document on its website—BP statistical review of World Energy, June 2014—and they deal with the market share percentages, country by country, comparing Trinidad against the United States, the Russian Federation, Saudi Arabia, Qatar, et cetera. And when we looked at gas, we looked at proved reserves, we looked at production reserves, we looked at the prices that we are going to get; we are truly a dot on the map. Our oil reserves in terms of comparison is 0.1 per cent of the global market share. Our gas reserves and our production is at 0.2 per cent of the global scenario. So we are well and truly cockroaches in fowl business.

Putting it very simply, whilst Russia, whilst the United States, whilst the Middle East drives their game as to who will stay in business longer, Trinidad and Tobago must sit on the side lines and suffer the consequences, and what we want to hear from the Government is not necessarily whose fault it is, how much the PNM did in 2010. UNC, you have been in power for five years, account for your stewardship. [*Desk thumping*] Tell us what you have done. Tell us what the state of the economy is now for you, to answer Sen. Ahmed because she is one that brought this up: “What did we expect? The Prime Minister to bring ah new budget?”

10.45 p.m.

Mr. President, we are doing these debates under the Constitution of Trinidad and Tobago and under the Exchequer and Audit Act. Section 113 of the Constitution of the Republic of Trinidad and Tobago makes it the law that you only come to Parliament when you need more money. That is part of what we are doing now. We are appropriating \$450 million to go to the highway construction. We are dealing with approval of variations where we transferred money from the same Head to the same Head, but that is not a new appropriation. Section 3 of the Exchequer and Audit Act and Part II in a different section make it clear that it is the Minister of Finance and the Economy to manage an economy if there is going to be a situation of underperformance. But you only ever come back to Parliament when you need to have more money approved by the Parliament. There is no other way to come back. We, in the PNM, would never have suggested that.

But this Government, under this Prime Minister, now Senior Counsel self-appointed, must be taken at its word and her word. And what did Kamla Persad-Bissessar tell us in a situation like this? Mr. President, you would be surprised to know that Mrs. Persad-Bissessar had strong contribution to a very similar

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situation in 2009. In January 2009, specifically January 09—forgive me, yes, just let me get the correct paper. Specifically in January 2009, the hon. Minister of Finance was Karen Nunez-Tesheira, and we then had contributions on a revision of a budget then.

On January 16, 2009, Mrs. Nunez-Tesheira came and spoke of a very serious situation in Trinidad and Tobago. She came and said, “listen, we have revised the budget. We have gone down from \$70 a barrel to \$45 per barrel. We have gone down to a gas price of \$3.25 per MMBTU.” Sounds familiar? She said that we have had significant sums; surpluses; there has been this serious shock in the international arena, and we need to deal with this situation by doing two things: we need to have expenditure adjustment and we need to use limited deficit financing. That was the situation 2008/2009. Sen. Dr. Mahabir reflected upon it.

Who entered the debate next? Kamla Persad-Bissessar, not yet Senior Counsel, but Member for Siparia as she still is and was then. Mrs. Persad-Bissessar went to town on the Government. She said this must have been known to the Government. She said “...the original budget was at \$42 billion...”—you—“spent...\$53 billion...” We are not in a “happy state.” This is “another instalment” of the budget. Oil prices are short output. There are “price shocks” and their “output shocks”. Do not say “tighten your belt”. There is a “duty” to build a strong economy. She said the “umbrella is very weak” because Trinidad and Tobago was, then, Standard & Poor’s AAA rating. Today, we still are. Trinidad and Tobago was, then, 35 per cent debt to GDP ratio, we are now at 45 per cent—46 per cent, the Minister said today—debt to GDP ratio. Trinidad and Tobago had 10 to 11 months of import cover, we now have 12 months of import cover. The parameters were almost dead on the same. January 2009 and today, January 2014, we are almost in the same economic position, and the then Member for Siparia, now Prime Minister, said then, the “umbrella is very weak; it is exceedingly weak”.

She said after spending nearly \$200 billion, the PNM should have saved \$20 billion. Well, you know that the UNC spent close to \$300 billion and has only put, by the way of borrowings, having run successive deficit budgets for five years now, they have certainly not put \$20 billion, they have put US \$1.5 billion, nearly US \$2 billion, into the Heritage and Stabilisation Fund of borrowed money. So that is her then: “You spent \$200 billion, I want \$20 billion in savings.” I asked now, the UNC just spent \$300 billion, where is the \$30 billion in savings? Where is it?

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The \$200 billion she complained about was the PNM in power since 2002, six years. We have had \$300 billion nearly under this Government in less than five years. Where is my \$30 billion in a lower inflationary environment than prevailed then? The world was overheated then, price of steel was 10 times the cost—I am exaggerating but significantly higher. Price of concrete; world was competing for resources. Where is my savings now? [*Desk thumping*]

Mr. President, but she went on, Kamla Persad-Bissessar. She trashed the Government's budget. She said it was "O level economics". She said the PNM moves from "boom to bust". Let me stick a pin there. The UNC presided over a significant economic good time in the period 1995—2000, nearly 2001, and it has certainly lived very happy times while spending \$300 billion in the last five years. So do not tell me about "boom to bust" cycle because the UNC has spent more money back to back in five years than 15 years prior added up together. [*Desk thumping*]

What did Mrs. Persad-Bissessar say? She said deficit financing was the wrong way to go. She said bonds for deficit financing: "I am going to use this...from...bonds" I am going to borrow it from bonds. This "is madness" is what she said. She said:

"And what the Government needs to do is to reorient its priorities, not borrow money. Do not borrow money, reorient priorities...Cut out the waste and the corruption and the inefficiency."

But here is the spectacular thing that Mrs. Persad-Bissessar called for. She said this:

"We were in Parliament last Wednesday and the hon. Leader of the Opposition asked about certain projects that they intended to continue, these mega projects; we do not know which projects are to be adjusted, which ones are to go forward; we do not know. Given that these fundamental assumptions are so essentially wrong, it is incumbent on Government, in good democratic practice and governance, to come back to the Parliament with a revised budget and let us debate the policies and programmes to be done. [*Desk thumping*]"

Page 21. She said:

"...come back..."—with a—"budget...because it is going to impact on the quality of life of every single citizen; from the most vulnerable, to the middle class, to the upper middle class,...businessmen. Businessmen are screaming.

Again, I make a plea which we made last year, that it is incumbent on the Government to come back to this Parliament; not to make a ministerial statement where nobody has a right of reply; nobody could say anything."

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Mr. President, it is not my words, you know. I would never have submitted that because I just told you section 113 of the Constitution and the Exchequer and Audit Act do not prescribe those circumstances. But Mrs. Persad-Bissessar prescribed those circumstances and Sen. Ahmed comes in a dumbstruck state to say: “What do they want? Ah new budget? Come back with details. How could that be possible?” Listen to your Prime Minister, Sen. Ahmed, “doh listen to me”. Where are the details?

But, Mr. President, you know what happened after Mrs. Persad-Bissessar spoke on January 16, 2009? Prime Minister Patrick Manning, entered the debate and spoke. Did the Prime Minister speak last week Friday? Did the Prime Minister make a ministerial statement, take no questions from the crowd and then tell us we will get details and then send in Sen. Devant Maharaj to talk about the PNM and Keith Rowley in 1995, and not a word on diversification and performance and pork barrel projects and line vetoes? Is that what this Government intends for us to do? Mr. President, I cannot understand people having a lack of shame of that kind, you know. [*Desk thumping*] A lack of naked shame is what this Government has. Trinidad and Tobago is in a serious situation.

Mr. President, I want to correct, for the record, this nonsense being spread about the PNM saying that it is going to scrap the Ministry of Local Government full stop. That is not what we say. We say, by way of prescription, that the regional authorities are to be given the authority to spend money, collect revenue up to a certain point, be supplemented by central government; employ people in the local areas. So San Fernando West will have people from San Fernando West building schools in San Fernando West, fixing roads in San Fernando West, that you would be closest to the alleviation of poverty, closest to the employment issues. We do not say “scrap it” per se.

Mr. President, I do not want to have anybody say that the PNM is afraid of a property tax, you know. It is lawful that you pay your taxes. It is responsible that you encourage lawful behaviour in this country. There is nothing wrong with having a property tax paid at a lower rate. We, in the PNM, say drop the rate from 9 per cent and 7 per cent under the land and building taxes where you have not even yet valued the property and collect it at 3 per cent, make it equitable and across the board so that you can see your money at work for you. But the UNC and its typical irresponsible behaviour [*Desk thumping*] makes a mockery of the situation.

Let me throw down another gauntlet here and this is to the Minister of Energy and Energy Affairs who has studiously avoided speaking in the debate thus far. I am sure he is waiting on me to sit down and Sen. Small to sit down before he stands up because nobody must bark after him. [*Crosstalk*] Look his graph here. He came with the graph of fiscal policy from bp. He said, “ah ha”—in the House of Representatives—“this is the most important thing I get in five years”.

Sen. Ramnarine: Three and a half years.

Sen. F. Al-Rawi: Three and a half years; five years for his Government. He tries to disassociate himself from his Government. [*Crosstalk*] Minister Ramnarine, you were there for five years. I met you on the first day in Parliament, “doh be quick to say three and ah half years”. You were in the Ministry of Energy and Energy Affairs then. “Yuh watched Carolyn Seepersad-Bachan butt her head. Yuh watched her screw the deal with”—cannot say that. You watched her poison the deal with Cheniere. You watched the oil and gas situation plummet, you said nothing, so take the five years. “Doh be shy to take five years.” Came to the House on Friday and said, “This graph by bp explains it all”. He had an “ah ha” moment. Hear the “ah ha” moment.

Sen. Ramnarine: This is the graph. [*Holds up a sheet of paper*]

Sen. F. Al-Rawi: This graph shows the presence of cushion gas. [*Holds up a sheet of paper*] Now, let me take a step back for the national community listening to this debate. Trinidad and Tobago, as a gas producing country, is the proverbial duck in the pond. Every year, we lose 20 per cent of our production. When you find more gas and you replace it, the duck is on the water looking like it is still treading water, quick, quick, quick feet moving fast, but you are only topping it up, you are not seeing the work that is going on. The oil and gas sector, when it recovers, by way of discoveries, lost production of 20 per cent, it is just keeping us even. We had a position in Trinidad and Tobago where we had gas produced in drilling, by way of drilling in blocks, and there was excess gas referred to as cushion gas: 2007, 2008, 2009, 2010.

I want to put on this record that this country owes a debt of gratitude to the prudent thinkers that preceded Mr. Manning and included Mr. Manning. I want to put that it also included Basdeo Panday having the courage to continue on in projects as he did in the oil and gas sector. I want to say that Trinidad and Tobago had the great fortune to be one of the first players in the gas industry. [*Desk thumping*] And while we were there it was not by mistake because the UNC fought us hook, line, and sinker and opposed every step to industrialization. [*Desk thumping*] They opposed the Point Lisas Industrial Estate. They said, “Dah land is for Caroni, do not touch that land”.

11.00 p.m.

They opposed the development in the south-west peninsula. They said that must never happen. We did not listen. The idea came from the South Chamber of Industry and Commerce, adopted. PLIPDECO was born. Industrialization happened.

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A second wave of industrialization happened in the last Manning Government, where we were going to use our gas to create downstream industries that would produce value products that we could sell—aluminium flats, aluminium solids. Whatever it would have been, we said to ourselves by far better we use our gas than get crumbs from the sale of our gas.

And what happened in relation to this? While we were first on the block, the PNM did flirt with the idea of a supplemental petroleum tax on gas, because the PNM was looking to maximize the gas revenue.

Sen. Ramnarine: Kill the goose.

Sen. F. Al-Rawi: But very particularly, the Minister will want to say it was to kill the goose because this chart says 2009/2010, reduced drilling activity due to risk of fiscal changes. I want to tell you what this really means. Why is there a risk of a fiscal change? Because the gas price and the contracts are going to expire—[*Interruption*]

Sen. Ramnarine: When?

Sen. F. Al-Rawi:—not 20 years from now—the Minister says: when?—2016, 2017, 2018.

Mr. President, the Minister feels the energy companies talk to him alone. The energy companies have spoken to us. Do you know, and I want to put it on the record, the energy companies collectively said: “We are panicking about this Government’s attitude to the gas contracts coming up for renewal next year”? So panicked are we that we had to call the Government in and say: “Listen, you cyah wait til de contract expires to negotiate de contract. You have to start your negotiations immediately.” Why? Because what we are going to do, we are going to tell bp, BG, Repsol whoever it may be: “contract done, wey yuh go do?” What do you expect the producers to tell us? They will tells us: “We want everything for nothing.”

The extent of profit that the oil companies make off of our country, one well for bp in Trinidad and Tobago earns approximately 15 per cent to 20 per cent of bp’s global revenue; one well in Trinidad and Tobago. This Government is going to wait until the contracts are over, at an end to negotiate the contracts? So what did the oil companies do? They said to the Government: “Seeing that you are doing absolutely nothing about it, we will write a master gas plan for you. We will sit in the shoes as the Government. We will pretend we are the Government and say this is what you should ask for. We will give it to you to get you started.” You believe that is where Trinidad and Tobago is today? So, Mr. President, the risk is not that we have 55—[*Interruption*]

Sen. Ramnarine: You are misleading the country.

Sen. F. Al-Rawi: You would have your turn to speak, hon. Minister. The risk is not that we are about to lose 55 per cent of our revenue. The real equation for the businessman in here, let us assume that oil and gas earns us \$1million a month—[*Interruption*]

Sen. Ramnarine: Where was your gas master plan? You had none!

Sen. F. Al-Rawi: Let us assume this, right. Our oil and gas plan, our plan started way back before you got into power. [*Desk thumping*] And this hon. Minister of Energy and Energy Affairs does not have the energy long pants to talk about the situation. I do not and he certainly does not. But the fact is that the real question is: What is the take of the pie going to be? How much is the pie? We are talking right now about 55 per cent of a pie missing, fall in revenue. You had a whole pie, 55 per cent of it goes, what are you going to do, in terms of living on 45 per cent of it? Mr. President, how big is that 45 per cent?

When we renegotiate contracts in Trinidad and Tobago— [*Interruption*]

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. Balgobin*]

Question put and agreed to.

Sen. F. Al-Rawi: Thank you, Mr. President. The question for Trinidad and Tobago right now is: How big is the pie? Forty-five per cent of what? Forty-five per cent of a pie that is the size of your hand, or 45 per cent of a pie that is the size of this room? What is it?

When the LNG Train 1 contract is over, when our gas has to be renegotiated and the companies now tell us: "Well let us start talking profit, let us start talking about what my risk is, because for less money I could go to Africa. For less money I could go to Qatar. For less money I could go anywhere else in the world. Why stay in Trinidad and Tobago? Make it worth my while" they will say. When that renegotiation comes up, how much money Trinidad and Tobago really going to have? And where is that conversation on any pair of lips in this Senate? Where?

Sen. Devant Maharaj certainly was not talking about it. He is following in the footsteps of an infamous man, now referred to as the "two pull Minister" Anil Roberts, where every other word was Uthara Rao, Calder Hart. Tonight he is there, Uthara Rao. That is what he is talking about. He is still talking about Uthara

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Rao. I want to know how large the pie is going to be. I want to know what this Government's plan for revenue is and how their plan to make the pie as large as it is supposed to be is going to be. That is what I want to know. I want to know if our revenue, based at \$45 per barrel, is going to be worth our while when we are talking downstream products.

Mr. President, there is another huge problem in the room. T&TEC is looking to levy \$125 per mega volt, Mvh, per kilowatt; \$125 on industrial customers. They are raising the tariff from \$41 to \$125. Why?

Sen. G. Singh: They cannot do that. How they could do that?

Sen. F. Al-Rawi: I am glad Minister Ganga Singh says they cannot do that because I am fighting that right now in court. So I am telling you a fact. So, T&TEC, because of the price of gas, is looking to raise its revenue from \$41 to \$125, because TGU costing a lot of money, because they have no industry to use the power being produced.

And, do you know what is worse? Our—[*Interruption*]

Sen. G. Singh: That is determined by the RIC.

Sen. F. Al-Rawi: Yes, it is determined by the RIC, ought to be under the Act, unless, and I will give you the positions after. The fact is ask Kelvin Ramsook if I am telling you the truth. Ask Minister Bharath, he knows. Ask the Prime Minister, she knows.

Mr. President, here is the other one. Whilst we have to decide where our revenue is coming from, in a gas under-supplied market, because we no longer have cushioned gas, and if this Government was doing so well and if the supplemental improvement that they have done is so well, has Bp, has BG given you a commitment to restore cushioned gas? I bet you they have not. And why? Cushioned gas is just not profitable. It was not a PNM problem. The industry has realized that cushioned gas cannot work but the lack of cushioned gas means that we have limited gas, we have a shortfall in gas.

The energy companies have come out and said it is not only the fact that there is a short supply of gas, it is a profitability factor. They said that we cannot get gas at least until 2017/2018. How does Trinidad and Tobago earn its money? We earn our money from LNG. Vast sums of our gas, put into LNG is where we earn our money.

But what else do we do with our gas? We give our gas to the Point Lisas Industrial Estate. Right now, the Point Lisas Industrial Estate works between a 15 per cent to 35 per cent curtailment. They will tell you on paper that it is a 15 per cent curtailment from NGC, when it is in fact a 35 per cent curtailment. So what are we telling the businesses at the Point Lisas Industrial Estate? Pack-up shop and go? Because that is where they are right now, Mr. President.

I have 10 minutes and there is a huge one to talk about. The Prime Minister says that we are going to cancel contracts, in terms of revenue adjustment that does not have financing in project. You noticed that I behaved in a particular way in asking supplementary questions to the Minister of Works and Infrastructure, Dr. Surujrattan Rambachan. He left this Chamber literally telling me to go to hell. Those were his words, as he walked out the door: “Al-Rawi, go to hell!” That is what he said. Why? Because I pressed him. And what did I press him on? I pressed him on a very important contract.

The Prime Minister’s statement, Mr. President, very conspicuously includes under the heading—this is the one she gave last Thursday—Infrastructure and Construction, the Energy Corridor.

The San Fernando to Mayaro Highway remains a key investment for us to fully create the energy corridor. For decades, a great deal of our energy wealth has been extracted or generated. By providing a strong link between marine operations in the south-east and industrial operations in the south-west, we will be securing energy for today and future generations with the energy corridor.

Why is that in the statement? Why does that fall under projects to be completed? Because she is talking about doing Phoenix Gas Park, as mad as that may sound in a depressed environment. Why is the energy corridor here?

Why did Surujrattan Rambachan, Minister of Works and Infrastructure, behave the way he did when I pressed him on procurement under PURE? Let me tell you why, Mr. President. The Cabinet of the Republic of Trinidad and Tobago, under this Government, has just approved, I am advised, PURE to carry out the building of a highway from San Fernando to Mayaro. That project is estimated at \$10billion-plus. What does that mean? Number one, can PURE conduct that kind of work? The answer is no, it is not designed to do that kind of work.

Secondly, are we going to fund that via international lending, IDB and more particularly, are we going to carry out the project under the proclaimed procurement laws about which this Government has made a lot of noise? You notice Minister Rambachan refused to answer a simple question put to him today.

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Will the highway to Mayaro fall under the new procurement laws? “Ask me another question! I not answering that!” One set a “jhunjhat” and “tuh hell with you Al-Rawi” is how he left the Chamber. Because the expenditure by this Government of \$10 billion to \$15 billion via PURE, is the worst form of procurement that could happen to Trinidad and Tobago. [*Desk thumping*]

But Sen. Bharath drew a link. He quoted Colm Imbert and said Imbert had, in the media, said that the PNM was arrogant and has to learn to not be arrogant. I wonder if he remembers his own words. Sen. Vasant Bharath, in speaking about another highway project, and that is the highway to Point Fortin, said on Tuesday, 29th October, 2013, in answering questions to Hema Ramkissoon about the financing to the Point Fortin Highway, he said:

Certain criteria were bypassed by former Minister Jack Warner. The IDB felt that because of certain breaches in procedure they, the IDB, could no longer finance the project.

Mr. President, we are faced with a situation where the IDB has said five things of the highway to Point Fortin:

1. Highway system was over-designed.
2. It was too expensive.
3. A better system of road connectivity was possible.
4. The tendering process for this project was questionable.
5. The IADB would not entertainment any proposal for funding this project.

That was in mid-2010, when a technical team of the Inter-American Development Bank met with senior Ministers, published January 11, 2015 under the article headed: “rubbing salt in our economic wound”. So, you know the experience with the highway to Point Fortin is that the IADB says over-designed. That means “yuh have too much in dey.” It cost too much, pork barrel, fat trimming, revenue-cutting; details of which not a man Jack opposite could talk about today or in the House downstairs.

11.15 p.m.

Secondly, highway to Mayaro, under PURE, in an election year?

Sen. Dr. Henry: Pure madness!

Sen. F. Al-Rawi: Sen. Dr. Henry says pure madness! It is not only pure madness, you know, Mr. President, that is economic suicide for Trinidad and Tobago. [*Desk thumping*] That is social suicide for Trinidad and Tobago, and that I put it to you, most respectfully, is why Minister Rambachan told me to go to hell today. Because he would

not answer whether the procurement procedures under the new procurement law, was going to apply to the highway to Mayaro. It was in the Prime Minister's speech to the nation last Thursday. There is no engineering for the project, not a plan worth its salt, no identification.

And this Government wants—Mr. President, I want to warn this Government, the disparity between the haves and the have nots, could not be larger now in Trinidad and Tobago. This Government is a Government seen to be one presiding over the fact that killers for Dana Seetahal cannot be found, drug bust for \$700 million cannot be solved, detection and conviction rates 3 per cent. It was not me. It was not me. “Two pull Ministers talking.” One law for them, another law for somebody else. Open theft in the National Quarries, Raldon Construction, Gopaul and Company found with State equipment stolen from the people of Trinidad and Tobago, “nothing cyar happen”. LifeSport, Daniell, \$34 million missing. You know, Sen. Maharaj talked about sweet potatoes for \$3 when the price should be five, at least they had sweet potatoes to show for it. Not even two sweet potatoes for that \$34 million spent on the LifeSport Programme. [*Desk thumping*]

They talked about profligacy and sqandermania under the PNM. It is kleptocracy at its highest under this Government. [*Desk thumping*] Six hundred million dollars, LifeSport; \$500 million, sorry, \$700 million, LifeSport; \$600 million Sport Company; Eden Gardens; NCG/WASA/SIS contract; \$400 million over budget. And Sen. Ahmed does not know where discrimination exists? Show me. Show me, she protests. Take it to the people. Well, we took it to the President. We took it to the Integrity Commission. We took it to the Parliament of Trinidad and Tobago. What did the Government do about it? They put Anil Roberts in to answer the Leader of the Opposition, and the Prime Minister “beatin’ de desk like is ah tassa side”. Go Anil go. Long live LifeSport. Really? Really?

Mr. President, this Government has abused the people of Trinidad and Tobago. [*Desk thumping*] This Government is a farce for governance. Now, I say so, I like some of the people opposite me, you know.

Sen. Robinson-Regis: How could you?

Sen. F. Al-Rawi: How could I? Because I checked up on what Stockholm syndrome is. Sen. Karim stood and gave a very impassionate, from the heart, knows his Ministry, speech today, as he always does. I had to google Stockholm syndrome once again, and I was reminded that it is a Freudian concept, that you tend to fall in love with your abusers. Because what happens is that when your ego is so trampled by travesty, you try to recover by saying, yes, well maybe they are right.

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Mr. President, the fact is that we have had no detail on cuts of expenditure, no fat trimming mechanisms, no pork barrel relief projects, no diversification. I am putting the Government on—[*Interruption*]

Mr. President: Time to wind up.

Sen. F. Al-Rawi: I will wind up, Mr. President—notice if they are crazy enough to go ahead with the highway to Mayaro, watch out for the reaction of the people of Trinidad and Tobago, because we will march with such a crowd that Trinidad and Tobago has never seen, bigger than the section 34 scandal that happened and rocked this nation. [*Desk thumping*] This is stage one, and we are warning the Government to be responsible with the moneys of the people of Trinidad and Tobago, trustees as they are, for it, for the time being.

I thank you. [*Desk thumping*]

Sen. Anthony Vieira: Mr. President, my parents had a pack of dogs and when persons came to their home, the dogs would rush at the gate, and then over excited, they would start growling and fighting amongst themselves. Now, if there was a threat, that was a very ineffective way of dealing with it.

Today, our beloved country is besieged on many fronts. Economic uncertainty, because of the falling energy prices, is the hot topic at the moment. But there are other problems like crime, corruption, governance and there are also some deep-seated fundamental issues which need to be addressed.

Now, some problems are of our own making, and some we have no control over. How we respond to them is what is critical. We cannot control the energy prices, nor can we control the slowdown in the global economic growth, but we can certainly control our reaction. Will we react like that unruly and fractious pack of dogs my parents had, growling, snarling and fighting with each other, instead of directing their energies at the perceived threat? Or will we come together and rally as a country for the common good?

I agree that the situation seems fraught, and that there is a looming crisis. I agree that we cannot proceed on the basis of business as usual. I agree that sudden change can be counterproductive, even harmful. In Trinidad and Tobago too many people are barely getting by as it is. They live from pay cheque to pay cheque. To impose sudden, drastic change might be catastrophic for them. I accept the change is necessary, but it should be strategic and measured. If people lose jobs, they will be unable to meet their financial obligations, and that would hurt the economy.

I am not an economist, but it seems to me that the one thing the Prime Minister could not do, when she spoke to the nation regarding the falling energy prices, was to hold her head and bawl: “Oh gawd, the sky is falling, and we are doomed unless we cut spending immediately”. Were she to have done so, it would have undermined confidence in the financial markets, and that would have been even more damaging to the economy.

It seems to me, that in the face of the looming crisis, our leaders are duty bound to act calmly, to avoid panic and to project confidence. In any event, it seems to me that the ship of state like any other big ship, cannot turn quickly and sharply. Turning must be deliberate, careful and gradual.

Now, I am sure there may be those who will disagree with what I am saying, but I take comfort in the fact that economists hardly ever agree, and more often than not, they are just making better educated guesses than us. One recalls the bad joke, that economists had predicted nine out of the last five recessions. [*Laughter*] But bad jokes aside, there is just too much going on at the same time for anyone to predict what will happen with certainty, there are just too many complexities and uncertainties involved.

There is an adage, that the first law of economists is that for every economist, there exists an equal and opposite economist. The second law of economists is that they are both wrong, and the third law is that the only thing more dangerous than an economist is an amateur economist. So I am not going to venture into the economic analysis arena. I am not even going to try. What I will say though is that this is the time for all citizens to ask themselves, what can we do individually and collectively to make Trinidad and Tobago better?

The looming crisis presents an opportunity for us to revisit the fundamentals, and to try working together for the national good. I believe it is time for us to revive the philosophy and culture behind our national watchwords: Discipline, Production and Tolerance, given to the nation by our first Prime Minister, Dr. Eric Williams on August 30, 1962.

Mr. President, we as citizens need to take ownership of our own failings, and we need to engage actively and positively, in our respective spheres of influence. It is now incumbent on us, citizens of Trinidad and Tobago, to rise to the occasion, if our society is to go forth. It seems to me, in that vein, that not only have energy prices declined, discipline has also sharply declined.

Besides the need for the national, fiscal discipline that Sen. Dr. Mahabir spoke about, law in this country seems only to apply to the law-abiding. Too many citizens routinely disregard rules and regulations. Evading and disowning

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responsibilities seems to have become the norm. Self-discipline has been devalued in a culture where instant gratification, and freedom without responsibility is the expectation. Dr. Williams said that:

“...discipline is both individual and national.”

If our society is to prosper and to reach its full potential, we need to inculcate and encourage healthy self-discipline. Where is our productivity? There seems to be a national epidemic of absenteeism, people coming to work late, leaving early. People showing up for work, but demonstrating little pride or enthusiasm in what they do. How can we expect to raise living standards, or to consider the—to counter the adverse effects of the falling energy prices without increasing national productivity?

When I travel abroad, it is refreshing to see people speak of their country with pride and affection here, the opposite obtains. You might think there is a prize for the person who could beat up on Trinidad the most. Bad talking Trinidad and Tobago has become a national pastime. When I visit other countries and meet “Trini workers”, they are held out as exemplars. Some of them holding two and three jobs at a time. Yet, in Trinidad and Tobago, those same workers behave as though they are doing their employers a favour by showing up to work.

Dr. Williams said that:

“The individual cannot be allowed to seek his personal interests and gratify his personal ambitions at the expense of a nation. We must produce in order to enjoy. Wealth does not drop from the sky for any individual or any nation. Reduce production, skylark on the job, take twice as long to do a job and make it cost twice as much, do any of these things and in effect you reduce the total amount available to be shared among the total number of people. You don’t pull your weight and you fatten at the expense of others...”

So we, the people of Trinidad and Tobago, must rekindle a sense of nationalism, and take pride in the country, in our communities, in what we are doing, however humble it might be. I agree that the times ahead may be fraught but I refuse to accept that all is lost. I expect that in due course, there will be some belt tightening and necessary adjustment, but it does not serve the national interest to behave like Chicken Little, shouting that the sky is falling, and woe be to us all. Instead it behooves us to act calmly to temper the noise and to focus our talents and energies on sustainable, long-term strategies. Strategic goal planning on all fronts—public, business and labour—should become a national priority.

11.30 p.m.

I agree with what Sen. Dr. Mahabir talked about with the tripartisan colloquium and I also agree with what he said. He made a very telling point in his contribution. We cannot talk about economic adjustment unless it happens across the board in an even-handed and fair manner.

Now, the economic measures we put in place in the '80s and '90s they served us well, but we now live in a very different time. In this 21st Century, wealth no longer arises just from the sale of natural resources, agriculture and manufacturing. Indeed, the new technologies, the Internet and the knowledge revolution, have ushered in new forms of wealth and new opportunities for becoming wealthy.

As Alvin and Heidi Toffler, the famous authors who wrote *Future Shock* and *The Third Wave*, they write in their latest book, *Revolutionary Wealth*, and I quote:

“The revolutionary change...is an upheaval similar to but even more sweeping than the industrial revolution—when thousands of seemingly unrelated changes came together to form a new economic system, accompanied by nothing less than a new way of life, a new civilization...”

Today interacting economies have created a powerful historically unprecedented wealth system at unprecedented speed and on a global scale.

According to the Tofflers, today's advanced economies have entered a new phase, what they call a third wealth wave, where the use, dissemination and management of knowledge are transforming wealth creation. Trinidad and Tobago has to find its niche in this brave new world. We have to figure out how best to transition from an economy based on the export of natural resources to one that is high-tech and knowledge based.

I was very much taken with Minister Karim's passionate contribution. I think he is on the right track. I would also like to suggest that where you are going should also include encouraging innovation and entrepreneurship in fields such as the life sciences, bioinformatics, convergent technologies and artificial intelligence. It requires investment and support in research and development. I believe that is as important, if not more important, than prudential risk control.

We should be looking to better capitalize on our geo-political position and attracting to our shores the innovators and entrepreneurs of the future, persons like Richard Branson and his commercial space programme. Let us go beyond the consortium aviation campus. Let us be the Caribbean centre for space studies.

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And last but not least, what has become of tolerance? Judging from road rage, the rudeness and disrespect exhibited in certain quarters and the way citizens interact with each other, it seems that our tolerance levels have also dropped sharply.

Economic adversity is not the worst thing that can happen to us. Our society has survived and will continue to survive economic downturns, but it will not survive intolerance. In a plural society such as ours, where different races, beliefs, ethnic and religious backgrounds and political tribes all coexist on two small islands, tolerance may be the most important virtue of all. Adversity is inevitable, the question is, do we get stuck in a cycle of ruminating and recrimination or do we respond with an attitude of care and compassion especially for the less fortunate amongst us?

Do we respect by accepting past mistakes, in respect of which no one has a monopoly, and by developing credible policies that fit together and which are consistent with long-term sustainable, economic goals? Dr. Williams, long ago, warned that we must learn to live in peace or we fight it out and destroy one another. As he put it, the second alternative makes no sense and is sheer barbarism. The first alternative is civilized and is simple common sense.

Falling oil prices may be disruptive, but economic prosperity never guaranteed happiness and well-being. Indeed, it is ironic that at the height of our prosperity we saw an increase in crime and stress and a decrease in feelings of well-being. So, who knows? Perhaps the looming crisis is a wake-up call for us to engage in conversations about what we really want from life and from our economy.

It occurs to me that the real enemies stalking this land are anger, hatred and intolerance. If this melting pot that is Trinidad and Tobago is to hold together, there must be tolerance. So let us celebrate our diversity and let each and every one of us pledge to cultivate a society based on mutual respect, kindness and compassion. If we can maintain a harmonious society, that would be true wealth indeed.

It is my hope that the looming crisis would occasion us to recalibrate what really matters and that out of bad will come good. Given all that we have, this country should be paradise, but that cannot be legislated. Ultimately lawmakers, administrators and the Government of the day cannot do it alone. There is no magic wand to wave. The magic to counter the falling energy prices and to transform this country into the economic powerhouse it can and should be, lies with the people.

If citizens can be galvanized into wanting to make Trinidad and Tobago the best place it can be, that would be powerful magic indeed. But we need to break the dark spell where our best and brightest are encouraged to find jobs abroad and not return home and where the aspirations of those who have made their fortunes here is not to use their talents and money towards bettering Trinidad and Tobago, but to migrate and take the money with them.

Where is the national pride? Where is the commitment? All of us have to shoulder responsibility, not only in ensuring that those who govern properly serve our interests and are held accountable, but that each and every one of us will strive to do our individual and collective best in our respective spheres and that we hold true to the national watchwords.

Talk is cheap and supply exceeds demand. The currency we need is discipline, production and tolerance. I thank you.

The Minister of Planning and Sustainable Development (Sen. The Hon. Dr. Bhoendradatt Tewarie): Mr. President, I thank you at this late hour for the opportunity to say a few words. We have been here for a long period and we have heard many, many perspectives. I want to congratulate all my colleagues on this side who spoke and who gave such a good account of themselves and of the work of the Government.

I also want to say that Sen. Vieira really changed the tone by the offering that he made today, which very much speaks to my own sensibility. I appreciate it and I identify with a lot of the things that you said, including your allusion to the coarseness of sensibility and the breakdown of civility that have taken place or continue, and also in the way you saw this as an opportunity—what you call the looming crisis—the challenge that we have as an opportunity for the country and the community to come together and to do something different, but better.

I want to say that, in listening to Sen. Al-Rawi speak before you and especially at his close, you would have thought that somehow this Government, in managing this economy for the last four and a half years or so going on five, had done some kind of malevolent act to the country and that all the citizens of the country had simply sat down like sheep and allowed it to happen.

And earlier today, as one of the speakers was presenting, I asked the Central Statistical Office if they would simply indicate to me how many jobs had been created in Trinidad and Tobago between 2010 and 2014. And the information I got, up to the end of March 2014—so it may be about the same or slightly more than that—is that 35,400 jobs had been created in this society. [*Desk thumping*].

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And I wondered, you know, when we give the numbers and when we speak of the progress that the country has made, the Prime Minister gave her presentation we are here today debating, as they debated in the other place, two Bills, one dealing with 2014 variations—the last year, which was a good year in terms of economic performance for the country, and in terms of real achievement in development terms for the country and for the communities that we serve and for 2015 to give life to the measures to the budget that was presented and passed by both Houses late last year.

In doing all of this, as we talk and we live the life of the country and we see the progress, it is difficult for me to understand the anger and the vehemence of the Opposition. When I see things, for instance, occurring—because the end result of the debate in the other place was really the call for elections. Elections are due this year and this Government has the record of whenever elections are due, they are called. [*Desk thumping*]

11.45 p.m.

We won a big election in 2010 and we lost several elections during the course of 2013, and we continue to serve, we continue to govern, we continue to make decisions in the best interest of the country. Here we come to a challenge, again, this is what we are doing, making the best decisions in the interest of the country.

The Prime Minister was careful in her presentation the Thursday evening before the Friday debate in the House of Representatives to focus her speech on what she called country and people; people and country. The most important thing was to focus on the future of the country and its current stability; the avoidance of panic and the management of things as they are to ensure a smooth, and as comfortable as possible a movement forward. She was very deliberate in focusing on the people: the people who are most vulnerable who are poor; the people who work and make a living; the people to whom their wages matter in giving them a reasonable livelihood, and to give a sense that okay, we have a challenge, but we do not have a disaster and working together we can avert any disaster, and we can ensure that the people and the country prevail.

But some of the comments, both from the Opposition in the other place and from some of the commentators in the newspapers, including some of the business organizations were that the presentation was short on details. Sen. Al-Rawi here waited 12 hours so that he could say that he waited 12 hours and no Minister had got up to give details of the budget. This is typical of the Members of the Opposition.

They want to set the agenda for the Government; they want to tell the Government what to say, when to say it; they want to tell the Government what to reveal, when to reveal it; they want to tell the Government what they must do and what they must not do and, really, the opportunity will come in the election for the country to choose and the country will have to make its choice. Countries generally operate on the basis of beneficial self-interest. They will have to make a judgment and when they make that judgment, the country will continue and it will go on.

The people are always ultimately in charge. The politicians are in charge for a time. The people are ultimately in charge. It is important to remember that. No amount of attempts at agenda setting by Sen. Al-Rawi, by the Opposition, for the Government, is going to cower us into working by their agenda. [*Desk thumping*]

So, there was a call immediately after the Friday Parliament for elections. Today, I read in the newspaper—I did not even read it this morning, I was hustling so quickly, but someone mentioned it to me and I asked for a copy of the newspaper—and I see that the Leader of the Opposition has already indicated that the country should abort the Phoenix Park IPO. So here is a revenue generating measure that the hon. Prime Minister offered and the Minister of Finance and the Economy spoke about, and he wants to abort that IPO so that we do not generate the revenue.

I hear Sen. Al-Rawi here talking about stopping the highway. Of course, he couched it in the normal accusations and allegations of alleged corrupt practices; that is what basically his argument was. Having done so, he threatened that he would have the biggest march ever in this year of elections to stop the highway as if we did not hear that before, and as if it was not tried before. I want to tell you this is the only Government in 15 years, a coalition Government, with fallout in the process under the leadership of Prime Minister Kamla Persad-Bissessar that would have lasted for five conservative years in the last 15 years of governance in this country. [*Desk thumping*]

We had five elections in 10 years in the decade which preceded 2010, and the 2010 elections, and you have to ask yourself: why is it the population facilitated that? In spite of the fact that they might have actively gone out to teach us a lesson in some of the elections that they knew would have no effect on the central and national government. You have to ask yourself, what is the meaning and the implication of that. So do not get too hurry, be alert to the wisdom of the population. This population had a Government for 30 years, and one day they just got up and changed it. So, the population has a certain kind of wisdom.

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This Christmas and this Christmas season, I sense a new maturity in the country. There was not too much feting and drinking this Christmas. I think everybody might have noticed it. There was a sense of family and community in this Christmas. There was shopping yes, but there was not the heavy consumerism that is typical of Christmases many, many years over the last several decades. The shops did well, people went out; they had a good time. There was family, there was community; a lot of visiting. I notice a certain change in tempo in the society. Do not underestimate our population. Do not underestimate our people.

You notice how the population has behaved in relation to this challenge? A lot of people have talked but the ordinary citizen, how has the ordinary citizen responded? With a sense of calm, contrary to the wishes and the hopes of some Members of the Opposition—with a sense of calm; with a sense of purposefulness; with a sense that yes, we must brace; yes we have a challenge, but with a sense also that we are going to get through this, and we will.

So, it is not true Sen. Al-Rawi that the hon. Prime Minister was not well received. She may not have been well received by you, but whatever she would have said. [*Interruption*]

Sen. Al-Rawi: Editorials.

Sen. The Hon. Dr. B. Tewarie: Well, I will get to the editorials. Whatever she would have said, you would have had a “can’t” response. So if she had said X, the response would have been Y, and if it was Y it would have been W. [*Desk thumping*] She was very clear. [*Desk thumping*]

The hon. Prime Minister basically brought the population into a conversation with her, outlined some of the issues that have led to the crisis. Everybody knows that we are a price-taker. She did not mention the word, but she indicated that the challenge had come home basically, and that we had to find a way of managing it, and we would have to make adjustments, and she said where we would make adjustments. She said it very clearly, but she did not say we will itemize 16 items or we will do 20 things or we will not do 20 things. Everybody, of course, those who were too eager for whatever reason rush the brush and say, well we did not get all details, but they would get the details. It is not our business to come to this Parliament for the debate on these two Bills to come and give you the details that you say were left out of the Prime Minister's speech. We will have those details. Those details will come. At the end of day, we are going to have to look at the budgetary allocations. We are going to have under the guidance of the hon. Prime Minister—and she has set it out very clearly, \$4.5 billion, 15 per cent, very, very

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clearly where the revenue savings would come from, how we would meet the deficit; how the IPOs would go. She set it out very clearly, so the details are something that we would have to do because clearly we cannot do everything. So the call from the Opposition is for elections in the year of elections. I do not know what they want, if they want to set the date. Constitutionally, that is the Prime Minister's job.

The second thing is that they want to sabotage the highway, but I want to say that that IPO is something very valuable to the people. It would be the first time in the history of this country that an energy company will be available for purchase by the ordinary citizen, the ordinary worker of this country, [*Desk thumping*] and the people must ensure that they buy and that they own a piece of energy sector.

Sen. Al-Rawi, we will see how well our march will go to stop the highway. [*Crosstalk*] Whatever it is, your mobilization, we will see how well it will go. [*Crosstalk*] But the Prime Minister said it very clearly. [*Crosstalk*] What is that?

Sen. Al-Rawi: Thank you, hon. Minister. Are you proclaiming the legislation, the procurement legislation to do it?

Sen. The Hon. Dr. B. Tewarie: The procurement legislation— listen, I do not know if I should even answer a question from someone who voted against the legislation [*Desk thumping*] but in the spirit of the civility that I was speaking about, I want to indicate to you that before Cabinet now, brought by the Ministry of Finance and the Economy is a note for the establishment of a committee that would put this thing into the stages that it must go to ensure proclamation of the law, because we are committed to it. We did it. We passed the law, we did everything we had to.

12.00 midnight

You were talking about editorials; you know, I do not know, in this country in which so many things have broken down, if some elements of the press even know what their responsibility is. For instance, I saw an editorial on the procurement legislation talking about the role of civil society and the fact that you have elections and you wanted continuity with the procurement law, et cetera, and that this had been in the offing for so long, and so on, and that civil society must do their best to make sure that the law is proclaimed. I read the editorial, I looked at it, I say, “But like the Government did not have nothing do with this”. They even mentioned the Opposition, in spite of the fact that they did not support, but no word about the Government. I think I had a small role to play in this thing. [*Desk thumping*] I did not see anything about it at all in the editorial. I was not there. The Government was not there.

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So, it is not surprising to me when the Opposition comes and all the things that are happening in the country, in every nook and cranny of Trinidad and Tobago, and they say, “You have spent X dollars, you have nothing to show for it”. I say to myself, “Is like the Government is not here, and that everything that we do is invisible to them”. I am amazed that they would stand up in here and talk to people through the television and be saying these things, and the people are living in their communities, they know what is happening, they are seeing it, they are driving on the road, they are seeing the development, and these people are talking like the world stood still for the last four and a half years.

It is true that we are a dot in the map in terms of the oil and energy industry, I do not deny that, but we have been 100 years in this business, and there are, as Sen. Vieira says, a lot of opportunities. The future of the energy industry in this country is not simply that there is tremendous investment in the sector now that will bear fruit later, it is not only that there are massive fields of exploration in which unknown quantities of energy will eventually be found, but also in the fact that all around us, in this part of the world, there are opportunities for alliances that we can make a difference for the role of energy in our country and for the role of the energy knowledge and experience of our country in other countries. And that includes Venezuela, in which there are very constructive opportunities; it includes Guyana; it includes Suriname; it includes the possibility of Northern Brazil, and all of these are matters that had been under discussion in the Government with other Governments, with multilateral institutions.

It is not that we are looking here, waiting for an energy crisis or looking to rush out of an energy crisis and not thinking about the future. You are right, diversification, which the Prime Minister mentioned, is very much on the agenda, and it is a central piece of our going forward. It is very, very important for us. The diversification is taking place right here now in Trinidad. I wonder when last you went, let us say, to Chaguaramas to see what is happening there on the weekend. A person called me on New Year’s night—I had some people at my home, I got the telephone call—and she told me she wanted to give me blessings because she was there together with her relatives from some part of Trinidad and Tobago, and some other relatives from New York who had come to visit, and there were literally thousands of people here enjoying the boardwalk and the Chaguaramas area, and not a parking place to be found, and she was talking about what a delightful thing had taken place there. [*Desk thumping*]

She also was talking about the fact that you have so many people in these booths serving various types of local food and, of course, with the people there present, a lot of people came to do trade as well. So that the infrastructure became the means by which, not only is there a diversification involving local tourism, potentially larger

international tourism, but causing diversification in terms of the creation, not just of jobs but entrepreneurs, new businesses, et cetera, in the community, right there. I do not even want to mention how many, literally, hundreds of people who worked from the communities that surround Chaguaramas in the construction of that second phase of the boardwalk.

I want you to know that the diversification is taking place in terms of the development of entrepreneurship. Tomorrow, we are going to launch a programme for social innovation, the Council for Competitiveness and Innovation. This is building on the Idea 2 Innovation programme in which 150 people have been supported financially to generate and develop businesses from their ideas, and then on Thursday we are going to launch the 4th edition of the Idea 2 Innovation programme in which another 50 people might be funded. I do not know how much we are going to get in the social innovation programme because that is something that is newer to Trinidad and Tobago.

So, the idea is that—what is the idea behind this? The idea behind this is that you take an idea, an innovative idea, and you create a business opportunity. You get a chance to create a business and instead of being a person looking for a job, you are now the creator of a business and a creator of a job. The idea behind this, of course, is wealth-generation and business creation. What is the idea behind the social innovation? The idea behind the social innovation is that capitalism does a lot of good things and it does create the conditions for generating wealth, but capitalism does not distribute wealth and, therefore, with social innovation interventions, what you do, is that you create the conditions for the better distribution of the fruits that are possible in a society based on trade and investment and development on business creation, et cetera.

We have seen this work in other places. We used the opportunity of the Americas Competitiveness Conference to bring Penny Low from Singapore, and she held a workshop here on social innovation with about 100 people in Trinidad and Tobago. Some of them are already involved in it and we are going to see how this figures. This is in addition to the Centre for Enterprise and Development (CED) at Freeport where we have an app centre for the creation of software, where we have a business incubator, where we have now created a hatchery, and more than that, where we have literally 100 people or so actually incubating their businesses to make sure that they are successful, and they are hatched into businesses that are operational.

We have also partnered with Microsoft to establish the Microsoft Innovation Centre, the 131st in the world in Trinidad and Tobago. [*Desk thumping*] We have partnered with the World Bank for innovation in climate change solutions. These things are important, and you say that there is no diversification going on, but this is the different kind of diversification that is going on. It is a different way of looking at opportunities and what

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is possible, and what you are doing there is empowering one person at a time and one person then has the capacity to empower others. These are businesses, in this day and age, in spite of the changes that are taking place in the world, in this day and age, one person can have a global business. Two people or three people can have a global business. This is the age of possibility of the micro-multinational that is possible, and this is the age and possibility of the one global. One person sitting down in Flanagin Town can start a global business once they are connected to the Internet.

These are the things that are going on in Trinidad and Tobago. If you hear the Opposition you would not know that, and then they are vex when we spend money to tell the country what we are doing. [*Desk thumping*] So, they tell the country we are doing nothing and when we show the country what we are doing they are vex, because they say that is politics. It is politics to tell the country that your Government is working for you and making it possible for you to thrive as a human being, as a citizen. I have never seen that kind of “boldfacedness” in all my life in Trinidad and Tobago.

When we talk about our Leader, when we talk about our achievements, they are resentful, they want you to shut up, and they can come and talk and say all these things. We never intervene, I hear them saying things hear that are so outlandish, and I think sometimes of getting up and using the Standing Orders, but I say to myself, you know, does it really make sense, let them carry on, because I have a sense of the population. I may have taught at the university and I may wear jacket and tie today, but I lived in Sangre Grande, I lived in Curepe, I live in Cunupia now—I walk the streets outside my road, and if I walk up Frederick Street tomorrow, a hundred people will call me “Bhoe”. I have a sense of this country and I know what is going on in the minds of the people. I cannot tell what they will do, how they will act, every human being is different, but I sense the mood, the sensibility of the country at this time and I have faith in the people. I know that they cannot be fooled.

Now, there is another strategy here that the Opposition always does. When we were having the procurement Bill, you know, I was in the other place, I had to present the Bill there, and I was amazed that one of the Members of the House got up and spoke directly, naming the contractors one by one, frightening the contractors and telling them that if the procurement Bill was passed they would be in trouble. I could not understand the logic, but he did do it, and the *Hansard* would reveal that it was in fact true.

12.15 a.m.

Mr. President, today I am thinking: Why is Sen. Al-Rawi doing this? That he is talking about the foreign investors in this country, trying to create the conditions of fright, and he is talking about T&TEC and what they are planning to do with the price per kilowatt, in order to frighten business people in Trinidad and Tobago. I understand it clearly, because it is part of the same strategy with the sabotage of the Phoenix Park shares, which is that you want to create the conditions that somehow this Government is doing some evil that is against their interest.

This Government says, and the hon. Prime Minister said it in her speech, that this challenge that we are facing gives us an opportunity to broaden the footprint of the private sector in the economy. She did not equivocate about it. She said it very clearly, that this is the opportunity for the private sector. We do not want to run the private sector. We want the private sector to grow. We want them to step up to the plate; we want them to invest. [*Desk thumping*] We create the conditions for them to be successful as much as we can, by the incentives we provide, and we want to go downstream.

The Mitsubishi investment, which is both local and foreign, when that comes on stream, is part of the diversification process as well. That is a major investment in a part of the country that needs the investment and that will yield other investments that will create a number of jobs in that area.

When I told you that we created 35,000 jobs in the country in the last four years, it is because these things have always been important to us. What is important to us is that at the end of the day: why is a government here? But you create the conditions so people can pursue their own well-being and happiness. To do that they need to have a job, or they need to have some source of income. So if it is not jobs, we want entrepreneurs, we want new businesses. Housing is an important thing because people need to feel a part of it. Ownership of shares in assets that were previously owned by the State is an important part of their development, of what you might call a “stakeholder or a shareholder democracy”, economic democracy. This is an important thing. This is how we must proceed, and this is where we are proceeding, and this is where we are going.

We found ourselves here—so many speakers have said so—it is not our doing. We are dealing with the restructuring of a global energy economy. We are also dealing, at the same time, with the restructuring of an entire global economy, because what is happening is that you have the restructuring of the global

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economy from the financial crisis of 2008/2009 and you also have the restructuring, you might say, of the global energy industry because of this new technology and this new gas opportunity that is created, shale gas I mean, by the technology that is now available. We are in the midst of that, and nobody saw this coming.

I think Sen. Dr. Mahabir said this. He said as far as he was aware nobody saw this coming. He said it was entirely unpredictable, and it is true. *[Interruption]* No, no, that is why I am singling out what he said. He said nobody saw this coming because it was entirely unpredictable, and he is right, because if you go back one year ago and you scan everything there is—I am not saying I have done that—but I looked at some of the key things. If you looked about one year ago, there was nobody who even remotely thought that oil would get anywhere near \$60 a barrel. I mean, it was just not there.

There is an economist who also served as an ambassador, who was in the Kennedy administration at one time; a Canadian, but he used to teach at Harvard. And some may think of him as an American, but he is really a Canadian; a fella called John Kenneth Galbraith. He once said this—Sen. Dr. Mahabir might like this because it has to do with forecasting—the only function of economic forecasting is to make astrology look respectable. *[Laughter]*

Sen. Dr. Mahabir: He was a theorist, not a forecaster.

Sen. The Hon. Dr. B. Tewarie: No, he was not a forecaster, that is true, but he was a very wise man, and politically very astute as well as economically savvy. It should tell us sometimes that we just cannot know everything. But I thought that that quote was so good and so appropriate to the time, and especially because of some of the things that were said here, I think it was worth quoting.

The other thing I want to say in terms of growth, in terms of the nature of the change in the world, is that over the next five years if you ask the question: where would the growth take place if there is growth in the world economy, will it be in the developed world, will it be stronger in the developed world or will it be stronger in the emerging world and the developing countries? I think all the signals are pointing that it is going to be in the emerging world and the developing countries, and that is something we should begin to think about very carefully. Therefore, in the neighbourhood in which we live, it becomes a very important issue to calculate, in terms of the strategic movement of our country forward.

So that together with all that is happening, I think there is also a structural shift in the energy system, the energy economy of the world system. I had a little note here which broke down a few things; I hope I can find it. So, for instance, in 1979, oil provided 46.1 per cent of the energy; coal, 24.6; natural gas, 16 per cent; biofuels, 10 per cent; nuclear, .9 per cent; hydro, 1.8 per cent. But now you are looking at oil providing less than 30 per cent; coal surprisingly, 29 per cent; natural gas, 21.3; Biofuels, 10; nuclear, 4.8; hydro, 2.4, and the other 1.1 includes solar and wind. So that what we are having is a change in the structure of the production of energy but, of course, the production of energy will have something to do with the consumption of energy. So let us look at the changing global pattern in consumption. China in 1973 consumed 7.9 per cent of the world's energy. [Interruption]

Mr. President: The speaking time of Sen. Dr. Tewarie has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [Hon. F. Karim]

Question put and agreed to.

Sen. The Hon. Dr. B. Tewarie: Thank you very much, Mr. President. Thank you very much, Sen. Karim and thank you very much Members of this Senate.

So in 1973 China consumed 7.9 per cent of the world's energy. By 2013, that had more than doubled to 20 per cent. The rest of Asia, including India, also doubled from 6.4 to 12.7. Conversely, OECD countries which consumed 60.3 per cent of global energy in 1973, fell to 39.8 per cent by 2012, showing that there has been a definite shift in global energy consumption, away from developed economies to developing ones.

So we need to factor all of these things as we look at our own country, and the strategies for our own country. We need to be alert to the fact that the world is changing and shifting fast. In energy, but also in terms of economic importance; shifts in economic importance and economic value going forward, and more than that, the realignment of forces in the world system.

I think it is important to point out too that there are all kinds of things about what the price of oil will be and how long it will last and so on. But I want to say that in the longer term, in planning for our own country, in thinking about our own country, in thinking where the world is going, we must not forget what the United Nations said about two years ago in a study that they did—a very comprehensive study in which they focused and identified the food/energy/water/stress nexus—that with the growth of population, there is going to be a demand for more food. The demand for more food is going to demand more water. The new technologies of fracking and other opportunities which may emerge from this, will also demand more water, and the growth of these developing countries are also going to demand more energy.

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What this means as well is that we need to configure in all of these things that energy is still a part of our future in Trinidad and Tobago and, therefore, as we think about it, even though we think of diversification, we also need to realize that there is a future of that in alliances outside.

I want to say also that the world is also rethinking. This is one of the things that is also going to affect the thinking about energy and which energy, which is that there is one perspective which is focused on economic growth, based on consumption, but there is another perspective that is focused on sustainable development, based on the balance of economic, environmental and sociocultural considerations. These are intentioned right now, and ultimately the sustainability factor is going to be the winning factor in the world system. There is no way that people are ultimately going to turn their back on the planet.

Already climate change and the eradication of poverty have become the dominant concerns of the post-2015 millennium goals, and that is going to have a significant impact on how the world sees development, and that is also going to have an impact on what happens to energy and how energy is consumed and how energy is deployed and how profitable what energy is going to be.

Together with that, ours is an innovation-driven world. It is already there, and we have got to prepare for that. We have got to prepare for that in every way possible. That is why the diversification is so important. That is why every mind, every imagination is so important in the process going forward. Sen. Drayton, I think, raised the question of migration; I think you raised it too, Sen. Vieira. It is a very important factor, but we cannot approach immigration in the way that immigration has emerged in this part of the world at this time; that is to say, happening—sort of just happening to your country. You cannot do that anymore.

12.30 a.m.

When we prepared for post-millennium, post-2015 Millennium Development Goals in this country, which is something my Ministry led and which I was very much a part of and which involved extensive consultation with citizens of this country, we put forward the idea of managed migration. That is what we need in Trinidad and Tobago.

So as we diversify, as we put our people out the tertiary sector, as we move into the knowledge sector, as we create broadband across the country, as we connect with the rest of the world as we develop our diversification strategy and our new international oriented energy strategy, we must build the research capability on top of that, and we must have the knowledge workers in swarms, and we must have entrepreneurs to create a proliferation of new businesses of a high order in our country.

Therefore, that is the challenge we have to manage now; migration is simply one element of it. But we would do well to keep our skilled people here, as the Minister of Tertiary Education and Skills Training is trying to do. We would do well to get people who have skills and professions and technological know-how, and the entrepreneurial spirit and the finance to come here because in about 15 years' time, 20 years' time we are going to have a reversal of population in Trinidad and Tobago. There is no way that we can achieve the levels that we want to achieve for this country with a population that is dwindling, in which you have ageing and you have slow birth rates.

So that there are many things that we need to do. We might have to quicken the birth rates. We will have to care for our aged. We will have to manage the middle population and we will have to have migration. But it has to be a managed migration that adds value and creates value and opportunity in our country.

I do not wish to go on much longer. I think that this country has been well-managed over the last four and half years. We are entering our fifth. We have found ourselves in a situation of a global challenge in energy, and we are proceeding to manage that, and we know that we must manage it with our people. I think the idea of cooperation and collaboration which has always been a thrust of this Government as we approach an objective of "Prosperity for All", has always been something that is uppermost in our minds, but sometimes the climate was not there.

There were times that we wanted to engage the labour leaders of the country, but they would not engage. I think this is an appropriate time for the leaders of the labour movement and for workers in the country to appreciate the fact that this is the only Government within a five-year period that has increased the minimum wage in this country twice. [*Desk thumping*] We have increased the minimum wage in this country twice. We have taken the country to full employment at 3.1 per cent at the end of March 2014. Basically, in everything that we do including in this time of challenge, we have shown that the working people, the poor, the vulnerable are the people that we are concerned about and do not wish to displace. It is important to do that for the stability of the homes, the stability of the family, the stability of the community. It is a very important thing for us.

We also want to collaborate with the private sector in a constructive way. The Prime Minister mentioned not just the IPOs, but what she mentioned as well was the public/private partnership and the growing of the footprint of the private sector here. We want foreigners to invest and we have a good trajectory for this year coming. The Minister of Energy and Energy Affairs says that it is upwards of

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\$2 billion, but the Prime Minister was very conservative—she said \$2 billion. I think we will achieve that. We have achieved good in 2012, 2013 and 2014, and we are going to achieve it again in 2015, but we need the investment in the diversified areas.

Yesterday, together with the Minister of Foreign Affairs and the Minister of Trade, Industry and Investment and Communications, and the Minister of National Security, we had a meeting with the representatives of the European Union. One of the things in which they expressed deep interest was investment in the sectors that have to do with diversification. Therefore, this is a good sign for us. We will work them, but we want local entrepreneurs as well to be part of this diversification process. We want them to be part of the build-up of the infrastructure of the country through public/private partnerships. This is very important for Trinidad and Tobago, and out of this challenge comes that opportunity.

Trinidad and Tobago at the end of 2014 was in a good place. The price of oil started to dip around June, and by October the Ministry of Finance and the Economy was very involved in work that would prepare us for this day. We are here now. The Prime Minister has outlined her perspective, and has indicated the limits of the adjustments and the parameters of the adjustments, and we will have to watch from day to day, as every country will, what is happening to the price of oil and especially the price of gas going forward.

But our responsibility is to manage this country and to manage it well, and to make sure that we have peace, harmony and stability. I want to say to the Opposition and especially to Sen. Al-Rawi, given his—I would not take it as a threat, I will take it as one of his political—what can I say?—a manifestation of political assertion. But I would say to him, do not try any stupidity. Okay? This is a democratic country. Elections are due this year. They will come. This is the first time that a Government has been in office for five years, duly elected in the last 15 years, and let us let the democratic process work. The power is not in your hands to determine the date of elections either constitutionally, that is the Prime Minister's, and it is not in your hands to determine the result. That is in the hands of the people, and the people at the end of the day will have to choose, and they will choose on the basis of the things that they know and feel and understand.

I think I know how they will choose. They will choose with a sense of what tomorrow means in the context of continuity or what next year means in the context of disruption and start over. They know that the challenge that they face is a challenge that is not going to be a month, that it may last a year, that it may last

two years, but they know that the country must survive and go beyond its present state in a progressive and constructive way because their own lives and the lives of their children and their grandchildren depend on it. We have given this country responsible stewardship, and we will continue to do so as long as the people give us the opportunity. Mr. President, I give you thanks for the opportunity to speak. [*Desk thumping*]

Sen. Camille Robinson-Regis: Thank you very much, Mr. President. I would be quite brief in my representations here this evening. I speak at the end of a Bench of five other Senators on this side who have elucidated on quite a number of the issues that concern, not only the People's National Movement, but indeed the people of Trinidad and Tobago as it relates to this current situation in which we find ourselves.

Mr. President, despite the fact that the Senators on the Government side have tried to make an effort to indicate that they have everything well in hand, and that people's fears should be allayed, the people of Trinidad and Tobago, I am bold to say, are not convinced by what this Government, and indeed particularly by what the Prime Minister of Trinidad and Tobago has said to them in recent times.

Mr. President, I can assure you that most people felt that, given what the Prime Minister said, even briefly, that the Ministers would elucidate on where the cuts would take place, and where the shortfalls would be examined and so forth. There was a feeling that when the debate started on these two pieces of legislation before us, that the Ministers—even in the Lower House or in the other place and in today's debate—would have started giving some indication of where these cuts would take place or where the changes in the various Ministries would occur. To date, we have not seen anything from any of the speakers whether in the other place or in today's debate, and that is very distressing for us in the Opposition, and I can assure you, Mr. President, for the people of Trinidad and Tobago.

As of today, January 14, oil has fallen below US \$45. US \$45 is the amount, the figure that the Prime Minister indicated that the new budgeted price would be. As of today, the price of oil is projected to fall even further and that is below US \$30. Therefore, even at the current budgeted price of US \$45, real and present dangers exist for our economy. That is a reality, Mr. President, and it is a reality that we must face frontally.

Mr. President, it is clear that the real and present dangers that exist include—and I would like to place this on the record—the possible downgrade of Trinidad and Tobago's credit rating by noted multilateral companies such as Moody's,

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Standard and Poor's and other international agencies. Once that happens, all access to borrowing becomes more expensive. A downgrade of such agencies or by such agencies will cause the country to default on two existing loans.

12.45 a.m.

Mr. President, already Trinidad and Tobago's overdraft with the Central Bank is up to 98 per cent, and this clearly leaves us with very little room for manoeuvring. Clearly, we cannot borrow our way out of this crisis. In reality, we have already reached our statutory borrowing limit. You would recall that this Government came to the Parliament to increase our statutory borrowing limit, and we have already reached that ceiling.

Mr. President, I make bold to say that there is a clear feeling that there is no leadership in the Ministry of Finance and the Economy, that the Minister is not taking or not showing responsibility and is providing very little direction or guidance. My understanding is that the Permanent Secretary is out of the country, and it is quite junior personnel who have been giving policy directives in that Ministry. I feel that these are issues that we must bring to the attention of this Senate and also to the population of Trinidad and Tobago.

When the Prime Minister spoke, essentially she was talking to three constituencies, or four constituencies: the man in the street; the local business community, our private sector; international companies and the multilateral agencies. What can we assume following that address and following their reaction? It is clear that the man in the street is now more confused than ever. Rather than his fears being allayed, there has been no clear explanation of a way forward or how we will buttress the economy for this sudden shock which has occurred.

In fact, Mr. President, the reality is that neither the Minister, nor the Prime Minister, nor, any of the Ministers has indicated with any clarity how our economy would withstand this shock which may have effects over the next 18 to 24 months. The local business community has indicated in the main that they have found absolutely no comfort in what has been said by this Government. In fact, with respect to the local business community, the result is a loss of confidence or a further loss of confidence with further pressure on the country's foreign exchange. The question therefore must be asked, whether this will have a deleterious effect on the capacity of these businesses, leading to cutbacks and layoffs. And I ask that question very seriously.

Mr. President, we have heard Ministers get up and parrot that there will be foreign investment, that it is coming, but we have not heard one Minister indicate what this foreign investment is. We have heard about the Mitsubishi project that is supposed to come on stream, but in each case it has been a situation of just talk. We have not seen anything concrete or anything that gives us comfort. So, regarding the international companies, there will be a drastic slowing and even a deferral of investment. In fact, owing to the lack of clarity there is every possibility that any proposed investments, if they do exist, would be halted. Most notably in the oil and gas sector.

Mr. President, you would recall that late last year the Minister of Planning and Sustainable Development hosted the Americas Competitiveness Forum. My understanding is that over \$34 million was spent on that. Over 1,500 persons were invited both internationally and locally, but only 700 persons attended, and the number of foreign persons who attended was less than 200 of the 700 persons, and my understanding is, that there has been nothing concrete coming out of the Americas Competitiveness Forum. Over \$34 million being spent. In fact, I understand that for the tent alone \$1 million was spent and \$14 million on decorations, and nothing has come out of this Americas Competitiveness Forum, I understand.

Mr. President, with regard to the multilateral agencies, our information is that they are preparing to assist us in the clear possibility that when this Government is finished with us there will be a clear need for structural adjustment. But, Mr. President, we are trusting that the Government will come to their senses, and that will not take place, and they will, in fact, take this shock seriously and work assiduously at ensuring that full preparations are made for any structural adjustment programmes that must or will have to take place.

On January 03 of this year Dr. Terrence Farrell, in the *Trinidad Express* wrote "The Imperative of Adjustment", an article entitled "The Imperative of Adjustment". And, that has left persons in Trinidad and Tobago to pause and think very deeply in circumstances where the Government has not been frontal in its dissemination of information on what is actually happening. And, Mr. President, with your leave I would like to read some parts of this article into the record. The article, as I said, is entitled, "The Imperative of Adjustment", and I quote:

"Oil prices have fallen drastically and natural gas prices are already following. The decline is structural and cyclical and prices are likely to remain depressed for some time...The situation and outlook are serious, if not dire.

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We need to respond responsibly to the imperative of adjustment.”

And he goes on to say:

- “1.”—we need to—“Act quickly and decisively...Delaying action hoping for a quick turnaround in the oil and gas prices will worsen the situation and make adjustment harder and much more painful later on. The recent symbolic actions of the President could have been helpful in sending the right signal to the population of the need for an immediate and decisive response, but were negated by the actions and utterances of the Government.
2. The primary objective is: achieve external balance. We must take the worst case scenario and adjust for that scenario. If it does not materialise, we will be better positioned when we need to restore growth. The medium term imperative is adjustment, not growth. To try to maintain growth while effecting adjustment will lead to inconsistent policies and ineffective adjustment.
3. Reduce demand by price and expenditure adjustments.
4. Fix the timeframe for achieving external balance. We must decide on the time period over which we want to achieve external balance and the desired extent of decline in the foreign exchange reserves. The timeframe should NOT be more than TWO years!
5. Fiscal adjustment should begin immediately. The Heritage and Stabilisation Fund should NOT be touched. All of it should be deemed “heritage” and fiscal adjustment achieved otherwise.
6. Monetary policy should act on interest rates and exchange rate. A target exchange rate should be set at a level that reduces import demand and encourages non-energy exports. There must be sufficient reserves to defend the target exchange rate.
7. Wages and incomes policy should cooperate.”

And, Mr. President, interestingly, Dr. Farrell says:

“...Politicians, not professional economists, have been making the decisions on resource allocation and growth strategies. There is, to the best of my knowledge, only one professional economist—Emmanuel George—in the Government.”

Hon. Senator: Read that again.

Sen. C. Robinson-Regis: “First, politicians, not professional economists, have been making the decisions on resource allocation and growth strategies. There is, to the best of my knowledge, only one professional economist—Emmanuel George—in the Government. Our public sector economists have been muted. It is only when the foreign economists from the IMF arrive that any heed will be taken, and then it will be because we have no choice.”

And, Mr. President, none of us want to have to face the IMF. He goes on to say we must look closely at our non-essential services. He goes on to say:

“Unfortunately, the Prime Minister has already stated: ‘Rest assured that there will be no cuts in the health sector, social programmes as well as national security. As well there will be no cutbacks in recurrent expenditure such as wages and salaries. We will look closely at our non-essential services and if necessary, reduce our financial commitments in that area.’”

He says:

“This is all wrong! No such assurances can or should be given until the technical work on what is required to achieve external balance has been done. (If it has been done, please tell us what it says and what assumptions were made). In short, if the worst case scenario plays out, and unless the current administration experiences an epiphany of responsible leadership, we are in for another long and painful period of structural adjustment!”

Now, Mr. President, we of the PNM do not want us to face a period of structural adjustment. We still believe that this Government has enough time to come to the population and indicate in clear and unambiguous terms, what it intends to do about this situation. Because this situation is in fact a shock to our economy.

Sen. Lambert: We would come when we are ready, but not when you want us to.

Sen. C. Robinson-Regis: But it may be too late when you feel that you are ready, Sen. Lambert. [*Interruption*] We have heard—you see, Mr. President, we do not trust this Government [*Desk thumping*] because we have seen how they operate. They have given undertakings in this Parliament before and they have not adhered to their undertakings. So, we do not trust this Government. [*Desk thumping*]

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Mr. President, we sat here and listened to one Minister say that we have said we should abort the Phoenix Park, that they should abort the Phoenix Park IPO. We have said it should be aborted in circumstances where there has been no feedback regarding the allegations of insider trading against the Minister of Finance and the Economy, and the fact that the allegations of impropriety with regard to the FCB/IPO still have not seen the light of the day. We have been very, very specific in why we have said to abort or put on hold the Phoenix Park IPO.

Mr. President, we have heard the Minister, Fazal Karim, talk about what is happening with UWI, with UTT, with University of the Southern Caribbean, with COSTAATT. However, our information is that there remains a sum of over \$240 million outstanding with regard to the GATE Programme, to the University of the West Indies, and that the majority of money that UWI receives is being allocated to the South Campus, to the detriment of current commitments.

In those areas where the Prime Minister had said that certain, specific commitments will remain important to this Government, certainly, GATE is one of those commitments, and we ask the Minister to ensure that the GATE funding is continued.

Sen. Lambert: We would fix that, do not worry.

Sen. C. Robinson-Regis: Mr. President, I am hearing what Sen. Lambert is saying, but again I say, we do not trust this Government. [*Desk thumping*]

I gave the assurance that I will not be long, but I had to put on the record that the concerns and fears of the people of Trinidad and Tobago continue to exist. Mr. President, just as an aside, let me indicate that whereas the Prime Minister and even Ministers on the other side have been saying that they have completed numerous collective agreements. In fact, they said that they met 80 outstanding wage negotiations and those have been settled.

Sen. Lambert: Correct, that is correct.

Sen. C. Robinson-Regis: And they have also said that 80 were outstanding and they have settled those. However, Mr. President, we have checked with the Industrial Court and the People's National Movement settled 523 collective agreements, 11 essential services collective agreements, 52 special tribunal collective agreements. [*Laughter and crosstalk*] In fact, we have settled 586 collective agreements. Mr. President, this is the document from the records of the Industrial Court. [*Senator holds up paper*] So, whilst this Government, again—[*Crosstalk*] from 2002—

Sen. Al-Rawi: From 2002. Look it here from the court.

Sen. C. Robinson-Regis: Whilst Sen. Lambert and his colleagues again give the population of Trinidad and Tobago incorrect information and, as usual, the statistics of this Government are questionable. [*Desk thumping*] And that is why—

Sen. Al-Rawi: Eighty do not match up to the 586.

Sen. Lambert: We suffered when PNM was in power.

Sen. C. Robinson-Regis: And that is why you were a PNM, Sen. Lambert.

Sen. Lambert: I am telling you.

Sen. C. Robinson-Regis: Yeah, yeah. But the labour movement had said they do not want to have a thing to do with this Government. [*Desk thumping*]

Mr. President, before I take my seat I would like to let this Government know that it is not the labour movement alone that is saying they want to have nothing to do with this Government, the population at large [*Desk thumping*] is indicating that they want nothing more to do with this Government and really they are just waiting for the date to be called.

Mr. President, we would like to call on the Members of this Government to be very upfront with the people of Trinidad and Tobago, to be upfront with the business community, with the foreign investors and also with the multilateral agencies with which you have to interact. And we are just calling on you to understand that this is a shock to our economy, and when a shock occurs the first thing that the Government in office needs to do is to be responsible and upfront and allay the fears of the population. [*Desk thumping*] Thank you very much, Mr. President. [*Desk thumping*]

Sen. David Small: Thank you very much, Mr. President, for the opportunity to join in this debate, 131/2 hours into it. Mr. President, we sit here this early morning and we operate in a space where our comfortable world has been given quite a bit of a shake. And, you know, I have had now quite a few experiences, and one of the things I always stick in the back of my head is, I listen to all that is being said. One thing I know for sure, the business of governance is not lenient. Sometimes people expect things to happen in a particular way and the system is not designed for that, it just does not work.

Mr. President, we have an unprecedented international oil market scenario. You know, I looked back at the various times when there were oil shocks. You go back to the Arab oil embargo in 1973. And that was essentially a situation where the Arabs and a few other countries decided we are going to stop production and we are going to force the price up, because they felt that the price they were getting for their crude, \$2 to \$3, was not working for them. And that worked itself out and things moved on.

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When you look at more recently, I think it is 2008 scenario, where in July of 2008 crude oil hit \$147 a barrel, five months later it was at \$32 a barrel. So that in 2008 the price of oil dropped \$115. And I am not saying because we survived it then that it is going to work like that this time. But what it tells us is that it is survivable, provided that there are appropriate prudence applied and appropriate strategies are employed. Because we operate in a business, the oil and gas business, in a business that is cyclical, but these shocks are part of the normal course of the industry. And while it is a shock, it is a shock for which we should have enough strategies and enough experience to understand how to manage. And it need not have any hysteria. From my own respectful view, there is no need for hysteria when this happens. [*Desk thumping*]

Mr. President, I want to just talk a little bit about—I probably operate in an environment where some of my thinking is probably utopia, but I listened to some of the comments in the press, in particular, and, you know, I hear some of the views and they are utopia. I mean, I want to put it bluntly, you know that if you have a complaint about how something is being done, lay out your alternative. Complaining alone does not help. If all you do is complain, it does not help. [*Desk thumping*] There is nothing wrong with pointing out deficiency, but pointing out deficiencies alone and saying this is where the weakness is without trying to proffer some kind of alternative solution and say this is what I would do in that situation, it does not necessary lend to country building or nation building. So that if you are going to complain about something or if you have a legitimate grouse or something say listen, if I was in that position this is what I would do. It does not mean it would not work, but at least it demonstrates some rigour.

I also, Mr. President, if you would bear with me, I believe that Trinidad and Tobago at the stage it is, I ask also that there is an issue that bugs me all the time. I ask where are the exemplars? Where are the exemplars in society? Who can we point to very quickly and say that is an exemplars in society?

Sen. Hadeed: Calder Hart.

Sen. D. Small: There was a headline in yesterday's *Guardian* that said—I think it had to do with Petrotrin. The CEO of the company said, words to the effect, that they are going to suffer 40 to 50 per cent drop in revenues, in gross revenues. And that is serious. And for me that was a golden opportunity to be an exemplar and say listen, myself and the executive management of the company are going to take a 5 per cent cut in salary to demonstrate the fact that we are here to make sure the company survives. I think there needs to be some movement in

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that direction and it should not be forced upon them. It should be someone saying, listen, this is a major state entity, we have a vested interest in making sure this entity survives this and whatever shock comes and we are going to at least demonstrate that we are willing to take some of the pain. Instead, you read the article and, okay, I will leave that alone.

So for me there are opportunities for people to demonstrate that this is what we are going to do and we are going to do it this way. And while it may not, it does not even necessarily need to mean anything significant in numbers but the messaging content there is important and I think that amount for others what I think could have been a missed opportunity.

Mr. President, the global situation that we are facing here is not just purely demand and supply. Because when I look at the numbers, the collapse of oil prices is as a result of a 1 per cent over supply in the market. So it is not that we hear that the shale oil production is really come on and is really significant, but when you look at the raw numbers it is about 1.2 million barrels per day over supply in the market. In a market of 92 million barrels per day, 1.2 million barrels surplus should not cause this level of disruption to the price. So, the obvious—there are other things play. Of course, there is a geopolitical play out and that geopolitical play out clearly demonstrates that pure supply and demand are playing a subservient role in the price making process for oil.

I want to also talk quickly just for slight edification on the wonderful shale oil phenomenon. Because there are lots—the issue with shale oil is that shale oil, while it is plentiful it has a different profile than standard production from regular oilfields. On a regular oilfield, as the Minister of Energy and Energy Affairs would be able to confirm, you know, the production goes this way: it goes up, it plateaus and then it drops off after a long period. Shale, it goes this way and then it drops off like this. So that the issue with shale, in particular, is that you have to constantly reinvest, do additional drilling. The drilling is not as expensive as doing offshore drilling but you have to constantly be churning cash over. This is one of the issues.

The United States energy administration information is that if investment in shale stops today, US oil production will drop by 300,000 barrels a month. So that shale is a phenomenon but it needs cash, because if it is starved of cash then the same way it came, it is going to go away—it may not go away forever but it could go away. So I understand, I am a student at the job, geopolitics, forgive me. I understand what is at play and I want to share, I am sharing this information to help build that picture, to help people understand what is at play and why the market is moving in a particular way. It is almost, demand and supply is irrelevant. There is a play out by the OPEC partners who, for the first time, have recognized, they could lose market power.

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In a situation, as Dr. Mahabir indicated, where OPEC had effective monopoly power on the market—the OPEC partners control 30 million barrels of the current crude supply in the world, so it is roughly one-third, but because the other 60 or so million barrels per day is split up amongst various countries, that is the one group that could actually influence the market. What has happened is that with the advent of Russia and USA producing so much, and then the shale explosion causing the USA—which was a favourite market of destination—the OPEC partners have taken a particular decision that, in my own view, they do not care where the price goes, and that is really scary if you really extrapolate that. The market play out is that they want to try to make sure that our market share is not taken from us and we want to damage the market share of others, whatever the price may be, and they are fortunate that they have a buffer. Now they plan for it, but they do have a buffer.

I just want to share this to just close off the loop. If you accept that thesis, the Minister of Energy and Energy Affairs would also confirm that for some time—I think from since around 2010—the differential between WTI and Brent, the two major, most—there has been a wide differential, and there are several reasons for that. But in last year—today—the differential between Brent and WTI was \$15.49. At the close of business yesterday, on the 13th, it was 62 cents. And here is what is important about that. The narrowing of the gap between WTI and Brent makes international crude more attractive to US refiners, as opposed to domestic crude. When the differential between WTI and Brent is large, you find that the US refiners would take WTI and other US grades of crude and not look at international crude. When that differential becomes small, or it goes the other way, the US refiners would import international crude.

So there is a play out. It is clear and those are some of my theses on it, based on my ongoing analyses. And it is interesting because I spoke earlier today to a colleague from the US State Department and the US Vice-President Biden is hosting an energy security summit in Washington DC on the 26th and I have been asked to come and just, you know, hang around and lime with the boys, for want of a better phrase. Because it is interesting for me. You want to have a session on energy security right now. At short notice he is arranging this meeting and he invited various heads and other people from all over the region and because it is part of my network, I enjoy going to those sessions because I like to understand what other people are thinking. I may have one set of information in my mind that I work with, but I always like to listen to hear what other people are thinking because that is the only way we are going to learn.

Mr. President, I want to now—[*Interruption*] Mr. President, in that vein, I have always believed—it got me in trouble in my former place of employ—that energy diplomacy is critical to us, to what we do. The Minister of Energy and Energy Affairs would be very well aware of my—even external support for Trinidad and Tobago’s membership in several of these international energy organizations because I always believe that while it is good to look at *Reuters* and read the reports of meetings, there is nothing like having a presence in the room. And even if you cannot influence the decision in the room, what you do is, at least, you observe. You understand the play out between the various decision makers in the room and at least you understand how decisions are arrived at. So that the energy diplomacy portion of the Ministry of Energy and Energy Affairs’ portfolio is very important and I am sure the Minister is continuing with that.

Trinidad and Tobago has an economy whereby Government spending supports a lot of business endeavours. I do not envy the Minister of Finance and the Economy in any way, shape or form because while you will always have, in a situation where we have a reduction in the inflows of revenue to the country, one has to be careful how you remove outflows going into the system. That has to be very carefully managed. There are many, many businesses and so-called entrepreneurs and companies in Trinidad and Tobago, but they depend on Government contracts. They live and die by Government contracts.

So that this is a key balancing act for the Minister of Finance and the Economy and it is something that not many people have said. Everybody is saying, cut, cut, cut, and I am saying, “Wow, you cannot”. You could actually do permanent damage to the economy by just going slash and burn. The Government has to sustain a reasonable amount of spending to keep the economy ticking over. That is very, very important. So that I think that—I keep reading, I did not see that point made anywhere, but, for me, that is very important. We have a small, close-knit economy here and Government spending is a critical portion of how that economy keeps turning over.

Mr. President, you know, in 1979 when they had the oil crisis, President Carter made his wonderful speech, a speech where he essentially said nothing, and I quote: “The oil crisis was the moral equivalent of war.” You know, you think back, for those of us who could probably remember that far, that that was at a time when certainty about the business was never there and people were trying to figure out what to do, and a few months later, the then US President issued, what he called the Carter Doctrine, where he essentially said any interference with US interests in the Persian Gulf would be considered an attack on the vital interest of the USA.

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I say this because energy and politics are intertwined. There is no separating energy and politics. They go hand in hand. It explains a lot of the things that happen in the industry, globally, and there is no energy without politics and there is no politics without energy, once you have it, because energy, whether you are an importer or an exporter, energy is your lifeblood, one or the other. I think that that type of thinking, when you think that the US President at that time could take a position like that, it brings it sharply into focus for me.

I have listened also to several and many comments on a statement made by the Prime Minister. I have my own views because I am still bidding out my views. But I think that some of the calls for additional information have a level of merit but it is difficult, in my mind, to see that happening at that point in time, especially where you have a situation where the actual crunching of the numbers is probably a live exercise going on right now in the Ministry of Finance and the Economy, to try and figure out exactly what to cut and how much. [*Desk thumping*]

I say this, not necessarily to say that it cannot be done, but because of my experience working in the system, I know it is not just Xs and Os. It does not work like that. And in the situation where, as it was pointed out by the hon. Member that the oil price went below \$45, you know, you are building out scenarios, and then depending on what the Government's priorities are for funding, then decisions need to be made about what needs to be cut.

So that it is not as easy or as simple as just coming and reading out a list, and perhaps that information about the process of doing it has not been properly understood or properly shared. And perhaps if people understood this better, yes, we need the information, we need the big ticket items, fine, but the process of government is not linear and it is not necessarily the easiest. I think there was a description about—you know, it is like turning a big ship. It is not necessarily just turn the wheel and it goes. It takes a while, and especially for things to do with numbers that requires inputs from X amount of Ministries, it is not the easiest exercise.

I just want to deal with a couple of other little things. I know it is coming on to 1.30 in the morning.

Hon. Senator: Take your time, man.

Sen. D. Small: Probably I have been—you see, I do not have much hair again so I have been around a little too long. So I am not panicked; I am not in any great hysteria. I look at the raw numbers from the budget and I see that oil revenue is

roughly one-third of total revenue—roughly. But from the upstream operations and the actual operating plants, it is roughly one-third. And out of that, there is still—and that is what is oil revenue. It does not include all of the gas revenue, because some of that is captured in corporation taxes.

Sen. Ramnarine: And dividends.

Sen. D. Small: And dividends. So that we have a situation where roughly one-third of our budgeted revenue is under threat. If it was the other way around, we may have serious concerns. It is not that we should not have serious concerns here, but it is not panic stations. I do not think it is panic stations. I think it is, “Wow, something is going on here, we need to stop, we need to reassess, we need to reorganize and prepare in the event that things really go completely pear-shaped.”

I am concerned about the level of panic, or the level of information that is coming out to the public in a way in which, making it sound as if it is dire straits. It is serious. I do not want to make it sound as if it is not. It is serious, but I think right now where it is, it is manageable and it is something that we could get over, provided the appropriate measures are taken and they are applied with some rigour.

This brings me to my point about—I yearn for the day, Mr. President, when we could have mature apolitical decisions about issues that affect the nation.

Hon. Senator: Well said. [*Desk thumping*]

Sen. D. Small: We live in a place where the Minister of Tertiary Education and Skills Training is doing his damndest—forgive me. Pardon that word, Mr. President. He is doing his best to make sure that we provide the citizens with educational and learning opportunities that prepare them for the future growth of this country. I think that being able to have appropriate discussions about these national issues are important, but everything cannot be the football going across, being kicked from side to side.

I am saying I understand that is part of the process but at some point in time when you are dealing with a really national—as people would say—serious issue, let us try to suspend some of that and zero in on what the issues are, and understand what our various positions are. We are not asking, necessarily, anyone to agree with your position, but at least articulate your position and come straighter to the point. I do not want to disrupt anyone's fun, but I believe that that is something that we have to keep in the back of our minds and move towards.

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Mr. President, one of the speakers asked earlier, and I really agreed—he asked, “Who is making adjustments?” Who is making adjustments? Are you seeing here any adjustments now? And this is where I go back to my exemplar’s comment, that I think a signal needs to be sent that we have a situation where, if the market conditions go completely pear-shaped, it could get very bad, and that there is an opportunity for a signal to say, “Listen, wow, we should necessarily start to apply some measures that clearly demonstrate that not only the Government, but the other entities are taking measures to make sure that we can survive this.”

I know where I am going with this, Mr. President, because I asked about the contribution to the country. Unfortunately, Mr. President, the hon. Minister of Finance and the Economy will get a few words from me on the whole issue of protection of the citizens. The last time I checked, we are Members of this Senate and part of our function is to do things in the best interest of the citizens of the country, and I am concerned about who is looking out for the regular man in the street.

We do not have a Ralph Nader in Trinidad. We ultimately, desperately need somebody like Ralph Nader to seek the interest of the small man because when I implored the hon. Minister of Finance and the Economy on many occasions in the last session to bring back the tax free savings bonds to help out and give some kind of decent return to the regular small investor, and I was very pleased to see it in one of the budget measures, but then to hear today, and look in the document and I am seeing: 1, 2 and 3 per cent. And even worse, because 1, 2, and 3 per cent is bad, but even worse is, that was influenced by entreaties from the guys who have tons of money sitting around doing nothing.

I take umbrage to that position because there is—I have no personal issue with the banking sector other than the fact that it is legal robbery. I do not know what it is. You get fees for every transaction. You go for a letter to say how much money you have in the bank, they charge you \$40 for a letter. I am saying, “But it is a sheet of paper, eight by eight and a half. How much toner it is going to cost? Come on.”

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The banking system and the fee structure needs some regulations from someone to go in there and say, “Listen, this is unfair to citizens. It is unfair.” If you disaggregate the banks’ profits to see how much money they gather in fees, there is no way their administration operations cost that much. There is no way.

So that needs to be looked at because we could be in a situation where the economy is slowing down. People already have little to no returns from the banks and then the banks will want to raise fees or raise interest rates, and I say this because it is an ongoing theme of mine.

I keep going back to the wonderful regulator in the UK and the regulator in the US, where there is regulation on what fees banks can charge for what services. I am not saying to copy what happens in other places, but we need to be able to be in a place to say, "Listen, as a measure of trying to protect the ordinary simple investor in the country who has a few thousand dollars and wants to be able to get a decent return, the tax free savings bonds are a good way."

I do not agree with one, two, three. I do not agree with it at all, but even if they decide to keep the money in the bank you are getting a percentage of 1 per cent. One tenth of 1 per cent is nothing, but if you take a credit card it is 28.99 per cent. It is crazy. You get nothing for your money. So the spread is so huge. You go for a loan and it is 11 and 12 per cent. The spread is too wide. I mentioned to someone—I just checked online and the US average for mortgages for a 30-year fixed rate mortgage is below 4 per cent. It is 3 per cent or something. Three point something per cent for a 30-year fixed rate mortgage. Try to get a 30-year fixed rate mortgage here in Trinidad in addition to the signing away your life and everything else to the bank, they hold you hostage. There are important reasons for having some rigour in the process to make sure that you are a properly qualified lender in your own default. I understand the need for some of those things, but the rate that is being charged is over and above what could be fair for a decent return in many instances and I think these things require some professional review and putting in place given—and you see, this is a little thing.

It might seem like a little thing, but I am telling you if the Government goes in or some regulator goes in and says listen, we think that the fees that the banks are charging are too high and we ask that they normalize some of it. That is a big win. If you really think about what that does, that is a huge win and it is an easy cherry to pick from where I sit, but, of course, that would not necessarily sit well with the banking sector, but they have a cushion. You have seen the quarterly reports, the quarterly profits, they have a huge cushion. They are not going to die, they are not even going to probably feel it that much. They will survive and they might actually thrive because more customers will come because they are getting a better rate. That is just my thought on that, Mr. President.

Someone also said earlier, Mr. President, we need to change the mindset from receiving to giving. You know no one thinks about giving, and that a corollary to that is that there seems to be a disproportional distribution of state resources and state assets that is seen, that those who have continue to have more and get more, and

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those who do not continue to get less, and that is a dysfunction in the society that is difficult to necessarily quantify the numbers and quantify what is happening. But I think that there needs to be some work on that because even if it is not true there is a perception out there, and it is a perception that needs to be worked on. Even if I am completely wrong and it is completely untrue it is a perception out there, and if it is only a perception then someone needs to go in and do the work and say, oh, this is not correct.

I also wanted to touch on one other thing, Mr. President. The fact that we have a diversified energy sector is important. It is what allows us, this phase that we have now that we can breathe. You know, if we go back a decade or more ago before we had LNG certainly, and if the price had dropped to where it is at now, the circumstances facing the State would be much, much, much different. So that the fact that we have a diversified sector, we have a lively downstream sector and it is growing, it is expanding, the Mitsubishi and hopefully a couple other little projects, the Caribbean, LNG and some other things are going to be coming on, it is important because when you diversify the sector you allow for protection of the entire economy.

Now on that same train, when we think about diversification of the other sectors of the economy it is important also. There is no getting away from it, the challenge, there is an ongoing challenge with that. We have a local manufacturing sector that claims to be innovative, claims to be competitive. I am not too sure about that. I am not convinced completely. They need to convince me because the local entrepreneurs, businesses, local manufacturers have inbuilt advantages provided by the way the system is set up. They pay the cheapest electricity, this part of the Western Hemisphere. If you go to your neighbouring Barbados, somebody doing the same industry in Barbados pays five or six times the cost of electricity. You want to move goods from one place to the next, Trinidad and Tobago diesel is subsidized. It is not in any other island in the Caribbean.

The State has provided a comfortable operating environment for the local manufacturers and I think that while some of them are exporting, I think that for the advantages that they have, that sector should have been more vibrant and doing a lot more to contribute to the economy. So that I am not saying that they are not doing their best, but for me, I think that I am not completely convinced that they are doing all that they could do, and while they may be making profits, I always say if you are making profits I am happy for you, it is excellent. That means your business model is working in churning profits, but where is the contribution to the nation? What are you giving back? I am not saying—[*Interruption*]

Sen. Dr. Balgobin: You need to inform yourself.

Sen. D. Small: Well, okay. I am happy to be given additional information and have that process in my mind cleared. But for me, where I sit with the information I have, I am not convinced and I say that on the basis of what I know now.

Sen. Dr. Balgobin: I do not think that is right—

Sen. D. Small: Well, fine. As I begin to wrap up, Mr. President, Trinidad and Tobago is a blessed country. We have been blessed with hydrocarbon resources. Those hydrocarbon resources have been astutely managed. I myself have had a role in that for over 20 years directly and where I am now indirectly, and I say that we are blessed because in spite of the fact that the international oil and gas industry is a cyclical one and is subject to shocks every so often, I think that the fact of us having those resources has allowed for a quality of life that is far, far, far superior than what we could have had without the existence of those resources. We need to shepherd those resources, we need to optimize them, we need to make sure that we do what we can to make sure that those resources take us as far as they could take us.

I think earlier there was an argument about the companies that are here indicating that they are not going to be changing their drilling programmes, and the explanation for that statement is relatively easy in my mind. If you look at what the Minister of Energy and Energy Affairs would show, it would corroborate that. Drilling rates and what they call rig day rates, the daily rate for a drilling rig has dropped significantly in the past year and a half and that is a huge cost in drilling a well, especially when you are dealing with drilling of a deep water well. So let me help you with the numbers I have.

In 2013, the average cost for an offshore deep water drilling rig was US \$650,000 a day—one day, per day. Last year it dropped to about \$490,000 and it is forecast that this year it could go below \$400,000 to around US \$375,000 a day. Now US \$375,000 a day is still a lot of money for your average 60-day, 90-day drilling programme to drill a well, but compare that to what it was two years ago. The rates for the rig days have come down, the prices have come down significantly. So the companies that have already contracted with the Government through the Ministry of Energy and Energy Affairs under the PSCs to do the work, actually their cost of doing that work is probably going to be less than what they would forecast at the time when they actually need the rig because the drilling rig rates have come down.

So my confidence that the exploration programmes—and these are key. You know, we always understand that we have all sorts of industries downstream, but nothing is going to happen unless the guys go upstream and find the oil and bring it up or find the gas and bring it up. So that is critical, and the Ministry of Energy and Energy Affairs

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has had tremendous success in the past couple years with several bidding rounds and has energized that sector. We need to do some work on the downstream, but I think that the upstream has a lot of work happening and I think that it is significant, and that works well for the continued life and sustenance of not only the sector but of the country.

So, Mr. President, as I close, I think that Trinidad and Tobago is in a place where even though we may be facing strife and may be facing some challenges, I think those challenges are manageable. It requires astute management. I want to make that clear. It is not something that I take easily. Regarding the Minister of Finance and the Economy, I do not envy the Minister of Finance and the Economy in any way, in the job of trying to understand where to cut and how much to cut from various places. There needs to be cuts and what you do? You do not identify cuts at 45. What you do, you identify cuts for 30 or for 35. I understand because you run various scenarios on the model inside the Minister of Finance and the Economy it is not just one exercise you do, and it is a lot of work.

I want to say that because I think the various commentators probably do not understand how much work goes into it and what is required and the various inputs required to be able to say, "Listen, Minister of Finance, we think we could cut \$30 million from this Ministry." Each Minister has to sit with his PS and go through their budgetary items line by line and figure out what do we really need to do, what can we really do without it, what can we really do without. So I think that while I will be the first to say that more information is better than less, I understand the reality of getting that information and that it will come, but a lot of work needs to go into it.

So, Mr. President, at 1.41 this morning I want to thank you for the opportunity to contribute to this debate. [*Desk thumping*]

The Minister of Energy and Energy Industries (Sen. The Hon. Kevin Ramnarine): Mr. President, at 1.41/1.42 a.m. in the morning, I do not intend to detain Sen. Raziah Ahmed any longer or much longer. I have made a commitment to her of a half an hour stay this morning. So, I will probably even try to come in below half an hour.

I just want to touch on a few issues that were raised in the debate. You know, I have already spoken on these two Bills last week Friday in the House of Representatives where, of course, those of you all who saw my contribution I was in a very different mode, and I am reminded of the famous advice given by St. Ambrose to St. Augustine when St. Augustine went to the city of Rome, he wrote to St. Ambrose asking for his advice and the advice was very famous now: When in Rome do as the Romans. So that was the Lower House.

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But today is 1.42 a.m. and I am a bit subdued in the Senate, and I just wanted to start where Sen. Small ended and provide some sort of understanding of the architecture of the fiscal regime that governs the energy sector, and there are actually seven different areas that I just want to point to. One is SPT which we have heard a lot about, Supplemental Petroleum Tax; the second one is Petroleum Profits Tax, and those two come under the Petroleum Taxes Act which is, I think, Chap. 72 or 75 of the Laws of Trinidad and Tobago; and then there is the unemployment levy, the Green Fund Levy, corporation tax, royalties, petroleum impost.

In terms of how they contribute to Government revenue: Supplemental Petroleum Tax contributes 19 per cent of energy-related revenue to the Government; Petroleum Profits Tax 46 per cent; unemployment levy 5 per cent, Green Fund Levy 1 per cent; corporation tax very significant, 20 per cent; royalties and oil and natural gas 9 per cent; and because of the rounding off the number here, the petroleum impost comes in at 0, but it is probably something like .2 or .3.

So the Supplemental Petroleum Tax as has been pointed out in the debate in this Senate and in the House of Representatives, below \$50 per barrel moves to zero, and that is a mechanism in the law to protect some of the oil companies in Trinidad and Tobago from having to face the full tax burden at low oil prices. One of the points made by Sen. Small is that the taxes from the oil and gas industry contribute roughly to about one-third of overall Government revenue. The additional point to that, however, would be that that does not consider taxes collected as corporation tax from companies at Point Lisas and at Atlantic, for example. And that actually worked up in the fiscal year 2014 to a significant TT \$6 billion. So the corporation tax contribution from Point Lisas and Atlantic is very significant.

1.45 a.m.

And of course, our fiscal regime in Trinidad and Tobago is governed by a tax royalty system from which the majority of the revenue comes from tax royalty or what we call licences, and the other regime is called the Production Sharing Contract which has been in effect since 1974. And the breakdown between the two is that we get about 17 per cent of energy-related revenue from Production Sharing Contracts and 83 per cent from tax royalty regime. So I just thought I would give that understanding to the Senate tonight as to the architecture of the revenues from the energy sector.

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[SEN. THE HON. K. RAMNARINE]

Another issue I want to touch on is the issue of the curtailments at Point Lisas which was very topical in the House of Representatives and again, very topical tonight. Sen. Al-Rawi presented the now famous fiscal policy graph of bp which was actually reproduced in *Sunday Express* so it is in the public domain. The graph very clearly shows that there was a collapse in capital investment by bp from 2008 to 2009 to 2010. That began to pick up significantly in 2011.

When you look at what happened in the period 2009—2010, there was reduced drilling activity due to fiscal changes, or the threat of fiscal changes, and the company began to lose confidence in Trinidad and Tobago as an investment destination. Of course, at that point in time, BP was investing heavily in Baku, Azerbaijan and in Angola and the Gulf of Mexico and other places. So that is what has contributed to where we are today. It is one of the factors.

The other point I would like to point out is that there has been a lot of talk about safety and maintenance upstream. We have 26 gas-producing platforms in Trinidad and Tobago. Thirteen of those platforms are with bp; eight of those platforms are with EOG Resources; three of those platforms are with BG and two of those platforms are with BHP Billiton. We have two gas-processing platforms owned by the NGC, 1,000 kilometers of pipeline. That is the heart and soul of the gas sector. And safety has always been a very critical and important feature of the energy sector but trust me when I say after Macondo in April 2010, the world changed, and safety became even more paramount to the companies in the oil and gas business, because one event, like a Macondo, could wipe out or potentially wipe out a company like bp or a company like BG.

So what has happened is that the companies have said to us that safety is now ahead of production, and as Minister of Energy and Energy Affairs, when the companies—and I do not run bp, I do not run BG, I do not run EOG Resources, I do not run BHP Billiton. I cannot tell them, I cannot instruct them, as we would NGC and Petrotrin and so on. When the companies come to us with their work plans for the year, and they tell us they are going to have shutdowns at different times, it will be highly irresponsible of the Ministry of Energy and Energy Affairs to tell the companies: “do not shut down your platform” in the interest of safety because “we would like to have production”.

There was one instance recently where it was explained to me why we have to take down this platform. The platform had been running for three years and the insurance company that insures these platforms would like to know, and the insurance companies actually fly into Trinidad and Tobago to inspect the maintenance work taking place and so on. So it has an impact, too, on the insurance premiums that the companies pay.

So the Ministry is of the view that safety is paramount and we are not going to interfere with any safety operations of any company. Because if we do and we force companies not to shut down their platforms, and something goes wrong, then Members opposite, and the wider public, will be looking for the Minister of Energy and Energy Affairs who caused that to happen. We are not going to that at the Ministry. So I just wanted to put that on the table because a lot has been said about curtailments of natural gas.

We heard different figures as to what the curtailments were. So we heard some people in House of Representatives saying 50 per cent. Well, that is impossible because most of those plants cannot operate, in any event, below 70 per cent. They become unstable and have to shut down. So if they are running at 50 per cent, that is impossible.

Sen. Al-Rawi: No, they sometimes curtail to shutdown point and then you have to restart.

Sen. The Hon. K. Ramnarine: And then we heard a figure of 90 per cent coming from the Member of Parliament for Diego Martin North/East. It is actually averaging for the year, 2014, at around—[*Interruption*]

Sen. Al-Rawi: He did not say that, he said 10 per cent. The Member for St. Joseph said 90 and there was a dispute over it.

Sen. The Hon. K. Ramnarine: All right, okay. So it is around 13 per cent or running at 87 per cent on average. [*Crosstalk*] That is the figure I got from the NGC a couple of minutes ago.

So, on the issue of the Phoenix Park IPO, this has been very much talked about. Phoenix Park, as Sen. Hadeed knows because he was instrumental in the establishment of Phoenix Park many years ago. Phoenix Park was actually established as a company. I think Sen. Small would have been a director in the Phoenix Park company too, and Sen. Hadeed would have been a director. So we have two former directors of Phoenix Park in the Chamber here tonight. A lot has been said about Phoenix Park. As you know, the NGC acquired 39 per cent of the company from ConocoPhillips in August 2013 at a price of US \$600 million. And shortly thereafter, we started to talk about putting a part of that onto the stock exchange, which we believe will—of course, it is going to be the first time an energy company is listed on the stock exchange. It follows on the heels of the successful First Citizens IPO and the public is looking forward to the Phoenix Park.

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I did some analysis of Phoenix Park's financials, and in the year 2009, when oil prices were—as we all know, we heard tonight, oil prices were low, around the same levels they are right now. Phoenix Park was able to make US \$146.9 million after tax. So, at its lowest point, Phoenix Park continues to be a very valuable company and Sen. Small and Sen. Hadeed would know that.

The success—[Crosstalk] Well, I hope that the Members opposite do not buy shares because they have poured scorn on the IPO. At its lowest point, the company is profitable and the success of an IPO is dependent on two factors, one being excess liquidity in the country, in the system, and there is excess liquidity, and the second factor being the attractiveness of the investment which in itself is a function of the free cash flow or the future value of the company going forward.

So, investors take a long-term view of the world. No investor would buy shares to get a return in five weeks or in two months or in three months. Investors would take a long-term view, and we believe that the Phoenix Park IPO is historic. In addition to which it provides several benefits to the economy. It democratizes the energy sector. I promised I would not get academic tonight but Muhammad Yunus, the former Nobel Laureate, says that the only fault that he could find with capitalism is that there is not enough of it. And what this does is that it increases the participation of the population in the capital market and it allows them to directly own shares in one of the country's most valuable companies. Phoenix Park is also part of a wider group of companies that is a very profitable: the National Gas Company, Group of Companies.

So we feel positive that the IPO will be oversubscribed. I have received telephone calls from people I know, people who are medical doctors, people who are teachers, people who are lawyers, wanting to know whether we are going to stop this IPO or whether we are going to go ahead with the IPO. I think that the sentiment in the country is very much for going forward with this IPO because, I mean, it is in the national interest. So I just wanted to touch a bit on that IPO.

The other issue which we have spoken a lot about is the whole issue of the state of the energy sector as regards investments. When we came into office, foreign direct investment in the energy sector—and these are facts—was US \$501 million. That was from the Central Bank. That figure is expected to be around or more than US \$2 billion in 2015. The decisions that companies make to invest in 2015 were not made on the December 31, 2014. Those decisions were made in 2013; in some cases, 2012. A lot of front-end engineering work has already happened and the companies are going forward with their investment plans for 2015.

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The largest investor in the year 2015 is going to be bp. A significant investment is going to be taking place as part of the Juniper project. That project started in November last year with commencement of fabrication works at the fabrication yard in La Brea. BG is also expected to be doing some significant development exploration and appraisal drilling this year. So the investments continue. The Mitsubishi project is also still one of the projects that we have on our radar. So the investments continue in the sector.

If you read the report of Standard & Poor's, the report was very clear in its observation and I quote from the report:

Outlook

The increase in exploration activities in the oil and gas sector in recent years should sustain energy production over the coming decade, contributing to long-term economic growth.

And S&P forecasts moderate growth for the economy of an average of 2 per cent per annum for the next four years, and that is predicated on what is happening right now in the upstream.

The Ministry of Energy and Energy Affairs, as Sen. Small pointed out, has been very successful.

Sen. Robinson-Regis: Excuse me, would you give way? What is the date of that report? I think—

Sen. The Hon. K. Ramnarine: Yeah, sure.

Sen. Robinson-Regis: Yeah, thanks.

Sen. The Hon. K. Ramnarine: Yes, normally I would give the date but you know the hour of the night is probably—yeah, it is December 22, 2014, it is the S&P credit rating report on Trinidad and Tobago. [*Crosstalk*] We have been talking about—yeah, and a downgrade is—this is a most recent report. A downgrade is not on the cards based on this report, if you read this report, so that is fearmongering.

So, Mr. President, a lot of what is considered to be the future trajectory of the economy is still based on the fortunes of the energy sector. The Government has made progress in terms of diversification. Our manufacturing sector is the strongest in the Caribbean. Our services sector, especially our financial services sector—Sen. Hadeed is from the financial services sector—is becoming stronger and stronger. The economy itself is robust. Inflation is single digit.

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Unemployment is at record lows. Foreign reserves are over—what is it? Eleven billion US dollars. Import cover is approximately 12 to 13 months. A lot of that is predicated on the success of the energy sector moving forward and it is predicated on the investments we have been able to attract.

In the last three years, the Ministry of Energy and Energy Affairs has signed 17 contracts for exploration and production and/or production sharing contracts. That, as I have mentioned before, is a record. We checked the archives of the Ministry. And that is an investment valued at between US \$0.8 billion to US \$1.7 billion, and, of course, as I mentioned, the Juniper project.

There is one more statistic I want to mention to the Parliament and that has to do with two numbers. The first number is 20,199 and the second number is 5,100. What is the significance of those two numbers? Mr. President, 5,100 is 5,100 square kilometres, that is the size of Trinidad and Tobago; 20,199 is 20,199 square kilometres and that is the size of the area being surveyed by BHP Billiton and its partners in the deep water. They are surveying an area four times the size of Trinidad and Tobago making that the largest seismic survey in the history of the oil industry to be conducted by an international oil company; extremely significant.

And if we talk about the future, a few weeks ago, there was a gentleman from the UK here named Paul Tempest, and he made a very significant prediction about the future. He predicted that there would be a discovery in the deep water, or discoveries in the deep water, and that it would double our GDP by the end of the first 10 years of production and then double the GDP, again, thereafter.

2.00 a.m.

So, I am simply quoting what Mr. Paul Tempest said and we do not make forecasts about the future without grounding those forecasts in information and data. We are not “seermen” on this side. I heard a lot of “seermanism” on that side. We feel that the work that we have done in the last three years, we have right-sided the upstream side of the energy sector.

Oil production is averaging 81,192 barrels in 2014 and that compares to the 81,142, a small increase in 2014 over 2013. But for the first 10 days of this year, we are already averaging 85,000 barrels of oil per day. [*Desk thumping*] Thank you. A decline started in 2006. We committed to arrest that decline. We have arrested that decline and the curve is beginning to curve back up and we expect that by the end of the year, with the South West Soldado project bringing on another 6,000 barrels of oil, the curve will continue to move back up.

So, I did not want to detain the Parliament. It is now 2.01 in the morning and Sen. Hadeed might want to go for doubles because the doubles man comes out around this time.

But, in closing, I wanted to talk a bit about the Bill itself. Mr. President, the Bill introduces legislation which I think should be put on to the *Hansard* and that relates to the introduction of incentives for the importation of hybrid vehicles and electric vehicles and we have covered also the used car market. I believe that is the way the world is going. The world is going in the direction of hybrid vehicles and electric vehicles. The Government is very progressive. The Government recognizes that is the direction that the world is heading in and our citizens should have an opportunity to also head in that direction.

I wanted to put on record the work that has gone in at the different Ministries on this very progressive initiative to introduce hybrid vehicles and electric vehicles into our country and to reduce overall our consumption of hydrocarbons, reduce our carbon footprint and to make the Trinidad and Tobago environment a lot friendlier and cleaner.

Mr. President, in closing, I want to refer to the speech the Prime Minister gave last week Thursday. I think a lot has been said about the Prime Minister's speech. The Prime Minister spoke for less than 20 minutes and the level of detail that people expect from 20 minutes, you simply cannot pack into 20 minutes. The Prime Minister did not go on television last week Thursday to deliver a budget speech. She went to give an overview of the situation and she recognized that there is a problem and that the Government is taking steps and putting in place policies and strategies that will navigate this country out of that problem and protect and ensure the quality of life for the citizens of this country, that they have enjoyed for the last four and a half years. Thank you very much, Mr. President. [*Desk thumping*]

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Thank you, Mr. President. Earlier this evening, or yesterday evening, the price of oil, West Texas Intermediate, dipped to just over \$44 a barrel. It did recover subsequent to that and a few minutes ago, when I checked, it was reading \$45.33, which is above the \$45 average, the basis on which we have revised our forecasts.

I want to say something about that \$45 though, because the \$45 is not a base price. The \$45 is an average which we are using to base the projections for the remainder of this year. It is not a single point number. And actually, if I use the \$44.74, or whatever the number was that the price got to yesterday, the average

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for our crude for the year, which is from October to the 13th of January, is averaging \$66.30, which is below the \$80, which we budgeted, the original budget, but it is above the \$45 average that we have used for our revised projection.

So, I want to just make that sort of distinction, because people think that if the price goes to \$42 or \$41, that you would have to change right away. It depends on how long it stays at that number and whether in fact it even goes below that number. So, that is an important clarification, I think, for us, in terms of looking at what is happening to prices and to what extent we need to adjust our numbers.

Natural gas prices have also dropped, and I think that I need to also make the clarification that I think sometimes some persons look at the Henry Hub price and they assume that the Henry Hub price is our price for gas, which it is not, and, therefore, again, it is difficult to read off of the Henry Hub price where our price is. As I said earlier, at the end of December, our prices were averaging above the \$2.75 that we had projected for the current year and that has helped us to manage some of the effects of the decline in the price of oil.

The forecast prices for this year is changing on a regular basis by all of the forecasting agencies. Somewhere around the early part of December, the US Information Administration had actually projected an average of about \$62 for this year. When I checked again earlier, a few hours ago, I was seeing that they actually had revised their prices recently to between \$54 to \$55 for this year. So actually they have revised downward their prices and everyone is continuing to revise their numbers, as based on the activity in the market, based on what is happening with the global economy and also based on their own reading of the geopolitical situation.

No one knows where prices will eventually settle and, therefore, we have to keep monitoring the situation and we have to remain flexible. If we use 2009 as a benchmark, we can expect that prices will dip below \$40 and probably hit \$38 or \$39, which is where it got to in 2009. What it means, of course, is that there will continue to be fiscal challenges that we need to address. We are not saying there are no challenges, but we believe that we are in a position to be able to manage the changes that we are seeing so far and once the price—at a price of \$45 a barrel and \$2.25 for natural gas—we think that we are in a position to be able to manage, although there will have to be adjustments made in order for us to get there.

As we had indicated, Trinidad and Tobago has significant buffers, but we must continue to husband our resources, because there remain risks in the global marketplace, as well as in terms of our own ability to execute on our plan for achieving the reductions that we wish to achieve.

The general global economy is expected to continue to remain challenged over the foreseeable future. We have seen evidence of, perhaps, some slowing in China. The data keeps, again, moving around. Sometimes you see it is improving and sometimes you see things are continuing to slow and, therefore, these are things that we need to monitor closely to see what is happening.

The European Union continues to be challenged by some of their own macroeconomic fundamentals and we expect the European Union to continue to face challenges, and once that economy also—those economies are also not growing—the demand for energy will also be subdued in those countries.

Last week, as a result, the Prime Minister made her speech and she focused on three things. She sought to give an analysis of the current situation, to identify the measures which have been put in place to address the situation that we face and then thirdly, to reassure the population, the nation at large, that there is no need to panic and that in fact doing that actually will complicate our ability to manage the situation, and in fact we do have the resources to allow us to manage the situation in a very proactive manner.

A comment was made that there is need for tripartite approach to addressing the challenges. Perhaps we should use the term multipartite, because I think we have to bring as many stakeholders as possible into this particular arrangement to ensure that we can manage the situation. Because, in doing so, and in effecting the adjustments that we need to affect, many different parts of the population will be affected and we need, therefore, to continue that process. In fact, we did start that process last year and the Minister of Labour and Small and Micro Enterprise Development has accelerated the process earlier this year by starting to deal with the issues that we know that will come to the fore, particularly during this year being an election year.

So, that is a particular recommendation that we have already accepted and that we are actually moving and have been implementing. In fact, over the next few weeks, the Prime Minister herself will be meeting with various stakeholders to exchange views on what is happening as far as the energy sector is concerned and what we need to do and some of the things that we will be implementing to achieve the objectives that we want to achieve.

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One of the things that we need to be sure that we do too is that in the process of implementing the changes or putting the adjustments in place, we do not do it in such a way that you bring the economy to an abrupt halt. We have to ensure that we can engineer, as far as possible, a relatively soft landing, as far as this is concerned. And, therefore, the speed and timing of implementation is important.

Again, because we have buffers, it allows us to have a process of implementation, which allows us to cushion the effect of a soft landing over a period of time as we continue to implement the adjustments, and we will implement the adjustments over time, as opposed to trying to make an immediate cut in order to achieve what we want to achieve, as far as a fiscal position is concerned. So we are going to very carefully calibrate how we actually implement the changes that we want to implement. As has been said on many occasions, our Heritage and Stabilisation Fund remains strong. Our foreign exchange reserves remain strong. We have strong cash flows.

I want to say, a statement was made that we are up to 98 per cent or 94 per cent of our overdraft, which is absolutely incorrect. I monitor that on a regular basis. I know what is going on, as far as our cash flows are concerned. I manage our cash flows, to a large extent, by making certain—[*Interruption*]

Sen. Al-Rawi: She said credit limit.

Sen. The Hon. L. Howai: Credit limit being overdraft.

Sen. Al-Rawi: No, the resolution is to raise the credit ceilings.

Sen. The Hon. L. Howai: No, there were two points that were made, one had to do with overdraft and one had to do with the credit limit.

Sen. Al-Rawi: No.

Sen. The Hon. L. Howai: All right, okay. My apologies. I thought there were two points made. It is only one, which is the credit limit. But I just want to say, as far, certainly if there was any concern about an overdraft position, I just want to say that we continue to have strong cash flows and we manage very proactively our overall cash position on an ongoing basis. We do have, again, a number of buffers that we can call on. Over the next two years we know we are going to be starting the process of the repayment of the funds advanced to Clico, and that is a \$20 billion, which will come in, that is not part of the budget. There are loan repayments that would need to come in, and again, that is something that we would seek to manage as we go forward.

2.15 a.m.

There are other initiatives we can use, things like BOLTs, build-own-least transfer arrangements, things like the sale and lease back arrangements and so on, which will allow us to package assets and bring cash up front, which will allow us to enhance our cash flows as we go through the next 12 to 24 months, as we try to manage this particular situation.

So I want say that, you know, we certainly are taking steps to ensure that we can manage the situation, and we will have to continue to pay close attention to our cash flows as we go forward. We cannot assume that we have everything in hand. There is many a slip twixt cup and lip as we go along, and we always have to make sure that we are on top of what is happening as far as our cash flows are concerned.

I did indicate that, in fact, one of the things that we will be looking at is the Phoenix Park IPO. There has been a number of issues—concerns raised by the Opposition as far as that is concerned. When we were in the Lower House, the issue of the fact that we perhaps may be doing it at the worst possible time, because oil prices are low and so on, but our own market read of this suggests that we can easily go into the market and sell the shares at the price that we want to sell them at. If we do not sell them at that price, well then, the National Gas Company will simply hold on to those shares. So we do not see that as an issue, and we think that certainly the shares will be sold.

There is an issue raised about—well, the Minister of Finance and the Economy has allegations to clear up in respect of the TCL matter. This is perhaps not the place to do it, but I just want to say in passing, that this was a matter that was investigated 10 years ago by the SEC, and subsequently closed. The SEC has confirmed that this is not a matter in front of them. Several allegations in this report certainly are disputed, let me just put it that way. I have not seen, you know, certainly the report was not put to me, for me to answer the question. *[Interruption]* The report is an unsigned report, you know.

But anyway, the thing is that certainly, that entire matter was set aside by the board of the SEC—a board which was appointed by the PNM at the time. As far as I am concerned, that matter has been closed. I mean, it is an unsigned report going around, which was leaked by somebody, for some purpose, but there is also the issue of the fact that the SEC report of the FCB IPO has to be done, but that has nothing to do with it. We have to put our controls in place, and we go forward with the Phoenix Park IPO. *[Desk thumping]* So you know, I do not see those as being issues as far as this is concerned.

One of the things that we have sought to do is, we have identified the deficit and we have identified the areas where the cuts will come, as far goods and services are concerned. There are a number of other areas which we have identified as far as things like, for example, like transfers to certain state enterprises. An example would be Caribbean Airlines will be getting the benefit of a lower price for fuel and, therefore, we have to revisit what is the allocation that is given to them, so that we could claw back some of those benefits for the benefit of the country as a whole. So we have identified a number of those areas. There are some areas that Ministers would like to make changes to, and we are prepared to be flexible to consider the suggestions of Ministers, so that we can ensure that we maximize the benefits, and we optimize the cuts that we are making.

So, Mr. President, there is a range of options that can be utilized and implemented, and all will be pursued during the course of the coming months, as we seek to bring this particular matter under control. It is something that we as a country have gone through before in 2009, it happened, and in 2009, we weathered the storm. We did have some problems in 2010, in the sense that the economy slowed down, but we have recovered, and we recovered nicely from that. This Government is very clear that it has the capacity and competence to manage this particular situation. [*Desk thumping*]

We also have the buffers to allow us to engineer a soft landing, and we have every confidence that we have the support of the stakeholders in this process, who want to work together with the Government, to ensure that Trinidad and Tobago is a better place as we go forward, notwithstanding the challenges that we face with the price of oil and gas.

So, Mr. President, you know, I think that on this side, we feel very comfortable about where we stand as far as this budget is concerned. We have put our initiatives in place. We know what we are doing, and we feel confident that we will be able to manage the adjustments that we have to make in the future. With those few short words—[*Interruption*]

Sen. Robinson-Regis: Sorry, Minister. Could I just—I did check my notes, and I did talk about the overdraft facility. So if you wanted to clarify that situation, I will be happy.

Sen. The Hon. L. Howai: I thank you very much, Member. I did say that that, in fact, is not so. We do not have an overdraft up to 94 per cent or 98 per cent or whatever it is. I mean, certainly it is the job of the Comptroller of Accounts and

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the Permanent Secretary who deal with it, but I insist that I get a copy of the cash statement on a regular basis, and I monitor that. I get involved when I need to, to ensure that we are very proactive in ensuring that we maintain sufficient cash flows to be able to manage our operations.

So with those few words, Mr. President, I beg to move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

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

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

Bill accordingly read the third time and passed.

FINANCE BILL, 2015

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Mr. President, I beg to move:

That a Bill to provide for the variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters, be read a second time.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

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

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

Bill accordingly read the third time and passed.

CONDOLENCES

(MR. MARTIN JOSEPH)

The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh): Mr. President, by agreement, we agreed to do the eulogy for former, deceased Sen. Martin Joseph later in the proceedings. We did not contemplate at that time, that the proceedings will take us into the wee hours of the morning. Nevertheless, on the Government side, Minister Gary Griffith will deliver the Government's statement on this issue

The Minister of National Security (Sen. The Hon. Gary Griffith): [*Desk thumping*] Thank you, Mr. President. At 2.26 a.m., I am sure the majority of the country is wide awake listening to me here this morning. On behalf of the Government of Trinidad and Tobago, I wish to take this opportunity to remember and acknowledge the former hon. Minister of National Security, Mr. Martin Joseph. Mr. Martin Joseph was appointed Minister of National Security on November 10, 2003 until May 25, 2010.

The staff members at the Ministry of National Security have informed me that Mr. Martin Joseph was a down-to-earth individual, who was committed to his work. Also, it was said that he understood policy positions and steadfastly perused the mandate and programmes assigned to the Ministry of National Security, especially those aspects of matters that can deal with good values to assist youths in the nation, such as MILAT and MYPART.

Staff members who worked closely with Mr. Joseph, remembered him as task oriented and took the time to continuously meet with heads of the divisions, heads of sections and general administration staff of the Ministry of National Security in driving its work programmes.

From what I am also told, Mr. Joseph demonstrated also an acute sensitivity to recognizing staff of the Ministry for their commitment. It is without a doubt our country is poorer today by the loss of this son of the soil, as Mr. Joseph served his country well.

Mr. President, it is indeed a pity that at times it is only in death that we are all obliged to speak the truth about many persons, especially politicians. I think it might be—I might be the only one here or there may just be one or two persons here that were actually here out of the 30 Senators, when Martin Joseph was the Minister of National Security, when he was in that hot seat, that some of us acted as temporary Senators. During that period, Martin Joseph operated with the degree and character befitting of an ambassador, more than a politician.

I was what you would call his “man-marker” in the Opposition at the time, but I was never his enemy, and he recognized that, and he respected that, and he never saw me as such. This is something I wish we can all as politicians try to emulate from Martin Joseph, in that we may be political opponents, and have different political views, but we are not enemies. I wish we can all take that page from Mr. Martin Joseph.

How we speak and how we act can actually lead to hundreds of thousands of supporters thinking it is a war, and this does nothing to build and develop a country. Which is what Martin Joseph strived for. Martin Joseph, never showed that, and for that I do salute him. At times it looked as if when the hon. Martin Joseph was the Minister of National Security, he probably felt like a punching bag in the country during his tenure.

2.30 a.m.

Yes, the homicide rate and the serious crimes were at their highest when he held the post of Minister of National Security, but the important thing is that he tried. He tried his best. He never gave up. However, the position as the Minister of National Security is indeed a thankless job and he certainly was not envied. He held a job that nobody wanted, but it seems that everyone knows what needs to be done.

I recall again, with the then Minister of National Security, if someone was kidnapped because of greed, which was frequent at the time, the Minister of National Security was to blame. If a woman was raped because of the devil coming out of a man, Martin Joseph was the first person to call. If someone was killed because of a gang, because the youth went down the wrong road and was badly influenced, it was the fault of the Minister of National Security. If there was an armed robbery and someone was shot and killed and the man who was culpable because of this, fingers were pointed at the Minister of National Security.

But he weathered the storm and he did not give up and he certainly had a cross to bear. He showed that contrary to what was perceived by a certain person, it certainly took more than common sense and a level head to be the Minister of National Security as he was much more than that.

He had character. He showed good management, good skill, good leadership, good organizational ability. It may not be shown in the actual crime reduction results, but throughout, as being the Minister of National Security, he showed that he was indeed a good man. Every time someone is murdered, Mr. President, as the Minister of National Security, I know to myself it feels like a small razor blade that slices you. The Minister of National Security cannot be blamed, but the responsibility lies with him.

So in the case of Martin Joseph, I am sure that he felt a similar fate if not more because imagine 500 small razor blades every year and that was how he felt. As I said, no one would have envied him, but he showed that, as a Minister of National Security he was indeed up to the task to do exactly what was required for his country. Again, I ask that is one major page we take from his book.

Recently, His Excellency the President actually spoke about the need for role models. I can see Martin Joseph being a political role model. I usually have to work sometimes as much as 18 hours a day, so I am sure that Martin Joseph had to do much more and how that would have affected his health and his actually being with his family.

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[SEN. THE HON. G. GRIFFITH]

At a time when the homicide rate was at its highest, he did not crumble. When serious crimes were at their highest, he did not crumble. Hence, arguably, Martin Joseph held the most difficult position in the country at the most difficult time and he did not give up. That says a lot about the character of the man and something most people should try to emulate. As difficult as things may be, he kept trying. He did this.

The ultimate passing of Martin Joseph confirms that you never know what tomorrow may hold. Martin Joseph was not just a servant to a political party or a political leader, he was a servant to his God, his people and his country and I expect all of us here should think and act the same.

Martin Joseph was a true patriot and may his soul rest in peace. [*Desk thumping*]

Sen. Camille Robinson-Regis: [*Desk thumping*] Thank you very much, Mr. President. It is with a very heavy heart that I pay tribute to Martin Joseph. I can tell you that at the dawn of this year, 2015, I never thought that at the first sitting of the Senate I would have been paying tribute to Martin Joseph as a colleague of mine who left this life so suddenly and unexpectedly.

Mr. President, there is one event in life that, though we all know that it must come and it comes for us all and impacts us all, we are never ever prepared for it. We never become used to it and we do not ever look forward to it. Death, while it may never be untimely, is always sudden and unwelcome.

In this moment that we are gathered to pay our respects to Martin Joseph, one of our colleagues who, while he has not sat within the parliamentary walls for some time, he did make a very great impact while he was here and the effect of some of the work he has done redounds up to today.

Martin Joseph, our PNM brother, who was also the Member of Parliament for St. Ann's and a former Minister of National Security, brought his formidable personal strength to the support of this country in those roles. He might say he was more of a behind-the-scenes man and for most of his political career it was in fact so.

He was a member of the People's National Movement for 32 years. He was a member of the youth league. He served as its Education Officer and then he served as General Secretary of the People's National Movement for 17 years. Indeed, he was the longest serving General Secretary, having supported the chairmanship of Dr. Lenny Saith, Dr. Linda Baboolal, Mr. John Donaldson and Mr. Conrad Enill.

During his time in Parliament, he served as an Opposition Member representing the constituency of St. Ann's and from 2001 he served as a Minister of Government as the Minister of Public Utilities, as the Minister of Housing and then as the Minister of National Security from 2003 to 2010. In fact, Mr. President, all told, he also served in the Cabinet on the National Security Council, the Finance and General Purposes Committee, the Boards Committee and on several other ad hoc committees.

Martin's story could be the story of any one of us sitting here today, of any Trinidadian or Tobagonian. From his humble beginnings in East Port of Spain, he worked hard, he sacrificed and he studied to become a great influence in Trinidad and Tobago. He loved his family, his six children, his brothers and sisters. He sacrificed most of all for them.

Martin's life brings into sharp reality the challenges that we all face as public servants for our country, but most of all as part of a family. For the most part, the people we serve know us from speeches, sound bites, the quality of our smile and our handshakes. We are sized up in moments and these opinions are printed, posted and shared and everyone thinks they know everything there is to know about us.

Martin came to the Parliament and to the Ministry of National Security during a particularly challenging moment in time and, just to indicate the type of person Martin Joseph was, he gave up his seat in St. Ann's East, which is considered a safe PNM seat, to work with Franklin Khan in the Mayaro constituency, to ensure that Franklin Khan won that seat. He gave up his seat and that is the quality of the man that Martin Joseph was, and in fact Franklin Khan did win the seat.

Also, in the Cabinet, Martin told us that kidnappings would become a thing of the past and worked assiduously at a time when kidnappings were at the highest in Trinidad and Tobago, and eventually kidnappings did become a thing of the past.

In 2007, just before the election, Martin told us that, in 2012, expecting a five-year term, that the issue of murders would not be an issue in the 2012 elections if we followed a certain course of action. Well, as you know, the election was called in 2010 so we do not know if that would have happened. He also told us that we would win the THA election; we would win the St. Joseph by-election; we would win the local government election; and he also told us that we would win—

Sen. Ramlogan SC: Do not desecrate the man.

Sen. C. Robinson-Regis: No, no, no, I am just telling you. It is a fact. This is what he told us. I am not saying that it will happen or what, I am just telling you the type of person Martin Joseph was—a man who was very forthright, who knew what he was doing and moved assiduously to get the job done despite the fact that so many people had so many negative things to say about him. But that is the kind of person Martin Joseph was.

Mr. President, we all know the joy of serving at our comfort level, blithely doing our thing and then the political leader calls and asks for a particular level of support. In fact, in this room, perhaps Sen. Griffith knows that better than some of us here because he was an advisor and now he is the Minister of National Security. You say yes, but it is only until you are in it, only then you are truly aware of the level of sacrifice and a lot of us have been asked to serve at levels that we perhaps did not expect would have been so challenging.

Martin Joseph weathered that and I can tell you he gave it his all and when the time came to serve behind the scenes again, he did so. In the past four years, he worked diligently to return the PNM to the corridors of power and, at the time of his passing, he was the Deputy Campaign Manager for the party and his attentiveness, focus and meticulous nature were great strengths that he brought to the table. He was loyal, he was humble and he was a man of integrity, an integrity that cannot be questioned.

In the PNM, he will be sorely missed. There is a hole in all of our hearts and we deeply mourn the loss of our colleague, our brother, our friend. Rest in peace, Martin, thou good and faithful servant. Rest in peace. [*Desk thumping*]

Sen. Elton Prescott SC: Thank you very much, Mr. President. I was selected to present the tribute on behalf of Martin Joseph and so pleased I am at the privilege, I have sat here for 16 hours relatively quietly to have this opportunity.

I met Martin Joseph in his capacity as Minister of National Security when I served on a committee that met infrequently. But one always knew that the Chair was fully aware of the material before him and was prepared to chair the meetings by allowing for a free flow and exchange of ideas. That might have been the hallmark of his service from what I have been hearing from those who knew him for even longer periods.

I imagine that in his time as Minister of National Security he might have died countless deaths if, as Sen. Griffith says, each murder impacts on the Minister himself. But I do not want to labour too much on that because I do not know enough of what happens in Government Ministries.

I had first come across him when he worked at the NIB, the National Insurance Board, in a senior managerial position and I had sought his assistance in a matter I was engaged in, and he was able to respond to my questions promptly and efficiently and to do a follow-up call to be sure that I had grasped entirely what he was saying. I have been hearing of his managerial skills and that experience that I had had with him clearly points to the kind of manager that he was.

I understand, too, that he had another side in that he had been a lecturer in Strategic Management at the University of the West Indies, I understand, and had had an affiliation with the Henley Management College, which is a school of business. So that there were many sides to Martin Joseph.

He chaired the board of the PTSC at one time and as we all know, he served his political life entirely as a member of the People's National Movement.

2.45 a.m.

I took the time to enquire about his stint here as a Member of this Senate, and noted that he had made contributions of note on several Bills. The ones I have taken particular note of are: the Anti-Terrorism (Amdt.) Bill, the Prison (Amdt.) Rules where changes were already began to be made from retributive to restorative justice; the Bail (Amdt.) Bill in 2008 and the Evidence (Amdt.) Bill in 2009. No doubt, all of these would have been consistent with the work he was doing as Minister of National Security, and the long view he had as how crime and the management of crime could be changed within the society.

To what extent he had been successful, there have been mixed messages outside there. He was pilloried for many, many years, but it is a tribute to his discipline that he stuck to his government's policy manfully, and the success could only be managed by those who would have had a closer relationship with that work.

I have asked myself as to his stint in the other place as a Member of Parliament, what it is about the St. Ann's East constituency that it produces Members of Parliament who are genteel in their behaviour and whose dignity could never be challenged. I think Martin Joseph epitomized the long history of the Members of Parliament who have sat in the St. Ann's East constituency. I would not call any names because some of them are still with us. I had noted that there was a trend throughout, since the '70s, that they produced people whose demeanour is often erred on the side of being dignified and genteel in their behaviour, and I think that ought to be the way it should be in most of the constituencies that are represented in Parliament, but who am I to say.

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My tribute, therefore, is to him as a man and as a citizen of this country, who as we have been told climbed up the ladder from very humble beginnings, made friends in a number of places. Mr. President, you would forgive me if I say that I read his obituary in the newspaper and it was only the second time in my life—and I read the obituaries very regularly for professional reasons—that a man's obituary contains a list of his friends. I am sure he did not prepare that list. It is somebody who was looking on at his linkages who said, "I must make this note", and there were about 12 or 13 names called. I do not know if I would be so fortunate, but I trust that any of us who should pass on would have someone who would be prepared to say he had friends, and even before the days of facebook, Martin Joseph seemed to have had them. *[Laughter]* Mr. President, you will forgive me if I introduce some light-heartedness into this.

I feel the loss of a man who clearly was at the top of his game. He was only 65. He would have been able to contribute for many more years to come, and the circumstances of his death are tragic; they are surprising. We do not know what happened at that last moment, but I trust that the Lord would take him into his arms and guide him safely to his place of repose. I trust that his immediate family will look upon his life and remember all the moments of joy and happiness; I trust that they would have heard all of Trinidad and Tobago speak well of him, and that they will remember him forever in their hearts.

I thank you very much for this opportunity. *[Desk thumping]*

Mr. President: Hon. Senators, if I may join Senators who preceded me in offering tribute to the former Senator, Martin Joseph. I met Martin Joseph only once, in fact, at his office and I can attest to the fact that in his presence he was both welcoming and caring, but he enjoyed the free flow of ideas, as Senator Prescott indicated. I had discussed with him then that the fact that, of course, he was in that hot seat in the Ministry of National Security in which, of course, it must have been a daunting task in terms of, as we do today, facing the number of murders that occur in any one year.

I said then to him—and I think he partly agreed with me or agreed with me—that until we change the culture of Trinidad and Tobago in terms of behaviours and attitudes and values, we will not get a handle on the question of murders because they are representative of our society as a whole, and that is where we need to achieve a critical mass of our people of our citizens, changing the attitudes and values that would, in fact, endear us and ensure that we develop. I think Martin Joseph did consider that those were right and appropriate in terms of if we were ever to overcome it, it is part of the equation, it is not the whole of it, but it is something we need to take into account.

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So that today as we close, I would certainly ask the Clerk to send a letter of condolence to his family, and I do wish that he may rest in peace and that he may be where he is now in the good hands of our Lord. I therefore now call upon Senators for a minute of silence.

The Senate stood.

ADJOURNMENT

The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh): Thank you, Mr. President. Mr. President, I beg to move that the Senate do now adjourn to Tuesday, January 20, 2014 at 1.30 p.m. when we will continue the debate on the Precursor Chemicals (No. 2) Bill.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 2.52 a.m.