

Leave of Absence

Friday, November 19, 1993

HOUSE OF REPRESENTATIVES

Friday, November 19, 1993

The House met at 1.50 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, I have granted leave of absence from today's sitting to the Member for Diego Martin Central, Hon. K. Valley, as well as to the Member for St. Augustine, Mr. J. Humphrey.

PETITION

Islamic Children's Home

Mr. Cyril Rajaram (*Pointe-a-Pierre*): Madam Speaker, I have the honour to present the petition on behalf of the Islamic Home for Children.

I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

Petition read.

Question put and agreed to, That the promoters be allowed to proceed.

PAPER LAID

Employment Practices in the Public and Private Sectors in Trinidad and Tobago. [*The Minister of Education (Hon. A. Ramreakersingh)*]

ORAL ANSWERS TO QUESTIONS

The Minister of Education (Hon. Augustus Ramreakersingh): Madam Speaker, the following questions will be answered today: Nos. 14, 25, 26, 29 and 34. We ask for a deferral of all the others for one week, with the exception of No. 13, where by arrangement between the Member for Oropouche and the Minister of Agriculture Land and Marine Resources, a two-week deferral is requested.

Madam Speaker: Is that correct, Member for Oropouche?

Mr. Sudama: Madam Speaker, I merely want to know whether this question will be answered before or after the budget because this is rather a long deferral?

Madam Speaker: Question No. 13 will be deferred for a period of two weeks.

**Rice Paddy Price
(Revision of)**

The following question stood on the Order Paper in the name of Mr. Trevor Sudama (Oropouche):

- 13.** Could the Minister Minister of Agriculture, Land and Marine Resources: state whether Government intends, through National Flour Mills, to revise the price paid to rice farmers for the supply of rice paddy to the National Flour Mills and, if so, could he state what the revised price would be?

Question, by leave, deferred.

**Failure of Fire Services
(Rio Claro)**

- 14. Mr. Krish Jurai (Nariva)** asked the Minister of National Security:

- (a) Would the Minister give reasons for the failure of the Fire Services personnel stationed at Rio Claro to save the Mayaro/Rio Claro Regional Corporation Office from being destroyed by fire recently, bearing in mind that the fire station is next door to the building that was destroyed?
- (b) Would the Minister state what steps he is taking to prevent such recurrences in Trinidad and Tobago?

The Minister of National Security (Sen. The Hon. Russell Huggins): Madam Speaker, at 4.05 p.m. on September 9, 1993 the sentry at the Rio Claro Fire Station was informed of a fire at the Mayaro/Rio Claro Regional Corporation building, De Verteuil Street, Rio Claro. This facility is located next to the Rio Claro Fire Station. The building involved was a two-storey building measuring 25m x 15m constructed of concrete, timber and covered with galvanized iron sheets. This building was used by the Mayaro/Rio Claro Regional Corporation and owned by the state.

Evidence suggested that the fire originated on the ground floor in the area of the vault. The difficulties which the first attending officer encountered during the initial stages of the fire can be identified as follows:

1. Not gaining early entry to the building.
2. A heavily smoke logged building which, although breathing apparatus was in use, prevented the early detection of the seat of the fire.

3. Non-availability of water near to the scene of the fire for the purpose of an in-depth supply.

A number of factors militate against the efficiency of the Fire Services Division. These include:

- (a) An inadequate number of fire fighting appliances which has considerably reduced the department's response capability and its effectiveness at the scene of a fire.
- (b) An unreliable main water supply in the areas outside those serviced by the salt water system in Port of Spain which prevents the continuous application of water, the main extinguishing medium used by the fire service.

The Government is aware of these deficiencies and even though every effort is made to provide a fairly reliable service under the prevailing circumstances, it is hampered by the stringent economic conditions in Trinidad and Tobago at present. However, the Government intends to embark upon a more aggressive public awareness campaign to sensitize the public on this issue.

Among the matters which would be highlighted would be the need to check electrical installation in old buildings, and services offered to the public by the fire service, for example, evacuation drills and exercises in factories, offices and schools; fire safety awareness programmes, basic fire fighting and first-aid courses.

Mr. Jurai: Madam Speaker, if the fire hydrants had no water, why did the Fire Service not accept the facility offered by Mr. Khan of Khans Shopping Centre. He has facility to provide water for the fire fighting equipment. Could the Minister state the reason?

Sen. The Hon. R. Huggins: Madam Speaker, I am not aware of any facilities owned by Khan. I do not even know where Khan's Shopping Centre is.

Mr. Jurai: Madam Speaker, this is a very serious issue. It reeks of corruption. There are 22 matters pending investigation of corruption and I would like to know what action is the Minister of National Security taking against the fire officers for failing to deal with that fire.

Madam Speaker: Hon. Member, the Minister has said he is not aware. If there are certain facts that are known to the Member for Nariva, maybe he can phrase his question in such a way that the necessary research could be done. At the moment it is no sense pursuing the question and wasting time.

**Corinth Road
(Repair of)**

The following question stood on the Order Paper in the name of Mr. Subhas Panday (Naparima):

- 24.** Can the Minister of Local Government and Minister in the Ministry of Finance state when the numerous and dangerous potholes and craters in Corinth Road in the constituency of San Fernando East will be attended to?

Madam Speaker: Hon. Members, the Minister of Local Government and Minister in the Ministry of Finance has been granted leave of absence from today's sitting. The answer to question No. 24 will be deferred for a period of one week.

2.00 p.m.

**Rochard Douglas Road Health Centre
(DMO's Attendance)**

- 25. Mr. Subhas Panday (Naparima)** asked the Minister of Health:

- (a) Is the Minister aware that the Area District Medical Officer is attending the Rochard Douglas Road Health Centre one day per week instead of two days?
- (b) Is the Minister aware that this practice is creating extreme hardship on poor sick persons in the Barrackpore area?
- (c) What steps are being taken to address the herein above-mentioned problems?

The Minister of Health (Hon. John Eckstein): Madam Speaker, the Minister is aware that the District Medical Officer is attending the Rochard Douglas Health Centre one day per week, instead of two days.

Three health centres in county Victoria are serviced by one medical officer. These are, St. Madeleine, Lengua and Rochard Douglas.

The medical doctor's schedule for the Rochard Douglas Health Centre is as follows:

Wednesday a.m.:	Health office and sick children.
Wednesday p.m.:	Antenatal, diabetes and cardiovascular clinic.

The information from the county medical officer of health is that this arrangement has proved to be effective as it provides the medical team with the opportunity to conduct all clinics on the same day.

In addition, a survey carried out has revealed that the clients are in favour of the same day operation, as they recognize that they would benefit from the convenience of having several members of the family, both children and adults treated at the same location on the same day.

The Minister of Health is not aware that this practice is creating extreme hardship on poor sick persons in the Barrackpore area. The Minister is aware that given the financial position of the ministry, it is unable to start having some of these health centres provide service on a more regular basis.

It is intended that subject to the availability of financial and human resources, that the days of service to the population served by health centres would be increased.

**PTSC VSEP Employees
(Grant)**

26. Mr. Trevor Sudama (*Oropouche*) asked the Minister of Public Utilities:

Could the Minister state whether a grant would be provided to all those employees of the Public Transport Service Corporation who participated in VSEP and who are interested in establishing small businesses?

The Minister of Public Utilities (Hon. Morris Marshall): Madam Speaker, the Minister wishes to inform the House that 686 employees participated in the 1993 Voluntary Separation of Employment Plan of PTSC at a cost of \$75.3 million. This meant an average payout of \$110,000 per worker.

Further, PTSC has provided a training and counselling programme free of charge to all the persons who participated in VSEP in the following areas:

- Financial management;
- Investment planning;
- Planning a new career;
- Dealing with change;
- Agro business;
- Starting a small business;

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In addition, the Minister would like to advise the House that the Small Business Development Company established on June 1, 1989 with the Government as the first shareholder, provides assistance in the form of loan guarantees, business advisory service, entrepreneurial development, training programmes and information to all persons establishing small businesses.

Mr. Sudama: Is the Minister of Public Utilities aware that the Minister in the Office of the Prime Minister, Sen. Gordon Draper, said to those taking advantage of VSEP in the Public Transport Service Corporation, as reported in the *Guardian* dated July 27, 1993:

"Draper said that for all those who leave the corporation a grant—"

I repeat: "a grant is provided for those interested in small businesses."

I continue:

According to the Minister's answer, there is no such provision of a grant to those who leave under the Voluntary Separation Programme.

Could he indicate whether in fact such a grant is available?

Hon. M. Marshall: I just gave him a response and that response makes it quite clear that there is no grant. I do not know. I would have to ascertain whether what the Member read in the newspapers is in fact what Minister Draper said. I would have to verify that: there may have been some inaccuracy there.

Mr. Sudama: May I ask the Minister if this is another instance of interference in the responsibilities of his ministry? Here is a Minister in the Office of the Prime Minister making a categorical statement and the Minister of Public Utilities is not aware of any such provision?

Hon. M. Marshall: I do not think he needs a response to that.

Mr. Sudama: The Minister would not confirm or deny?

Madam Speaker: Maybe, for the benefit of Members and myself, we can all take cognizance of the fact that if one looks at Standing Order No. 18 under Contents of Questions:

"(g) A question shall not be asked—

(viii) asking whether statements in the Press, or of private individuals, or unofficial bodies are accurate;"

That is really questioning whether the press has been accurate in the reporting of Minister Draper. I do not think at question time that is permitted. Maybe, we can take note of that in the future. [*Interruption*]

It was reported in the press.

Mr. Sudama: The question is whether there was such a grant or not.

Madam Speaker: Let us move on, please. I think the Minister has answered. Question 29.

Mr. Sudama: Are we to understand by that, that we must not take note of anything or ask any questions on the basis of press reports?

Madam Speaker: No, not at all. I am simply referring the Member to (g) of Standing Order No. 18.

Mr. Sudama: Maybe, these Standing Orders are outdated, Madam Speaker. We ought not to read the newspapers. I do not know where we would get—

Madam Speaker: I am sure the Member knows that is not what the Chair means. Please proceed.

Mr. Sudama: I would really like to know what the Chair means.

Madam Speaker: Please, proceed. Question No. 29, Member for Oropouche.

Mr. Sudama: It is difficult to know where you are really in this House.

Madam Speaker: I am just drawing a Standing Order to your attention.

Mr. Sudama: It is a matter of interest to the whole House—when you read something in the press whether that can be the basis of a question. In fact, I was not even asking it. Even if you read something in the press which was authoritatively put out by the *Guardian* or *Express*, can that be the basis of a question? It would be for the guidance of everybody in this House.

Madam Speaker: The answer is contained in the Standing Order. Will the Member please be guided by the Standing Order. Proceed to question No. 29.

Debe Presbyterian Primary School

29. **Mr. Trevor Sudama** (*Oropouche*) asked the Minister of Education:

- (a) Whether the technical officers of the Ministry agreed to the site on which the present Debe Presbyterian Primary School has been completed only a year and one half ago?

- (b) If the answer is in the affirmative, could he state whether the officers were warned and were aware of the slippage problem at that site?
- (c) If the answer to (b) is in the affirmative, could he state who will assume responsibility for the fact that two landslips are currently threatening the school building as a result of the collapse of the access roads to it?
- (d) Whether the ministry intends to repair these landslips and secure this new building and, if so, how early can this work be commenced?

The Minister of Education (Hon. Augustus Ramrekersingh): Madam Speaker, in October, 1989 the Ministry of Education was advised that the present site of the Debe Presbyterian Primary School was the best available, and was therefore reserved by the National Housing Authority which is currently developing a housing project in the area.

Following a site meeting held on December 18, 1990, it was agreed that the school should be built on the present site. Among those attending this site meeting were representatives of the Ministry of Education, the consultants for the project as well as the Member for Oropouche. Approval of the site for the construction of the Debe Presbyterian Primary School was also given by the Town and Country Planning Division in April, 1991.

While the officers of the Ministry of Education were aware of the possibility of slippage, the ministry was advised that if the school were placed as is now, any slippage would hardly affect the structural foundation of the school. It is to be noted also that at present the slippage does not pose any immediate threat to the building. However, it is continually eroding the access roads.

2.10 p.m.

With respect to part (c) of the question, the Ministry of Education will assume the responsibility for arresting the two landslips which are at present affecting access to the school.

And the response to (d) of the question is that Ministry of Education will repair the landslips and take the necessary preventative action so as to ensure further slippages do not affect the school building.

The Ministry, however, has been advised that the present land movements need to be stabilized or settled before corrective action can be taken. The Ministry of Education is, therefore, now awaiting reports from the relevant authorities as to how to proceed.

Mr. Sudama: Since the slippage is affecting both access roads to the school, could the Minister tell this House how he expects children to get to the school?

Hon. A. Ramrekersingh: Madam Speaker, I think in my answer I said that in order to solve the problem, there needs to be some settling of the land. Either we do a proper job, or we do something in a hurry that will get us nowhere. We are determined to do a proper job.

Mr. Sudama: Could the Minister indicate to this House, on the basis of advice given to him by his technical officers, what length of time is anticipated for this settling to take place?

Hon. A. Ramrekersingh: While no specific period is indicated, the aim is to have this matter handled in the dry season because of its nature. The hon. Member for Oropouche would know a lot about this. He was at the site meeting on December 18, 1990.

Mr. Sudama: It was at that very site meeting that I objected to the site simply because of the slippage problem. My objections were completely rejected by officers of the Ministry of Education and consultants to the ministry. I just want him to know that.

Hon. A. Ramrekersingh: Madam Speaker, I have what amounts to the minutes of that meeting, of December 18, 1990, which were submitted by the consultants to the Programme Manager of the Programme Co-ordinating Unit. It states:

"We now wish to record that at that meeting Mr. T. Sudama enquired about several matters related to the siting of the building and the contract for construction and explanations were given by your and our representatives who were present. The matters raised and discussed included, *inter alia*, the following:

1. Site selection and suitability of site for primary school
2. School location within the site allocated for same
3. Soil conditions, stability of slopes and measures to be adopted to prevent landsliding.
4. Structural integrity ...
5. Building orientation ...
6. Lighting, heat and ventilation

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7. Pedestrian and vehicular access ...
8. Space available for recreation
9. Safety and security during construction and for the school when completed
10. On and off-site drainage
11. Sewage disposal
12. Water supply
13. Award of contract, time for commencement and construction period.

We note that detailed clarifications and explanations on the rationale associated with all the matters queried by Mr. T. Sudama were supplied and he was adequately briefed and advised of all relevant factors. We now wish to record that at the end of the meeting the decision taken was that the school will be built in the location as shown on the original designs. We note, too, that Mr. Sudama promised to keep in touch with the Programme Co-ordinating Unit during construction with a view to rendering whatever assistance he can, particularly with respect to off-site works with specific emphasis on off-site drainage."

Mr. Sudama: This decision was taken by whom?

[No response]

Local Government Authority (Scavenging Costs)

The following question stood on the Order Paper in the name of Mr. Sahid Hosein (Siparia):

32. Will the Minister of Local Government indicate to this honourable House the following:

- (a) The highest cost paid for scavenging per area in each local government authority?
- (b) The lowest cost paid for scavenging per area in each local government authority?
- (c) Will he identify the area and the specific local government authority in respect of (a) and (b)?

Madam Speaker: The answer to question No. 32 is deferred for a period of one week.

**TICFA Representation
(Nominee)**

The following question stood on the Order Paper in the name of Dr. Carl Singh (Tabaquite):

- 33.** (a) Could the Minister of Agriculture, Land and Marine Resources state whether his ministry is aware that the Island Wide Canefarmers Association Inc. has nominated Mr. Ramdeo Boochoon to represent TICFA on the Management Board at Caroni 1975 Ltd?
- (b) If the answer is in the affirmative, could the Minister state why the delay in appointing the said nominee?

Madam Speaker: The answer to question No. 33 is deferred for a period of one week.

**Advertisement
(Cost of Dissemination)**

- 34. Mr. Ramesh Lawrence Maharaj** (*Couva South*) asked the Prime Minister:
- (a) Could the hon. Prime Minister state the sum it has cost Government to date in disseminating the advertisement on the media depicting the Prime Minister saying, among other things, "let us go down the road together?"
- (b) Could the hon. Prime Minister also state what additional sum the Government intends to spend in disseminating the said advertisement?

The Minister of Information (Dr. The Hon. Gordon Draper): Madam Speaker, the cost of dissemination of the information in the media to date is \$397,722.32. The programme for 1994 is now being finalized; therefore, we are unable to provide that figure at this time.

Mr. Maharaj: The Minister has not answered part (b) of the question. He said the amount to date, so that the question as to how much money is to be spent he has not answered. He talked about 1994, but we are still in 1993.

Hon. G. Draper: Madam Speaker, as I said, the programme for the rest of 1993 and into 1994 is being formulated and, therefore, we are unable to give a figure at this time.

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ADJOURNMENT (LEAVE REQUESTS)

Water Shortage

Mr. Mohammed Haniff (*Princes Town*): Madam Speaker, I served notice earlier and I now seek leave to move the adjournment of the House to discuss a definite matter of urgent public importance, according to Standing Order 12. The matter refers to the very acute water shortage currently being experienced throughout most of Trinidad, but especially areas serviced by the Navet Dam.

The matter is definite because many areas have been without a supply for over two weeks now, which includes the weekend of Divali when people kept contacting their respective representatives, WASA officials and me, but were forced to do without the precious commodity during that period until the present moment.

The matter is urgent because officials of WASA have said that in certain areas in South there will not be a supply before Sunday or Monday of next week because the system at Navet had to be shut down due to the unavailability of a chemical known as "alum" which is used in the process of purification of water. Failure to resolve the situation has already caused the closure of schools and other offices and has caused citizens to be unable to carry out normal cleansing, cooking, washing, et cetera.

The matter is of public importance because this situation has come about at a time when the Public Utilities Commission has awarded a 35 per cent increase and has apparently thrown the issue of a rebate system on ice, while the Prime Minister behaves as though he landed here in Trinidad and Tobago yesterday, not knowing that there has always been an urgent need for a water plan, and tries to put blame on the Minister of Public Utilities who is perceived to have been sidelined on issues concerning WASA.

This situation raises the following concerns:

- (1) In the light of a statement by the Prime Minister that the Government is now considering a management contract for WASA, are the present managers managing the affairs of WASA?
- (2) Has the Minister of Public Utilities abandoned his responsibilities?
- (3) Does Government care about the supply of water, or is only concerned about increased rates?

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4. What is the role of the Public Utilities Commission with regard to supply in considering new rates.

Madam Speaker, these are some highlights that I wish to raise at this point in time, enquiring from the other side, who is going to reply to these frightening questions.

Madam Speaker: This is not the type of matter that is contemplated by Standing Order 12 and I am not satisfied that it so falls under Standing Order 12.

Mr. Haniff: Madam Speaker—

Madam Speaker: Would the Member please take his seat, I have already ruled on the matter. The hon. Member knows what to do if he wishes to raise the question.

Mr. Haniff: All I am prepared to say—

Madam Speaker: I have ruled on the issue, he is not to—*[Interruption]*.

Mr. Maharaj: He is entitled to get up and speak in this House—

Madam Speaker: No, he is not entitled—*[Interruption]*. Would the Member take his seat, please.

Mr. Haniff: All that I wish to say is I am baffled sometimes with your ruling because the water situation in the country is terrible. The nation is suffering presently.

Madam Speaker: You may be baffled but I have already ruled.

Patient Neglect

Dr. Carl Singh (Tabaquite): Madam Speaker, I left a letter at your office seeking leave to raise a matter on the adjournment. The matter concerns the callous and inhuman manner in which a citizen of the twin island state of the Republic of Trinidad and Tobago was allegedly treated at the Mount Hope Medical Complex, to wit: at the Maternity Ward on Friday, November 12, 1993. Lenore James of Macoya delivered an eight pound baby girl standing on the concrete floor. The baby struck her head on the concrete floor of the ward, still attached to the umbilical cord and the uterine cavity. It is inhuman, callous and disgusting. This matter is of definite importance; the incidents are a recurring decimal in our society and in the institutions as a whole in Trinidad and Tobago.

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I have raised this matter before in which personnel have treated citizens of this country bordering on criminal negligence. The matter is urgent, as a serious allegation has been levelled against nursing personnel, which brings disrepute to this noble profession, and suggests that it must be seriously and carefully investigated, not merely by a letter stating what was done, but it must be carefully investigated and solutions found with alacrity, or else the health services will grind right down to the dirt.

It is a matter of public importance, in that this occurred in a public institution funded by taxation of the people of this country. This is spreading all over and I suggest that this matter be aired and investigated as early as possible.

Madam Speaker: I am not satisfied that this is a matter that falls under Standing Order 12.

MAXI-TAXI (AMDT.) BILL

Bill to amend the Maxi-taxi Act, 1992 [*The Minister of Works and Transport*]; read the first time.

BUDGET DATE

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, I wish to announce that the Budget will be read on Friday, November 26, 1993.

Mr. B. Panday: What time will it be read?

Hon. W. Mottley: It will be read at 1.30 p.m., as usual.

PETROTRIN VESTING BILL

[SECOND DAY]

Order read for resuming adjourned debate on question [November 12, 1993]:

That the bill be now read a second time.

Question again proposed.

Mr. Raymond Palackdharrysingh (Caroni Central): Madam Speaker, listening to the Member for Diego Martin Central last Friday, one became very sure that the Government did not know what it was doing, and today I am positive it does not know what it is doing. Can you imagine the Member for Diego Martin Central admitting, that while he is piloting a Bill to vest the assets of Trintopoc and Trintoc into another company, Petrotrin, he does not have any idea of how the company should be re-organized.

That sort of admission cannot lend any sort of sympathy for the Government when it tries to persuade the Opposition to support such a move. It is important for the Government to project to the other side that it is moving from point A to point B and this is how it is going to manage the merger. That was not said, and as a matter of fact, it was admitted that there was no consensus as to how the new company was going to be restructured.

More telling than that was the fact that the Member indicated that the matter was going to be put against the background of state enterprises sector reform. In that scenario, the Member for Diego Martin Central pitched the merging of Trintoc and Trintopec against the state enterprises sector reform. One would have imagined with both Trintoc and Trintopec, being part of the energy sector, that the picture would have been imposed against the background of the rationalization of the energy sector, for the energy sector is crucial to the survival of Trinidad and Tobago.

I believe that the Member for Diego Martin Central was trying to make a projection to the 21st century in terms of the rationalization of the industry. Here I have great difficulty in understanding that approach, especially when he wants to justify the situation by indicating that because some state sectors are being divested, this is perhaps the way the other industries must go.

2.30 p.m.

If we look at the petroleum industry, what are we talking about? Are we talking only about drilling? Are we talking about exploration and refining? Or are we talking also about the petrochemical areas and marketing? It is in this context that the Member for Diego Martin Central did not give any clear view to Members of the Opposition of the picture of Trintoc and Trintopec merging into the new company against the total energy sector. That is important for us, because if it is a rationalization of the company, it must be in the context of the industry, which is, of course, the energy sector, but the Member has rationalized it in terms of the Government's thrust for divestment.

With respect to the First Schedule to the Bill, under "Property and Rights to be Transferred", Part II—"Liabilities and Obligations Assumed", the Member for Oropouche asked some very pertinent questions and I do not believe that the Minister of Energy really answered them. The Member for Oropouche asked about all the other real estate holdings of Trintoc and Trintopec which were excluded from the assets to be vested in Petrotrin. For example, where will these assets go, who will control them? There is a comprehensive list about a number of

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issues that are extremely important and therefore those questions must be answered.

I want to ask a further question on those assets which were not listed for vesting. Is it the Government's intention to simply put in place a mechanism whereby the Minister of Energy could merely say, by an Order, that a certain asset is going to be transferred to this company or maybe not transferred? Those questions have to be answered because the assets which are not listed for vesting in the new company are tremendous in terms of value. For example:

(a) Pointe-a-Pierre residential area and buildings—

465 acres and 237 buildings;

(b) All clubs and recreational facilities

Trintoc Staff Club, Pointe-a-Pierre;

Trintoc Sports Club, Pointe-a-Pierre;

Athione Park, Pointe-a-Pierre;

Trintoc Staff Club, Forest Reserve;

Trintoc Sports Development Club, Forest Reserve;

Trintoc Clifton Hill Club, Point Fortin;

Trintoc Penal/Barrackpore Club;

Trintoc Barrackpore Sports Ground;

Trintoc Bonne Aventure Park;

Trintoc Egypt Village Recreational Facilities;

Guayaguayare Club;

Abyssinia Club;

Trintoc Golf Course, Pointe-a-Pierre;

Trintoc Golf Course, Brighton;

Trintoc Golf Course, Point Fortin;

8 Pointe-a-Pierre Guest Houses;

1 Guest House (Mess) Facilities, Guayaguayare;

Point Fortin Guest House Complex;

Trintopec Beach Camp Club Palo Seco;

Trintopec Palo Seco Sporting Club;

Trintopec Staff Club, Fyzabad;

Trintopec Fyzabad Sports Club;

Trintopec Guest House, Beach Camp;

Trintopec Guest House, Gasparee;

Trintopec Guest House, Mayaro.

(c) Brighton Residential area and buildings

19 residential properties;

(d) Residences at Maraval

2 residential properties at No. 22 and 24 Collens Road, Maraval;

(e) Trintopec residential area and buildings

44 residential properties at Beach Camp, Palo Seco;

11 residential properties at Guapo;

(f) Forest Reserve residential area and buildings

70 residential buildings;

(g) Point Fortin residential area and buildings

100 acres with 30 buildings;

(h) Penal/Barrackpore residential area and buildings

34 residential buildings;

(i) Guayaguayare residential area and buildings

16 residential buildings;

2. All agricultural holdings

Trintoc owned 5,231 acres occupied by Trintoc Agricultural Company Limited;

Trintopec owned 2,690 acres;

Palo Seco Agricultural Enterprises Limited owned 4,000 acres.

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3. Unallocated residential land developed
268 lots at La Fortune Estate Point Fortin.
4. Developed housing areas
Plaisance Park—205 lots;
La Brea—1,100 lots
Point Fortin Adventure Estate—103 lots;
La Brea, Point Ligoure—30 lots
Trintopec tenanted lands (other than housing, agriculture or industrial use)
5. Harbour Jetties
Point D'Or, la Brea.
6. Other interests:
 - (a) 3 gas station sites with some equipment
Pointe-a-Pierre Roundabout,
Beaumont Hill,
Guayaguayare.
 - (b) 0.5 acre at Tropical Plaza, Pointe-a-Pierre,
 - (c) Guapo Gas station
 - (d) Trintopec's cafeteria and canteen at Santa Flora, and Tuck Shop at Fyzabad
 - (e) Community Centre, Dalley Village.

These assets shall be excepted from vesting on the passing of the Vesting Bill. What is the use? Who is going to have oversight of these properties? Those questions must be answered because those assets listed seem to be of tremendous value and there must be accounting for where these assets would now be transferred.

When the Minister of Energy spoke on the last day, in response to a question asked by the hon. Member for Oropouche, he indicated that the Government had wiped out corruption in these companies in 1992. Later on I am going to raise that issue again. The Minister also indicated that one of the reasons for the merging was to get rid of baggage, that is, excess load of the companies. Again, the excess

load or the baggage to be got rid of was neither identified nor quantified. It is my belief, however, that much of this baggage relates to the retrenchment of workers, and therefore, the Government has a responsibility not only to say that it is going to get rid of workers, but to also state what alternative provisions have been made or proposals for retraining so that these workers would have something to do.

The hon. Minister also spoke about the operating costs of the company and the overheads. I am afraid, however, that nowhere in the Minister's contribution was there any real indication of what is going to be planned in terms of concrete action for the industry.

We all know that a loan was secured for the petroleum industry in terms of secondary recovery of oil and a refinery modernization project. I do not believe that the Government has said anything about what has been achieved since accessing that loan. The terms of that loan were clear with respect to secondary recovery of oil onshore and offshore and the modernization of the refinery of Pointe-a-Pierre. What was contemplated when the loan was secured was that at the Forest Reserve oilfield there was going to be the drilling and procurement of extraction equipment for approximately 17 wells; the construction of appropriate inter-connections with existing steam generation installation of additional petroleum collection stations; and the modernization of the effluent treatment system of the Bernstein site to minimize the environmental impact.

2.40 p.m.

Would the Government stand up and give a progress report on these matters? How much has been accomplished—how much of this plan has been successful and how much has been a failure, or incomplete? At the Point Fortin Cruse E oilfield we have the drilling and procurement of extraction equipment for approximately 89 wells and installation of new facilities for steam generation, collection stations and transfer systems and improvement of the environmental protection facilities.

These are important questions to ask because it is only if one has a progress report about what is actually taking place in the petroleum industry and in the oilfields that one is going to recognize whether or not this country is getting value for its money. And that is not all.

When it comes to secondary recovery of offshore oil, again, it was important for the construction of an installation for treatment and injection of seawater into approximately 35 existing wells; construction of a gas compression installation to inject high pressure gas into approximately 28 existing wells; installation of

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injection water and injection gas distribution pipelines; and reconditioning of approximately 63 wells referred to in the above two items that I just quoted; and improving the onshore and offshore fluid treatment installations to minimize the environment impact of the effluents.

For those who have no experience working in the oil industry, if one drives through some of the fields one will hear some very noisy equipment, and one does not have an idea of what is happening. A lot happens in the oilfields and in this respect it is not only noise that is evident but, also, the fact that if the operations are not efficient, one is going to have a tremendous waste of the country's resources and, therefore, that is an important consideration.

I am raising these questions in the context of the petroleum industry and, indeed, the energy sector, because they are interrelated; and if moneys are being spent on these matters it is only fair and natural that one should try to see what is really happening in those specific instances. If they are giving what is called "enhanced capability" to the industry, one could feel pleased about it but, on the other hand, if it is not bringing the sort of returns that were projected, then we have a problem.

Again, a loan was secured for the improvement of the refinery at Pointe-a-Pierre and, of course, the areas for upgrading were—the rehabilitation of the No. 2 Unit for hydrotreatment and its conversion to mild hydro cracking; rehabilitation of the No. 2 catalytic reformer; repair and upgrading of the fluid catalytic cracking unit; construction of a hydrogen generating plant; construction of a sulphur recovery plant; construction of viscosity reduction plant; rehabilitation of storage tanks, transfer systems, liquid gas recovery systems; improvement of the instrumentation and process control system in certain refinery units, replacing the existing pneumatic system with an electronic digital system; and improvement of the environmental protection installations.

Dr. Rowley: Oh, reading boy!

Mr. R. Palackdharrysingh: Madam Speaker, these are the matters that have to be dealt with immediately and unless the Government can come here and tell this House that these matters have been going on as scheduled—*[Interruption]* Does the Minister think he will learn that in the University? He does not even know how to clean a drain! Does he think it surprises me that he asks something like that? You old dummy, you!

Madam Speaker: Will the hon. Member kindly withdraw that statement.

Mr. R. Palackdharrysingh: I most graciously withdraw it.

Mr. Maharaj: Notwithstanding that it is true!

Mr. R. Palackdharrysingh: Madam Speaker, this is an important juncture for us in respect of this Bill, and unless the Government is able to quantify what is really happening in terms of money and what returns are expected on these investments, I think that with this Petrotrin Vesting Bill, they are asking us to support "cat in bag". That is a serious consideration.

I want to mention again that it was pointed out last week that there was a staff of 5,500; and in this rationalization plan, this vesting exercise, how many would be made redundant? There are some 2,000 people in the exploration operations. Will the Minister, or anyone from the Government, state whether proposals for an early retirement, which have been circulated anonymously, were leaked by management to get the reaction of workers and the trade union? Is there a plan for early VTEP? Let the Government tell this House what its stance is with respect to the anticipated surplus labour.

2.50 p.m.

Madam Speaker, I am reliably informed that the asset to liability ratio at Trintoc is about 1:1. That simply means that the company is on the verge of bankruptcy. The liability to asset ratio at Trintopec is greater than one, so the companies are in a virtual state of bankruptcy—as we would say, insolvent. Is there also a financing of operations by borrowing locally? If the companies are strapped for cash and have no developmental capital, how is this going to be viable? All capital projects have been at a virtual standstill and when you think about places like Barrackpore, nothing has really been happening.

You see, in this oil industry you must be able to drill and find new wells, because after some time, the capacity of existing wells is reduced and unless there is some form of secondary recovery, you are going to get very little from the wells. What is going to be done with respect to new drilling on the land if you want to really make the industries viable?

It would seem to me, despite the optimism that has been shown by the Government and others, that we have to live with a \$15 a barrel oil price. There is no silver lining on the petroleum cloud. None whatsoever! World supply is exceeding demand and even though OPEC has placed a production ceiling on member countries, there is a violation of that ceiling by Saudi Arabia, which country we consider to be the world swing producer. Saudi Arabia produces

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significantly and, therefore, it has the capability of flooding the market with lower priced oil. What assurances do we have with our present arrangements for maintaining a price that can make us have some measure of security as we plan for the next twelve months?

My information is that no drilling is taking place at Trinmar, because of a shortage of funds. Major work which was supposed to be an IADB water flooding project did not really get off the ground. Is the Prime Minister's statement with respect to partnership with Shell and Texaco to purchase two-thirds of Trinmar's operations, now another move by the Government to try to prop up the industry and, at the same time, to give it away? Let the Prime Minister explain his statements with respect to the purchase of two-thirds of Trinmar's operations.

If the Government is pursuing these negotiations, let it tell the nation how much of the production facilities will be divested or privatised. With respect to Trinmar, are we going to sell what is called our most lucrative producing assets and be saddled with the expensive land production capabilities?

I am informed that it is costing almost \$16 to lift a barrel of oil from the land, and to lift it out of the marine areas, it is costing about \$6. We have a situation where the marine operations are much more lucrative for the nation and, therefore, the marine fields must not be treated lightly because it is here that the state and the people of Trinidad and Tobago stand to benefit the most. The Government must categorically state whether it is preparing to sell two-thirds of Trinmar's operations.

We must understand why that is so important because we recognize, as it is being said, 25 per cent of GDP that 40 per cent of government revenues and about 80 per cent of foreign exchange is earned from the oil industry.

After more than a year of announcements, briefings, retreats, and using highly paid professionals, the company has not been able to merge its day-to-day operations. Their excuse is the Petrotrin Vesting Bill. The real reason is political and interference from individuals—board members. The result has been a division of the operations and, I might say, along certain racial lines even. There are two operation managers at present—Mr. Gilbert from Trintopec and Mr. Jukhoo from Trintoc. This is how the haggling is going on.

We must now try to find out if it is not true that there are anonymous letters circulating in the company attacking managers, because they did not want to appoint people because they could not find the people with the right political background to appoint. This has to be answered because in this merging process

where you are bringing together two companies, there seems to be a lot of antagonism between people, based on all sorts of divisions.

Will this Bill be able to deal with the serious problem of management that exists? Will the Prime Minister be willing to send this problem to the Chair of Ethnic Studies for some measure of deliberation? I ask these questions because it is important that I do.

It is very clear today that in the oil industry, people close to the PNM are placed in top jobs in spite of whether they are competent or not. Divisional and sub-divisional managers are appointed from the PNM. My good Friend the Member for La Brea would know about that because he also has a very cosy appointment.

3.00 p.m.

What is the policy of the board of managers? When you realize that a person like Mr. Bhopsingh would say, they have to flatten the operations in order to decentralize, and the company now has more managers than the sum of the two previous companies, that is why they are not able to produce the chart on management—The Chairman announced that opportunities would be based on merit in a transparent manner. However, organizational charts were developed only after the jobs were created. The competition for positions became so intense that the expression of senior management was "positions announced were not cast in concrete."

Let me enquire into the position of a lady called Mary Moore. Up to recently she was a member of the Trintoc Board, and while there, represented CABOT, which, in partnership with British Gas and Amoco, proposed the construction of an LNG plant. Following the completion of major negotiations with the National Gas Company and Trintoc with respect to land acquisition and gas availability, she resigned from Trintoc board and announced that she was now the Vice President of CABOT Limited, which is a natural gas company. In the context of Government's crocodile tears for viability, it is amazing how they cannot resist corruption.

In the light of a circular issued by the CEO and Managing Director, entitled: "Fraud in the Purchasing Department," let the Government give the status of fraud perpetrated by certain individuals to the extent of millions. Would the Government tell this House what is the status of Dr. Pat Battle, an American psychologist in the current merger? Who hired Dr. Battle? Is she paid by Trintoc? Why was she assigned to Trintoc?

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Was Dr. Battle brought in by Minister Draper in the public service reform programme and then found a comfortable niche for the lady to haemorrhage the money? How much money has Dr. Battle been paid to date by Trintoc? Has she provided any service? Suddenly a major consideration is ethnic balance. Is she now proposing an equal opportunities commission? Are there real benefits from this merger? Are you going to put back the same people, who mismanaged the companies, at the helm of the new company? Does merger mean merging people of incompetence?

The Human Resource Division is the only division of the company whose budget is on the increase in a period of decreasing activity and profits. The entire St. Peter's High School has been converted for occupation by a parasitic group of political appointees. The Government has created several positions of managers in order to appoint their friends, for example, Managers of PR; Managers of Human Resource; Managers of Negotiations; Personnel, etc. That is why they have failed to bring in the management plan, and that is how they are going to do it.

Why did the refining manufacturing manager not realize that millions of dollars were missing from his account as a result of payments made to ghost suppliers of valves, etc? This is the practice that is continuing and the goodly Minister of Energy could come to this House and cry crocodile tears that they have stopped, in 1992, all the imperfections and all the corruption in the company.

What was the cost of refurbishing the normal paraffin plant at Pointe-a-Pierre, and was the plant ever put on stream on completion of refurbishment? So much money was spent on that plant. I want to know whether the Minister is aware that more than 20,000 barrels of refined petroleum products found their way to the Guaracara River which prompted the Minister of Finance to make a statement about whether certain managers were still employed after the incident. How much of that product was recovered? Let them answer that. This merger is badly supervised and managed, done to benefit certain individuals. There are more lawyers in Trintopec than the Attorney General's Department.

Would the Government and the Minister state how much money is spent on golf courses at Pointe-a-Pierre and Brighton, on bungalows for employees who are not required to be on duty at the clubs? Why have the Augustus Long Hospital services not been made available to other state agencies at a fee, especially since it is equipped to handle industrial accidents? Is this the modern approach to economic development in the shadow of the colonial plantation masters? The widespread dissatisfaction existing demands a major inquiry into

the merging process. There must be transparency in the organization in the method of selection and recruitment of personnel.

When one looks at what is involved with the petroleum industry, and there is no transparency and no accountability, then how can Members on the Opposition side support, as I say, "cat in bag" the so-called rationalization of that industry that is not really bringing in the clear what it is doing? It is all well and good to see the Member for Diego Martin Central cry crocodile tears that they have now put in place mechanisms for accountability, where industries could hire their own auditors and what not, but it is my considered view on that matter that that practice of short-circuiting the Auditor General's Department would lead to more corruption, fraud and manipulation of accounts in these industries. These are questions that I believe must be answered by the Government if they really want us to support this Bill before us today.

The Point Fortin refinery: Are there any plans to separate the refinery from the producing operation? Could the Government state whether or not a mechanism is being put in place for finding a partner for the refinery? In the light of the investment of the IADB upgrade of US \$200 million already spent and a further US \$300 million for continuing work, what are the implications for sale? Are they spending the money and then giving away the refinery? Will we continue to sell our assets and keep our liabilities? These are matters that must be answered by the Government if they are to influence us one way or another to support them on this Bill.

On the question of pollution, we have in this country a very easy style of life. People from all across the world come here and do what they want in terms of pollution. There are really no pollution laws and very little, or no enforcement of those that now exist, for example, the Litter Act, but we must now treat, with utmost seriousness, the environment of this country.

We must now look at our environment because the day would come when the population would have to walk with a tank of O₂, oxygen, on their backs because we could get the quality of oxygen from the air. If one goes to certain cities across the world, one would realize how limited the oxygen in the air is. That is an important thing for us to preserve, but with any sort of industrial activity here in Trinidad, there is no set standard, laws or insistence whatsoever demanding that certain environmental criteria are satisfied.

Madam Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [Mr. K. Jurai]

Question put and agreed to.

Mr. R. Palackdharrysingh: Thank you. The time has now come in this country for environmental safeguards for any sort of industry whatsoever, because too much carbon dioxide and carbon monoxide—a very poisonous gas—and certain lead products are emitted into the atmosphere. Again, in the petroleum industry, many chemicals are being used with other substances and let loose in our rivers. If one should look at the Guaracara River at Pointe-a-Pierre, one would see it perpetually black, which means that no form of life could exist in those waters. It is now extremely important that the nation take note of the condition of the environment. If the environment is rapidly destroyed for all the so-called development that we would have had, then it would be to our great disadvantage where the cost far outweighs the benefit to be gained.

I am indicating that it is important for us to look at this because an important cause of contamination and deterioration of our marine and costal environment, principally in the Caribbean, is the petroleum industry; especially the loading and unloading in the transportation of petroleum products and the cleaning of tanks as well as accidents, spills and fires that often accompany these activities.

I hope that the Government is taking note that, now more than ever, we need a national environmental agency to conduct environmental assessments; to consider and initiate the means of protecting the environment and nature conservation; to encourage and carry out studies, investigations and research into problems of environmental protection; to promote environmental awareness; to take complaints from the public and provide advice on environmental matters.

We need an agency to provide information to the public, for example, planners, builders and engineers, so that their activities would have minimal effect on the environment; and to co-ordinate all activities as are necessary to protect, restore and improve the environment and establish and develop criteria for the assessment of the extent of environmental change.

We need to promote, encourage, co-ordinate and carry out planning of projects in environmental management and nature conservation. There is the sort of worldwide intelligence network where the transnational corporations look at the laws that exist in countries, particularly, Third World countries; and where the laws are non-existent or lax, they would do whatever they will to the environment.

Our coastlines are becoming more and more polluted; our rivers are already polluted, partly by the petroleum industry and by other industries. We have a large extent of air pollution by the use of lead; and there is noise pollution and, as we become more modernized, and even industrialized, we are going to have a lot of negative effects.

I think the IADB loan indicated that when projects are being carried out, there must be mechanisms put in place to prevent pollution. I do not believe that anyone pays attention to that. If one should go anywhere in South Trinidad, particularly where there are drilling activities, one would see how petroleum and other substances are run off into the streams and rivers. If one goes where there are industries today, one would see that there are no provisions for containing pollution; it is just set off in the natural environment.

The pollution in this country is going to put the health of our people at high risk. Therefore, if one thing is most obvious today, it is that with the coming merger of these two companies, it must not only be for as they say, "clearing the baggage and overheads," but it must also be for the protection of the environment and for posterity.

One has to lament the fact that there is no plan by management to indicate how overhead costs are to be reduced. In this country we have inherited a system of management that some of the political economists term "the plantation system"; whereby one has a few people at managerial level with heavy perks in terms of housing, swimming pools, gardening and everything else, and then the workers and poor people have nothing whatsoever; and when the cost is tallied, it would appear that the concern is a losing one. If the Government is going to get the baggage off, it should get the entire set of baggage off—from captain to cook.

It is now time to get away from this "plantation management" type system and bring what is called—and is stated in the Government's liberalized term—"pure economics" whereby one is being paid for what is contributed. The time for overlordship has ended, therefore, all those overheads that are so costly must be reduced. The Government must understand that if this country is to move forward, they must start with the persons they employ, and the colonial plantation system of management cannot work in this day and time.

Therefore, why should the company and Government have the expense of providing all these perks? Some of them do not have to touch their salaries. This must come to an end. Unless the Government can tackle that management system boldly, a number of these companies are going to go bankrupt.

3.20 p.m.

I have often wondered why it is that when companies are nationalized or when the state has an input into them, the cry a few years later is that we are at a loss. Are the people who are being employed not competent? Are there no economists to determine what is the right mix of input into the industry? Are there no technical people? But then, they bring in foreigners and privatize, and then it starts to operate. This situation really baffles me. It would seem that when we put people from the political side they merely take out without putting back in.

I sometimes have to really sympathize, if not empathize, with my colleague the Member for Laventille West. I understand the agony he is going through. Many of us go through that agony because any time you take a 'conscience' position and begin to see all people as equal, particularly in terms of a theological reference, such as "inasmuch as you have done it to the smallest of these my brethren, you have done it unto me"—from the time you take that stance you are crucified. In that respect the Member for San Fernando East is no simple matter; he is cold, calculating and callous. He smiles, but deep in his heart, look at what he does. They will be judged by their fruits by what has been happening to our people in this country.

There are several other options that could have been pursued in terms of a national energy strategy with respect to down streaming of the industries and other options. I believe at some other stage those are going to be put to the Government. What we are seeing here in terms of this so-called vesting, bringing together and rationalization of one industry in preparing the ground for privatization, is absolutely hopeless. What perhaps you would have to do with the petroleum industry is to rationalize it in terms of the entire energy sector so it is going to find its proper place and act as a catalyst for benefitting the nation with all the other possibilities.

I feel saddened this afternoon that the Government has come with a measure like this, because all it is saying, "We are going down the road; let us go down the road together." All of us on this side resist going down the road with the Government.

Thank you very much, Madam Speaker.

Mr. Hedwige Bereaux (*La Brea*): Madam Speaker, the Bill before this honourable House is one to vest the substantive petroleum operations and assets of Trinidad and Tobago Oil Company Limited (Trintoc) and the Trinidad and

Tobago Petroleum Company Limited (Trintopec) in the petroleum company of Trinidad and Tobago, Petrotrin.

The rules and traditions of this honourable House require that a Member, at the beginning of his remarks, must declare any relevant pecuniary interest or benefit of whatever nature, whether direct or indirect that he may have had, may have or may be expecting to have in the subject matter of the debate.

In accordance, therewith, and in pursuance of the rules, I state that I am the legal adviser and corporate secretary of Trintopec and that I have been seconded to Petrotrin as Divisional Manager, legal. If the Member for Nariva has any problems with that, having regard to my 24 years experience in the oil industry and in a corporate position which I have held in three countries, and which started with an honours degree and A-class at the bar, backed by two diplomas, one in oil and gas tax law and one in American and international law, it may be only that he does not want me to work or he believes that I must beg. In the mean time I have to serve and I have served not only in the present administration but with distinction in another administration too, as the Member for Tobago East, I am certain, knows.

Mr. A.N.R. Robinson: I regret, I must confess ignorance on this occasion.

Mr. Bereaux: Only on this occasion? I wanted to hear what he had to say.

Madam Speaker, whatever my interest may be, and as much as I may think it important, my personal interest is minuscule and pales into insignificance when we look at the wider picture which this Bill will have; when we look at the greater importance of this Bill with respect to the constituency of La Brea, my own constituency, and to Trinidad and Tobago in general. It is therefore important that we view this exercise dispassionately and that we look at this Bill, examine it exhaustively and have it explained in minute detail not only for the benefit of the Members of this honourable House, several of whom may not be as *au courant* with the industry as the Member for Caroni Central would try to have us believe he is, but for the nation at large.

The Member for Oropouche and the hon. Minister of Energy have both elaborated, although with different emphases on the importance of the oil industry to Trinidad and Tobago. I would like to further underscore this importance and to charge that because of it we are under obligation to look at it carefully, and I support the point that there needs to be a committee on the oil industry, and both Opposition and Government need to try to come to common ground. It is incumbent upon us to do this.

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Let us now look at the Bill and what it seeks to do. Trintoc and Trintopec are both wholly owned by the state. They both have substantial petroleum and other assets. The petroleum assets of both companies are outlined in Part I of the First Schedule. The liabilities of the companies are also generically defined in Part II, of the First Schedule. The assets which will not be transferred are generally listed in the Second Schedule, and were particularly listed by the Member for Caroni Central.

The Petroleum Company of Trinidad and Tobago (Petrotrin) is also wholly owned by the state. Indeed, it was formed in 1993 specifically to acquire the previously mentioned assets and liabilities, that is, the assets and liabilities of Trintoc and Trintopec. The purpose of forming a separate company to acquire these assets, rather than to allow one company to take over the other, was in order to avoid the personal fall out; the impression created that one was taking over the other, and to avoid some of the dislocations which occurred in a previous situation when Trintoc managed the assets of Texaco for the state.

3.30 p.m.

The Member for Oropouche indicated that the Government was seeking to merge two loss-making enterprises and implied that what would result was a loss-making entity. A simple argument and attractive, but flawed in its implicitness—and in fact, it really flattered only to deceive.

It is flawed at the very outset, in its premise that the two companies are losing money. I would like to deal with this in fairness to the thousands of oil workers who are working daily to make the industry survive; an industry upon which we all depend, and upon whose efforts we would have to depend if Petrotrin is to be viable.

For example, let us take Trintopec. Over a 10 year period, Trintopec earned a total of—net earnings—\$826,832,000. That 10 year period ran from 1982 to 1992. I would read these figures particularly from the standpoint—*[Interruption]* You can always find it. This is the profit; net earnings. It is the audited accounts of the companies which have been submitted to the Public Accounts (Enterprises) Committee. I am using round figures.

Year	\$ Million	Year	\$ Million
1982	84	1988	65
1983	74	1989	49
1984	107	1990	101

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Year	\$ Million	Year	\$ Million
1985	133	1991	17
1986	85	1992	26
1987	82		

You would recall that Trintopec became wholly owned by the state in 1985. Those profits were impaired by having to write-off its loans to Trintomar and having to pay the cost of the Fedchem arbitration. At another place if proper advice had been taken, we would not have had that debt. It is the lot of advisors to be able to advise, and yet to have people not take good advice. Sometimes, we all get the Monday morning quarterbacks to know what would have happened if it had happened. That is Trintopec.

I go now to Trintoc. Before I deal with it, I want to explain carefully the oil industry. The oil industry is taxed and computes its profits in a particular way. You tax the exploration and production separately; compute the profits of the exploration and production separately; compute the profits of the manufacturing and compute the profits of the marketing.

I want to read particularly the Trintoc exploration and production profits over a similar 10-year period and the results of the manufacturing. Over a 10-year period, Trintoc exploration and production had earnings of \$1,163,016,000. Admittedly, over a similar period, the refinery operations had losses of \$768,886,000, but, notwithstanding that, when you bring both operations together, there is a net surplus, in terms of earnings, of almost \$400 million.

That is the area I want to look at and focus on to point out the reason for the Government and this country moving in the particular direction in which we went. I tell you, that several years ago, when I was then President of the Chamber, I spoke out against this because I did not have these facts. It is good for people to know that these facts are there. This is how it was performing.

There is a situation in which the manufacturing operation is not making money; it is losing money. The exploration and production operations are making money in both companies.

Mr. Sudama: Would the Member give way to a question? It is merely for clarification. The net earnings he has just read out, are those net earnings net of the write-off of the capitalization of the taxation liabilities of both companies, or are those earnings before the Government took it upon itself to capitalize the taxation liability of Trintoc and Trintopec?

Mr. H. Breaux: Firstly, let me correct the Member. No taxation liabilities have ever been written off for Trintopec. He is wrong in the first instance.

Secondly, on the question of the liabilities that were capitalized, you can ask the man who capitalized it. He would be able to tell the Member. Unfortunately, I am unable to tell him. As far as I know, these are after the capitalization.

The point I was making is that there are two companies; I want to deal with their total assets. The total assets of Trintoc are \$3.291 billion; the total assets of Trintopec is \$1,386,505,000. Their debts are: Trintoc—\$1,822,864,000; Trintopec—\$528,671,000—total debt of just over \$2 billion; total assets of \$4.4 billion. We are looking at net equity of over \$2.3 billion.

There is this large asset base; ability to earn, and when you look at the manufacturing, you would see that it is losing money. Any prudent operator would look to stem the haemorrhage in respect of the operations that are losing money, and with the intent of eventually bringing it to profitability or getting rid of a portion of it. In respect of the activity that is profitable, efforts would be made to enhance profitability by reducing costs and improving productivity.

3.40 p.m.

Let us look at how this merger fits into that picture. The holdings of Trintoc/Trintopec and their joint ventures stretch from the southern foothills of the Central Range, to the sea on the east, the south and the west. In that area the companies either own or hold leases or oil mining leases of about 85 per cent of the land space. But, just making that statement alone does not bring to mind what the situation really is.

The holdings of Trintoc and Trintopec are, to use a political term, "balkanized." They are spilt up all over the country. For example, Trintoc has operations in Mackenzie and Trintopec has operations in Mackenzie. Trintoc has operations in Fyzabad and Trintopec has operations in Fyzabad. Trintoc is in Forest Reserve: they are next to each other. Trintopec is in Erin north. Trintoc is in Grand Ravine. Trintoc and Trintopec are in Barrackpore, Palo Seco, Parry Lands and Guapo. Trintoc is in Guayaguayare; Trintopec is offshore in Guayaguayare. Penal, Moruga, Morne Diablo, in all these places, the operations of the companies are in close proximity to each other because geological structures do not follow legal boundaries.

What you have is a duplication of facilities in several areas. There is a duplication of pipelines, a duplication of gathering stations, a duplication of roads,

a duplication of almost every type of oilfield operation. There was a time, and it still happens, that they closed the roads to each other just to maintain the private nature of the roads. When you look at that and you see that in spite of these inefficiencies—for example, Trintopec wanted to put a secondary recovery scheme operation in Erin north but could not because it could have affected a reservoir at Grand Ravine and they had no authority to do it. Therefore, it prevents the optimum exploitation of the fields. Here you have an operation which is profitable, but there are these inefficiencies. Obviously, the sensible thing to do would be to bring the operations together so that you cut off some of the inefficiencies. You no longer have two pipelines, you can use one.

Since Petrotrin has come to manage Trintoc and Trintopec, notice what it is doing. It has not merged the operations; it is just managing it. That explains to some extent the anomaly which the Member for Caroni Central pointed out, that there is still a Trintoc Operations Manager and a Trintopec Operations Manager. That will no longer be the case if he supports this Bill today.

Mr. Palackdharrysingh: But if there is no transparency—

Mr. H. Breaux: I agree with that. I have no problem with that. Maybe this will answer another question which the Member for Caroni Central asked. He asked earlier about the heavy-oil projects that Trintoc was doing. I anticipated him and I will read some of the benefits, which I put under the heading "Mechanical", gained by the two companies working together:

"The biggest savings realized in this area, excess team generating capacity, will be transferred to Cruse E. Four team generators from Trintopec will be utilized for the project. Production equipment redundant; pipelines in both fields will be salvaged and used in execution of the project."

What you had was a project in Trintoc Cruse E field where Trintopec's idle equipment was used to assist in the project, thereby causing a total savings of US \$15 million. It was not only in equipment. This is a classic case of technology transfer from one company to another. In constructing the drilling locations 17 multi-well locations will be constructed from 89 wells in the Cruse E project. This will reduce the construction cost considerably and will facilitate streamlining of steam injection piping, production piping and pollution control. Now this type of multi-well location is common to Trintopec, but the Trintoc operations did not do as much steam injection; it is not as well known. It is technology transfer. It is one country, one owner, it really should be one company.

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A review of the drilling technology was undertaken by Trintoc and Trintopec's engineers, working together. The study confirmed that slim whole completion, four and one-half inch casing in an injector, would reduce small thermal losses; again a Trintopec practice. The people on the ground are working. On the question as to whether or not there has been some lobbying, one can expect that. All that the management and board are trying to do is to ensure that this is kept to a minimum and that people keep their eyes on the goal.

Another action—and I learn from you. This is *Petrovision* of May 7.

"Drilling to resume. 1.5 million barrels of reserves.

Within the next two months a total of five shallow thermal wells will be drilled at a cost of TT \$3.9 million in Palo Seco and Guapo."

It turned out that because the drilling crew performed so well, six wells were drilled instead, for the same cost. I just want to point out that that was with regard to the land operations, the E and P operations.

We have another example. Trintopec has four platforms off the east coast. Trintoc has operations in Guayaguayare. When you have to send a safety officer to the platform, you have to take him from Palo Seco. With the merged company all you do is get someone based in Guayaguayare to do the job. These are some of the savings which it is intended to achieve in order to improve the already profitable E and P operations.

3.50 p.m.

The refining operations, as I said earlier have been losing money and there are several reasons why this is so. The Point Fortin refinery produces products with not much value added. The difference between what the refined product sells for and what the actual crude sells for is so small as to prevent the refinery from really doing well. This has been known for a long time. In fact, that refinery loses \$14 million a year.

It has been kept operating through a Maraven Crude Sales Agreement, negotiated by the last Government, and the reason for keeping the refinery in operation is that if you need to bring in a joint venture partner or to get somebody to give you a processing contract or to purchase the refinery, you cannot close it down and leave it because nobody will pay you anything substantial for a refining facility that is closed.

Bankers' Trust Caribbean have been mandated to seek and manage the divestment and we are sanguine that something would come out of it. The Pointe-

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a-Pierre refinery had a capacity of 300,000 barrels, but today it is just about 80 thousand barrels. Trintopoc and Trintoc produce just under 70,000 barrels per day. We do not have crude to put into the full capacity of the refinery. If you buy crude to put into the refinery you have got to make sure that the profit that you will get on the crude that you refine is sufficient to make the refinery profitable.

At the present time, the configuration of the refinery not only does not give it the differential that is required, but also, because of its age, it is not reliable. To some extent a decision has been taken to upgrade the refinery. The Member for Caroni Central wants to know the results of the upgrading, I will give him the up-to-date picture at this time. Refinery upgrade:

No. 2 HTU H2 Plant, SRU:

Letter of Acceptance signed with Wimpey Construction Limited, with an effective commencement date of October 11, 1993.

Sulphur Recovery Facilities:

The redesign of the facility to achieve a lower cost installation is continuing.

Hydrogen Compression Facilities:

No. 1 Compressor and both electric motors have arrived on site. Civil and mechanical works on site are in progress. Assembly/installation is scheduled to commence on October 26, 1993.

Instrument Modernization:

Engineering activity on the site 5 Control building and the four Satellite buildings is progressing as per schedule. Pile driving activity is scheduled to commence in early October.

This is a September management highlight.

Crude Tankage status:

Tank 128/103 Weather is affecting the painting operation. Completion of Tk-128 is now October 31, 1993.

That is with respect to the cat cracker. With respect to the secondary oil on shore, that too, is on schedule.

In addition, this facility is being upgraded with the assistance of an IADB loan. The IADB also has a technical advisory group who liaise on a constant basis with management to ensure that the project is proceeding according to plan. The

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company itself has put a special project unit in place reporting to the managing director to ensure that that upgrading project is going on. There is an MTBE facility in which agreements are about to be signed.

Efforts are being made and I want to urge Members to seriously consider that this industry is by far too important. I agree that Members of this House have the right, where they feel something is going wrong, to ask questions. But I have to urge them also that we cannot play fast and go slow with the oil industry. We have not completely diversified and right now the oil industry is in a fragile state. This merging of the two companies is intended to address both the refinery situation and the E and P situation, to stop the haemorrhage in respect of the refinery and to increase productivity in respect of the E and P operations.

I want to deal with another point raised by the Member for Oropouche; he spoke about tax losses. I want to quote the particular part of the bill that he was speaking about, part II of the First Schedule which states:

"All liabilities, except the tax liabilities of Trintoc and Trintopec..."

It means that the tax liabilities of Trintoc and Trintopec as at the appointed day will not be transferred. What are the tax liabilities of Trintoc and Trintopec? I want to identify them so we know clearly what we see them as:

Liability, tax payable	Trintoc	\$152,096,000
	Trintopec	\$006,325,000
Tax Refund	Trintoc	\$010,857,000
Total tax bill	Petrotrin	\$147,564,000

When you are dealing in the oil industry you have got to understand it. Both companies, Trintoc and Trintopec have losses for tax purposes. When I say "losses for tax purposes," understand that they are not actual losses but sums that could be written off against future taxes, and this is as a result of things like the "uplift", for instance, if you invest money in secondary recovery you are entitled to recover 150 per cent of your investment and all these unutilized allowances—the ability to write down your capital expenditure over a shorter period; all those things amounted, in respect of Trintopec to over \$300 million and in respect of Trintoc to \$1.4 billion. You cannot have your cake and eat it. If you want to send the losses, you also have to permit the company to carry the tax liabilities.

4.00 p.m.

Part of the reason for the new company was that those losses for tax purposes would not be available to the oil company. If it were so, the company would not be paying petroleum profits tax for years. So that what appears as a liability foregone, is really a benefit gained in respect of approximately \$1.6 billion to the state. I know somebody will ask: If these companies have been making these tax losses, what contribution did they make to the country? I think the hon. Minister explained it to some extent on the last day, but it bears repeating.

The statement of an oil company not paying tax is a contradiction in terms, because no oil company does not pay tax; it must pay because the petroleum industry is taxed on the gross by the Supplemental Petroleum Tax. So the petroleum industry pays that tax first and then uses it as a deduction in respect of petroleum taxes. Just to give you an example of the kind of contributions which these companies have made to the national coffers over a period of ten years, I will read it out so that there will be no misunderstanding.

For the period 1981 to the present date the oil companies contributed \$6,115 million. I am going to take from 1985 upwards—in 1985 it was \$656 million; 1986—\$383 million. Hon. Members will remember that that was the year when prices went under \$10.00; 1987—\$411 million; 1988—\$214 million; 1989—\$395 million; 1990—\$467 million; 1991—\$356 million; and 1992, for the reasons I pointed out earlier, it was still \$108 million. So the companies are making their contribution and they are poised and can make larger contributions.

I want to take the opportunity to deal with a few matters raised by both the Members for Oropouche and Caroni Central. I think it was the Member for Oropouche in talking about pensions, who made reference to clause 4 (1) (c) of the Bill, which says:

"notwithstanding the Income Tax Act, or any other law to the contrary, any contract to which paragraph (a) applies and which before the appointed day is an approved plan, fund or scheme under the said Income Tax Act, shall, after the appointed day, continue to be treated as an approved plan, fund or scheme for the purposes of the Income Tax Act."

The Member wanted to know whether the Texaco pension plan was registered with the Board of Inland Revenue, whether it was properly funded. I have a report on the actuarial valuation of the Trinidad and Tobago Oil Company Limited Employees Benefit Plan as of December 31, 1989. I am going to quote certain parts of the document to deal with the particular concerns of the Member for

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Oropouche. This valuation was conducted by the actuaries Bacon Woodrow & de Souza.

"The main purpose of this actuarial valuation is to determine the rate at which TRINTOC should make contributions to the Employees Benefit Plan in order to meet the balance to the cost of benefits currently and prospectively payable thereunder.

The Employee Benefit Plan was originally established by Texaco Trinidad Incorporated with effect from January 1, 1965 by a Trust Deed dated June 23, 1966. The Employee Benefit Plan is approved by the Board of Inland Revenue and is registered with the Supervisor of Insurance. In 1985 the Government of Trinidad and Tobago purchased certain assets of Texaco Trinidad Incorporated and TRINTOC became the employer for the purposes of the Employer Benefit Plan."

There have been several amendments, but I will go to the results. This was the recommendation and this is what is being carried out:

"We recommend that with effect from January 1, 1992 TRINTOC reduce its rate of special contributions from \$2,578,000 per month to \$2,141,000 per month until December, 1994 and continue its ordinary contributions at the rate of 21.6 per cent of members' wages."

From the time Trintoc took over the operations of Texaco, they have been contributing to that plan in order to ensure its solvency at the rate of \$2,578,000 per month. Upon an actuarial valuation, it was permitted to reduce that contribution to \$2,141,000 and after December, 1994 it will be required to contribute at the rate of 21.6 per cent. That liability will be a Petrotrin liability under the provisions of this vesting Bill when hon. Members give it their favourable consideration.

Further, there are four other plans. The Staff Retirement Plan—

Mr. Sudama: Madam Speaker, I wonder if the hon. Member would give way. Hon. Members would recall that in my contribution I specifically asked whether the liabilities due under the Texaco pension plan for employees were in fact settled by Texaco before they left Trinidad and Tobago. In other words, whether it was \$200 or \$500 million, whatever it was, whether that was available to the plan when Trintoc became the employer. If that was not available, then it would have affected the viability of the plan and, indeed, the benefits payable under the plan. To date, neither from the Minister nor the hon. Member for La Brea, have I received an answer.

Madam Speaker: The hon. Member's speaking time has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. A. Ramrekersingh*]

Question put and agreed to.

4.10 p.m.

Mr. H. Breaux: Madam Speaker, I thank hon. Members for that extension. To answer the Member's point, the solvency of the pension plan is guaranteed by Trintoc and will be guaranteed by Petrotrin. The question as to whether Texaco paid sums into the pension plan before leaving: They arranged for the plan by agreement with the Government and subsequently with Trintoc. That is why Trintoc has been paying \$2.5 million plus every month towards the solvency of the plan.

To the question whether there will be any benefits or whether there was any diminution of the benefits available to members as a result of the plan being underfunded, the answer is "no." Because the benefits of members are identified on an actuarial basis, based on years of service, age, and a percentage. So the pension of persons who are collecting pensions now will not be affected. What it will mean is, as Trintoc has continued to do, it will be required to continue to fund and to ensure the solvency of the plan.

Mr. Sudama: Could the Minister—

Mr. H. Breaux: I am not a Minister.

Mr. B. Panday: But you should be.

Mr. Sudama: Could the Member let me know if he is in a position to say what is the specific nature of the agreement entered into by Texaco and the Government and/or Trintoc with respect to any liability at all under the pension plans?

Mr. H. Breaux: I do not have that information at this time. But let me go ahead, Madam Speaker. We have four plans: staff retirement plan—that plan has 920 members and assets of \$277 million. The contributory ex-Trintoc plan has 98 members—\$127 million; the contributory pension fund B, 477 members—\$141 million. The non-contributory fund has 230 members—\$27 million. In respect of the staff Texaco plan, Trintoc will pay and continue to pay and Petrotrin will be responsible for paying \$690,000 until December, 1994. So that deals with the pension matter.

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Now, as we said, both companies have substantial non-oil assets. Each has an agricultural company. I know the assets were conveniently read out by the Member for Caroni Central and a very cursory and conservative valuation of that is over \$400 million. The assets were left in Trintoc and Trintopec for a specific purpose. What was found is that when oil companies manage other assets, like agricultural companies, they end up being managed in the same way and with the same kind of cost as you have within the oil companies. Sometimes the persons who get there are not as orientated to dealing with the particular type of business as they are with the oil industry. So the intention is, as we say, "Shoemaker, stick to your last."

Mr. Mohammed: Rowley should have stuck to rocks!

Mr. H. Bereaux: The agricultural assets will be dealt with, as the Minister said, in a transparent manner which is destined to increase the benefit it will have to the community. Then there are the houses, camps and clubs, in particular. I think someone said it was 15 or 25 clubs. Obviously that is too many. Again, a similar thing happens. Although every other entrepreneur who runs a club makes money, the clubs that the oil companies run do not make money because they were really designed as a benefit to the employees.

Estimates and studies done pointed out that it would be better for the clubs to be put under a different type of management and, if it is necessary for the oil company to give a benefit to its employees, it would be able to target the benefit and so cost it. But right now what these types of businesses do, is really remove money from the back pocket of the oil industry without the oil industry knowing; and we have to face the facts. At the time these things were going on, the price of oil was US \$33 a barrel. It is now hovering—as my Friend the Member for Caroni Central told me—it is sure not to get in excess of US \$15 a barrel. He is very optimistic. *[Interruption]* Yes, I am aware.

Mr. Haniff: It was not always \$33.00.

Mr. H. Bereaux: There was some trepidation, I think, about clause 6 (1) where "The Minister may, by Order, transfer and vest in Petrotrin the assets or any of them as set out in the Second Schedule" being, the non oil assets. The reason for that is this—the Second Schedule, reads as follows—

"1. All the real estate holdings of Trintoc and Trintopec excluding any rights to petroleum and such offices, structures, residential housing and buildings as shall be required for the efficient exploration, production, refining and marketing of petroleum and petroleum products..."

And then it went on, also, to list some of these items: Pointe-a-Pierre Residential Area; Brighton Residential Area; Beach Camp Residential Area, Forest Reserve, etcetera. But you see by the very nature of the industry, some of these properties are likely to be required. They were originally built because they were required to house people working in the industry. We all know that the fortunes of the industry go up and down and there is a likelihood that whereas today you do not need 60 or 70 per cent of the houses at Pointe-a-Pierre, things could change.

The Southern Basin is coming and we are sanguine that something could change. We do not know. It may be that the company will need, under its control, additional housing facilities, and this is just a way of doing it. This mechanism cannot be used to transfer property to anybody else. It has to come through Petrotrin.

4.20 p.m.

This is not for any sinister purpose and it cannot be used. It can only be used in order to assist or to facilitate Petrotrin in providing for its employees and its business.

The Member for Oropouche made reference to the industrial agreements. For some reason or other, he was concerned that Petrotrin had not been talking to the representatives of the workers in the industry, although the Minister pointed out that Petrotrin had been talking. I think it is necessary for me to explain here today the reason for the manner in which things have been progressing.

There are two companies. In one company, there is one bargaining unit representing the workers, another representing oil workers and yet another representing the estate police. In the other company, there are two unions and Petrotrin, as the manager, did not want to interfere with the industrial activity until all the assets were vested in Petrotrin and all the liabilities to all the workers. Technically, although it was the manager, it would have no *locus standi* in respect of actually negotiating, and we could have come up to demarcation disputes between the unions, but the last thing we want in the oil industry is industrial upheaval.

The management opted to wait until the vesting and until it had the complete authority and responsibility to deal with the industrial situation. The provisions of this Bill are quite clear. Clause 4(1)(b) says:

"(b) all collective agreements within the meaning of the Industrial Relations Act, or any replacement or modification thereof in existence before the

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appointed day, to which Trintoc and Trintopec were parties shall be construed and have effect as if Petrotrin were a party thereto and for the purposes of such agreements and of that Act, Petrotrin shall be deemed to be the successor to Trintoc and Trintopec;"

It goes on to say at clause 4(1)(j), and the Member for Nariva might like this:

"(j) an officer, clerk or servant employed by Trintoc or Trintopec before the appointed day shall, unless he terminates his employment, become an officer, clerk or servant, as the case may be, of Petrotrin on terms and conditions no less favourable than those on which he was so employed immediately before the appointed day and employment with Trintoc, Trintopec and Petrotrin respectively shall be deemed for all purposes to be single continuing employment, save . . ."

And he would like this one.

"that no director, secretary or auditor of Trintoc and Trintopec shall by reason only of this Act become a director, secretary or auditor, as the case may be,..."

Mr. Sudama: Would the Member give way to a question? In light of what he just read and his emphasis on that, could he indicate to this House whether there will be any retrenchment of workers as a result of the merging and the coming into being of Petrotrin?

Mr. H. Béréaux: The statement has been made by the managing director of Petrotrin that any activity involving the jobs of workers will first be discussed with the representatives of the workers.

Miss Bhaggan: You see. That is a cop-out.

Mr. H. Béréaux: No, no. It is not a cop-out. It is a plain statement so I cannot tell you. Petrotrin will do what is necessary to make itself viable under the circumstances and that is the commitment of the thing.

Miss Bhaggan: Petrotrin is not private property. It is a public company.

Mr. H. Béréaux: You can say what you will. You do not have the responsibility. There was a time when you were given an opportunity to be responsible for something and you frittered it away.

Mr. Sudama: I was in the same position as the Member for Laventille West.

Mr. B. Panday: He was the "Morris Marshall" of the NAR.

Mr. Palackdharrysingh: Who is your leader?

Mr. H. Breaux: Madam Speaker, I would appreciate very much if the Member would stop asking that question. Ask me anything else. That question has very serious implications.

The Member for Caroni Central made several comments. I could see he was reading. I know the Member very well and I did not realize that he was indulging in a correspondence course. Talking about the employment practices of Petrotrin, the management and the board of Petrotrin have been making a serious effort to get the best people on board. The reason why it is taking so long is that they are trying to ensure that good people are not left out. We are going to need all the good people. We have a serious situation.

Miss Bhaggan: That is not PNM policy.

Mr. Sudama: What about those who are not good?

Mr. H. Breaux: Well, all the competent people will be kept. It does not do any justice to the Member and it did not do very much to his contribution to make some of the comments he made. I am not going to deal with it because—

Mr. Palackdharrysingh: Deny them!

Mr. H. Breaux: I will not deny the letters because they have been coming around but I want to tell you that a serious effort is being made and a serious effort will continue to be made. I am not going to—

Miss Bhaggan: On merit.

Mr. H. Breaux: On merit.

There is one other point. He said that there was no plan to reduce overhead costs. Anybody hearing that would realize that the Member is completely ignorant of the oil industry as a whole, but just to help him out. The company has a study going on to put forward its strategic plan so that when the vesting is completed, the strategic plan would move forward.

Trintopec, over the years, has had a creative cost improvement programme, trying to cut costs. You heard from me about engineers using generators which are not utilized and a number of things like that. There are several studies—one we call the PEP that is going on—trying to ensure that the overheads are brought down and done in a manner consistent with continuing the operations of the company. You could cut overheads quickly, but you could cut them and that turn

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out to destroy and reduce your production, particularly in the production area. You could cut the overheads or seek to cut corners in areas like the refinery and have serious safety implications. Whereas the company is seeking to reduce overheads, it has to do that in the context of safety—

Mr. Palackdharrysingh: Is seeking to? They have not done so?

Mr. H. Beraux: Oh, please! When you get a job where they will check you out properly, you will then talk about that.

The company is looking at it and we have to do so in the context of safety, in the context of the same environment of which he has spoken, and in the context of maintaining the reserves and not unnecessarily reducing the production. It is a balancing act.

I looked there and I am not so sure of the time, but in speaking on this Petrotrin Vesting Bill, towards the end of last week, a gentleman who made a serious contribution to the oil industry passed away. I speak of Mr. Hamil Legall. I want to take this opportunity in this honourable House to record my appreciation of myself and I am certain that of the Government of Trinidad and Tobago, the nation and the Parliament—

Madam Speaker: I was about to ask—is the Member's contribution completed?

Mr. H. Beraux: No, Madam Speaker; it is not.

Madam Speaker: All right. I see. The sitting of this House is suspended until 5.00 p.m.

4.31 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Madam Speaker: I should like to advise the Member for La Brea that he has ten minutes more.

Mr. H. Beraux: Thank you, Madam Speaker. Before we took the break, I was dealing with several matters which had been raised. On the question of pollution and the environment, it is common knowledge that as a country we need to do substantially more about the environment, and Petrotrin has already begun to deal with such matters. We have appointed environmental technicians in the refinery; we have appointed people in the E and P operations. I think an erstwhile colleague of some of the Members on the other side is a senior member of that environmental group.

Mr. Palackdharrysingh: Call the name nuh!

Mr. H. Breaux: No. I want to refrain from calling names. In previous years the companies paid substantial sums of money to farmers, and because they received money, it was a nice, friendly relationship between some of the companies and farmers. I do not think that is something that can continue and Petrotrin definitely, in the new consciousness of the environment, is seeking to stop that. The new motto is: That drop of oil in the logo must not even fall on the earth. We have a long way to go, but that is one of the considerations. I recognize the concerns which I know some Members on the other side have about the non-functioning of the Oil and Water Board. I think when the new Environmental Act comes into being, that will be taken care of.

The question was raised about there being more lawyers on Petrotrin's legal staff than on the Attorney General's staff. It is common knowledge that the Attorney General's department is understaffed, and we hope that that will be taken care of in due course. But the lawyers at Petrotrin do things besides law. They take care of insurance, and in the not too distant future, at least one or two of them will not be there.

There is one other thing which I was most disturbed about: that is, the comments with respect to Mrs. Mary Moore, who is not a Member of this House and, therefore, cannot defend herself here. I want to say, first, that as Secretary to the Trintopec Board Mrs. Moore did not attend board meetings on several occasions because of her involvement with CABOT, and she did submit her resignation. More importantly, I want to state categorically that no agreement has been reached or negotiated with CABOT in respect of the land for the industrial estate. We have spoken to them; I have been at those negotiations and we have not reached that stage yet. We are talking about plugging and abandoning some old wells and that is what is happening. When the investment decision comes, then that will go ahead.

I seek to allay the fears of Members of this honourable House in respect of any untoward behaviour, and I really would like to clear Mrs. Moore's name at this time. If she had to speak to anybody, she had to speak to me; she did not, and I could tell you clearly and simply, nobody will speak to me about any deals and I would keep it quiet.

We were dealing with the matter of fraud. Although the Minister of Energy sought to deal with it, I think that I should make some comment on it. With regard to the fraud in the Materials Department, investigations reveal that the company

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was defrauded \$9,279,054 during the period April 1990 to May 1992. The companies involved are Delta Oilfields and Engineering Services Limited and Southern Oilfields Services Limited, who were paid moneys by Trintoc for goods which were neither ordered nor received. Additionally, Trintoc sought and obtained an injunction against Delta, freezing that company's assets, when it had reason to believe that Delta would dispose of its assets.

Additionally, there was a fraud in the Medical Department. Criminal charges have been preferred by the Fraud Squad against persons. I would not call their names here because there is a preliminary inquiry being conducted at which the company is represented. It has taken over the prosecution of that inquiry in order to ensure that matters are done properly. We are not there to persecute people, but definitely to ensure that nobody that interferes with the company's property escapes.

On the question of corruption, this has been raised many times. The oil industry is one which spends a lot of money. Nobody who wants to be honest in his statement will come here and say that you do not have corruption in the oil industry. And you are not going to get me saying that. What I am saying is—and I always believe—is that efficiency drives out corruption. Although you may not be able to prevent corruption entirely, whenever you find corrupt people, you have got to be committed enough to deal with that. That is the way the management would like to go and that is the charge we see that the management has and the commitment that we would like to give to this honourable House.

Finally, I think in order to wrap up this whole thing, let me say that I see as the potential benefits of a single petroleum company in Trinidad and Tobago, owned by the state the following:

- (1) Provision of opportunities for optimizing the existing oilfield infrastructure of pipelines, production stations, shipping tank farms and other production facilities that are currently operated and maintained by the two companies;
- (2) Improved decision-making and effectiveness in overall operations as a result of the ready availability of information and technology previously guarded and considered confidential by the respective companies operating in a competitive environment.
- (3) Provision of an opportunity to reduce unit cost of production, especially in mature fields, with significant stripper production by improving

techniques and adopting innovative approaches to production enhancement methods.

- (4) A reduction of frozen funds by significantly reducing the levels of oil held in stock at various storage facilities in both companies.
- (5) A reduction in materials inventory levels currently held by both companies thereby making more funds available for investment.
- (6) Making available a larger pool of investment opportunities.

5.20 p.m.

That was with respect to the boundary wells. Along the boundary now, one can build a new well in an established field every 600 feet, because, when one thinks about the eight acre spacing, that is the number of available locations which one has.

- (7) An improvement in borrowing capability thereby allowing for earlier realization of viable projects which will impact on overall production and reduce unit production costs.
- (8) Improved strategic planning leading to improved co-ordination and implementation of changes needed in response to a changing market place, and to prepare for the challenges of the future.
- (9) Making available the human resource expertise and creative capabilities of both companies for molding into an effective unit for dealing with the challenges of the industry, and improving overall effectiveness.
- (10) Provision of a co-ordinated approach to human resource planning and development.

Madam Speaker: Would the Member wind up, please.

Mr. H. Bureaux: Finally:

- (11) To allow, as previously indicated, for the local state oil sector to function as a co-ordinated self-sustaining unit more responsive to the needs of the country.

Thank you, Madam Speaker.

Miss Hulsie Bhaggan (Chaguanas): Madam Speaker, in making my contribution this afternoon, I must say that I quite agree with the Member for La Brea that we cannot play fast and loose with the oil industry, because that industry

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is very important for us. That is why I ask the question: Why was reference not made by Members on the Government Benches to the “Draft Energy Policy for Trinidad and Tobago?”

This is a Green Paper which has been out since November, 1992 and I would have expected that in this debate, since we are dealing with two companies which are in the energy sector, the Government would have given an update on this Green Paper. What has happened so far? What kind of plans does the Government have to bring this in a White Paper? Exactly what is the Government doing?

I believe the Member for Diego Martin Central mentioned that this particular merger to form Petrotrin is one which is going to put another piece in the jigsaw puzzle. I remember telling this Government once that what it has, basically, is a jigsaw puzzle with pieces but without a picture. The Government is putting together pieces in this whole jigsaw puzzle in the energy sector without showing the country exactly what the whole picture is. I would like to find out what is really the current status with this particular Green Paper? What has been done so far? And, exactly what issues have been addressed?

This debate centres around the energy sector and there are some issues which are very important. For instance, we in this House ought to be told exactly what our capability is in the energy sector with respect to crude oil, natural gas, condensate, asphalt and tar sand—all those things which constitute part of the energy sector.

A second area one ought to look at is our national goals and objectives with respect to this. For instance, we should clearly identify what is the role of the energy sector in the process of national development. From time to time when one listens to the various budget debates and the presentations of Government Members, one sees that there is always a tendency to refer to diversification of the economy, not only in terms of the oil sector, but also in terms of the non-oil sector. So, one needs to be very clear as to what role the energy sector has to play in the national development effort, and at the same time, that of the non-oil sector.

Then, there are other issues. For instance, the issue of employment creation. The Government has not told this country exactly what kind of jobs are to be created in the energy sector. Every time a company comes to this country and purchases an enterprise, or makes an investment, one hears announcements about thousands of jobs being created. In fact, the Minister of Energy and Energy Industries, in a very interesting debate, mentioned many things about how long we have been in the oil industry, and the kind of experiences we have gained, but

I find it very unusual that at this time, with all the plans the Government has, one does not know exactly how many jobs would be created in the energy sector.

Then there is the question of our revenue position. How long are we going to be dependent on oil as our major source of income? Do we have plans, for other areas in the economy? The question of our revenues is important.

Then, the very important issue of foreign exchange earnings and, of course, the question of science and technology. We keep hearing that this Government is modernizing the economy and moving into the 21st century. If one looks into the 21st century, one would see that science and technology would take precedence.

Therefore, if one has an energy sector, and science and technology is integral to that, one ought to be able to make the most of our human resource development systems to prepare our people to take advantage of developments in the energy sector. The Members on this side would like to know what kind of benefits are going to accrue to the country; what kind of skills are required; what is our manpower resource base right now with respect to this area, especially in the energy sector.

Members also talk about the global economy and all the developments taking place. We have just seen where NAFTA has been accepted in the United States of America. The whole question of our international relations also is something that ought to be clearly identified and specified. I know that in the Standing Orders there is provision for a committee on foreign policy; I do not believe that that committee exists right now, and, as such, we ought to have some link with that whole issue of international relations and our foreign policy.

The physical infrastructure: In particular, Members on this side have mentioned the issue of the environment and the whole question of conservation. The Member for La Brea made the important point that we ought not to have any upheaval in industrial relations in the energy sector, given the strategic importance of that particular sector. Therefore, we ought to be able, by now, to carve out a proper relationship between the Government, the energy sector and the various unions that are involved in that sector.

One other issue I have not heard about is the whole question of occupational health and safety. If one were to do some research into historical development in the energy sector, one would realize that we have had a series of accidents over the years. I do not have the statistics here, but we have had very serious accidents. We on this side would like to know what kind of plans and policies the Government has to ensure that occupational health and safety becomes a very

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critical part of our whole energy sector, not only at that level—in our whole industrial development policy.

These are issues which we ought to have addressed to some extent in this House, because what we are seeing here is that certain measures are taking place, contracts are being signed, companies are being sold out and we are not getting the full advantage of a picture which tells us where the energy sector in this country is going. We are very concerned about that.

The other point I would like to make has to do with the whole question of disclosure. Right now the Government is operating as a secret Government. We on this side are not getting information. For instance, the Government is taking Trintopex and Trintoc and vesting some of the assets in Petrotrin; now, based on a sound business concept, it sounds good—and we had had some inputs about what would happen and the kind of savings we would have—but I was a bit perturbed when the Member for La Brea said that the Government is now having a study with respect to putting a strategic plan forward.

I thought that when one is looking at setting up a business enterprise, one of the foundation documents would be a strategic business plan. I cannot, for the life of me, understand how the Government comes to this House to undertake this particular action and a strategic business plan is now being developed. How can the Government do that? In other words, what is going to be the Government's mission? What are its objectives? How is it going to achieve those things? What are the various areas of operation?

This is why I believe that this Government has not been able to tell this House how many jobs would be lost as a result of this particular move. Because, if it had a strategic business plan, obviously, coming out of that plan—apart from one's financial arrangements—would be a manpower plan. In that manpower plan, one would forecast one's manpower needs, and, based on those needs one would realize that if one has 5,800 or 6,000 workers, out of that x number would have to go, or x number would stay. Then one would be able to say if there are going to be new positions created and what kind of qualifications would be necessary for those new positions.

The Member stressed the point about merit. That is an important point, because one cannot determine merit if one does not know what jobs are going to be created and what the jobs' specifications are. With that information one would be able to tell what kind of qualifications and experience the particular individuals ought to have. So, if one is doing any kind of redeployment from one company to

the other, it means, therefore, that a manpower plan has to be designed, formulated and implemented.

5.30 p.m.

It seems to me, that as usual we are undertaking a move in this House which is once more a "cat-in-bag" approach. A whole "wrong-side" approach as one would say. They do not have things moving in logical progression. The first step should have been a strategic business plan out of which they would have gotten a manpower plan and then they could have told this House the number of persons to be retrenched.

The Member for La Brea said that they cannot tell us that because it is a matter for the union. With due respect to him, if you come here and speak about a public company which holds the interest of the people of Trinidad and Tobago, we are elected representatives of this House and we ought to be told exactly how many persons are going to lose their jobs. How the company decides to deal with the union on that basis, is fine, but if the Government is asking us to vest certain assets in Petrotrin—and clearly, from the arguments we have had from the other side and the kind of representations, people are going to lose their jobs. We ought to know who is going to be retrenched and on what basis.

I saw a recent situation where in the electronic media a person who, apparently, was qualified has been given the hatchet and another person who is a close supporter of the PNM party has been put in charge of companies which have been merged. I would like to know if that was a merit placement. If we continue to operate like that it means, therefore, that once more Petrotrin, with all its nice designs and objectives will not work. We know that in the state enterprises they have had a serious problem with the question of square pegs being placed in round holes. We would like this Government to come to this House and announce at a very early stage how many persons are going to be retrenched and on what basis; and what kinds of plans these people are going to be offered in terms of their severance.

The other matter deals with a point that the Member for La Brea made. He spoke about two companies that are making a profit. That is fine. In an absolute sense that is good, but compared with similar assets, similar size and portfolio, how do Trintoc and Trintopec compare within the industry, maybe in other countries?

Because, if they tell us for instance, that over ten years Trintoc made \$826 million, that sounds great, but could they have made more? Other companies

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within that same industry and with the same size and mission, did they make more than that? We would have been better informed if the Member for La Brea had made the comparison with another company, or companies, in other countries over a ten-year period so that we would be able to say whether Trintopec did well.

The Member also spoke about lobbying, people are keeping their eyes on their goals. If you do not have clear-cut criteria with respect to how things are done within the company, you are going to have lobbying and you are going to have senior management personnel who will fall for the lobbying. So the question of patronage becomes an issue once more; the question of using influence becomes an issue, and so we have to be careful that we set our criteria in place.

The Member for Diego Martin Central made a few points which I found very interesting. One of these was that his Government is following an orderly programme of divestment and he referred to Petrotrin in that context. He said, that in the context of Government's economic policy. The Member went on to speak on so many issues—as a matter of fact, he forgot that he was talking on Petrotrin for a while, I think he thought he was in a political campaign for the 1996 general election.

I want to spend a few minutes on this whole question of an orderly programme for divestment. One question I would like ask before I go on to that is: Can this Government give us a categorical statement that it has absolutely no intention of divesting Petrotrin?

We would like to know whether Petrotrin is being prepared for divestment. We have not had a clear answer and we would like the Government to give us a categorical answer whether Petrotrin is being prepared for divestment. The second thing I would like to find out is: If the Minister is talking about an orderly programme of divestment, how does WASA fit into this?

It does not seem to me we have any orderly programme of divestment with WASA. There is mass confusion. We have had a statement on the recent trip of the hon. Prime Minister, who said there is going to be a management contract for WASA. I would like to know whether in this orderly programme of divestment, there was any attempt to find out whether in Trinidad and Tobago there are managers who could have held that position within WASA, whether what the Government proposed was the best way to go.

I have the feeling that the reason this Government has had to go to other countries to get a management contract for WASA is that this Government, like the normal PNM—there are so many PNMs—the real PNM, the old one, the new one—

in the normal PNM style of doing things they probably looked within its small circle of managers and when it looked at those managers, some are already employed and some just cannot make the grade, decided to go beyond the shores—not beyond PNM. And that is why we are having a foreign management contract for WASA.

The next situation is a 35 per cent increase in this orderly programme of divestment. But up to this date we have not heard anything about dealing with corruption, waste, inefficiency and mismanagement in WASA.

Thirdly, we have a Prime Minister who writes to the Minister of Public Utilities—I do not know if they do not speak in Cabinet—and gives him an assignment to come up with a plan to deal with the water problem in Trinidad and Tobago, and makes it public. I want to know if that is part of an orderly programme of divestment. The public is confused.

I believe that in this orderly programme of divestment the reason why this Minister received that letter is that if for some reason the Minister could not produce that plan and he decided he was not going to stay in the Government, what the Prime Minister would therefore say is: "I gave you a chance to make up a plan and you did not come up with it, so you are incompetent." He is paving the way for that Minister to leave. I am sorry the Member for Diego Martin Central is not here. I would like to know how he could describe an orderly programme of divestment, when we are looking at the Ministry of Public Utilities which is in a mess today. That also is a smoke-screen by the Government to give the impression to the country that this Government is dealing with the water problem.

We would like the Government to tell us very clearly—they have said they are preparing WASA for divestment—who has made that decision and whether this Government has the authority to make a decision to sell off our public utilities and saddle our consumers with higher rate increases. The point is we have had many plans coming into this House. There are many issues being dealt with in this House but so far what we have is a country which is in a state of confusion.

We are hearing, for instance, that in 1995 things would get better. I have a suspicion that in 1995 things would get better because it is the year before election. We are hearing of a budget which is going to be a terrible one, one that we have to look out for. Again, we have to ask ourselves, what is this Government doing?

We have no objection to the vesting of all those assets from Trintoc and Trintopec in Petrotrin. It makes economic sense. What we are saying is that we

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ought to have been told and given more information with respect to the actual transaction which is taking place. We have a policy being continued where there are too many secrets in this Government. And when it comes to the assets which the state has in trust for the people, we ought to know what is going on.

I wish to make it very clear that if in this Parliament the Government continues with that policy of secrecy and non-disclosure, I am afraid we are going to have to take those issues outside. We are warning the Government that it has had two years of secret government—and forget that we had a secret government in the past—now it is different. There is a budget coming up and next year will be a new year and we expect the Government to come to the House and lay their cards on the table.

We want to know exactly what the Government intends to do with the energy sector, we want the terms and conditions under which loans are being undertaken, the terms and conditions upon which companies and foreign investors are coming in and taking over assets of this country; of whatever developments are taking place in this country which impact upon our people.

We also wish to advise the Government that whatever it would have got away with prior to 1986, is no longer so; times have changed. We now have a more educated and informed public and we are no longer going to stand by and allow the national patrimony to be wasted. We have seen what has happened to our oil dollars. Money is scarce and is a problem. We are giving warning to the Government that we expect it to come and disclose information to this House and not disrespect the elected representatives of the people of Trinidad and Tobago.

5.40 p.m.

My main contention is that I want to know what has happened to date. We would like to know the current status and the development, and whether we would be able to have an energy policy which deals with the energy sector, part of which would be owned by the people of Trinidad and Tobago. We are a bit scared that this Government is reducing its role in the whole process of government. It is now saying that it is going to be a facilitator, but the way things are moving, it is not going to be a facilitator; it is going to be a spectator to the sell-out of this country.

Therefore, we are asking this Government to come up with an energy policy before it is too late, because if it does not do something about it now, it means that we would have lost total control of the natural resources of the people of Trinidad

and Tobago, and we would be presiding over an economy over which we have no control.

With those few words, I thank you.

The Minister of Energy and Energy Industries (Sen. The Hon. Barry Barnes): Madam Speaker, the Petrotrin Vesting Bill, is a Bill to vest the substantial petroleum assets and operations of Trintoc and Trintopec in the new company Petrotrin.

Perhaps, to clarify some of the broader issues, I would rehearse very quickly the energy situation in Trinidad and Tobago. I would start with petroleum. Our land fields are approximately 100 years old—off the west coast in the Gulf of Paria—the Trinmar fields are 38 years old; and Amoco's fields off the east coast 20-22 years old. These are fields that are mature and in decline, and crude oil production has been falling. In the specific case of Trintoc and Trintopec. I think the Member for La Brea has been very explicit. These are fields that are in tertiary production, averaging—if we take the active wells—10 barrels per day and are not necessarily expected to increase at this stage of their existence. The country is faced with two very real prospects; one is to find new oil and to do that there are new technologies that have come in; and not only that, we have specific knowledge. If there is new oil to be found, it would be found at lower depths where earlier we could not reach.

We know that deep drilling is very expensive and clearly, as a country, we needed to encourage it. I do not think it is any secret. Again, I go back to what the Member for La Brea has said. The state owned companies at this stage of their existence with an international oil price and we are talking 12 per barrel—we speak so very glibly of \$17.50 per barrel, \$18 per barrel for east coast oil, but the land fields are producing a very different quality of oil.

When I spoke earlier, I pointed out that we were talking about crude oil valued about \$12 per barrel, and a production of 33,000 barrels per day. However you multiply that, it gives you a certain spending capacity that does not allow you to do the kind of deep drilling, to use the kind of technology, that the country requires at this time. We have recognized—and worldwide statistics say it—that the success rate is one well in seven. We are not denying this therefore, no matter how much effort we put into deep exploration drilling, we are not relying on it.

We know that we are blessed with natural gas and again, by good fortune, the concern for the environment and clean air policy is bringing natural gas on as the fuel of the future. We have rich reserves of natural gas. So clearly, as a country,

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we have to make the necessary effort to increase natural gas production to seek, as far as possible, to move from a position of saying that we have a reserve of a production ratio of 55 years or 150 years. That merely indicates that there is a considerable degree of additional production that the existing reserves can support.

Again, I have said this: Look at the arithmetic of the equation. If you lose 1,000,000 barrels of oil a day, at the oil price that we have today, to replace that, we need a natural gas production of about 1.5 billion cubic feet per day. Currently, we are at 550 million cubic feet per day, about one-third of the way there.

For the benefit of the House, I would also just say that when we put in the existing natural gas system in 1976, 17 years ago, we built in a capacity of 1 billion cubic feet per day. To me, it seems a little unfortunate that 17 years after, and with all the gas reserves that we know we have, we are still at the level of 550 million cubic feet per day. Obviously, what we have to do is to encourage gas production. Those are the things that we have done and that is why we have Enron and British Gas coming in; they are gas producers.

Let me make one additional point to this House, because one hears all sorts of things, on the award of the SECC where Enron is operating. The original lease was issued in 1974 and on the completion of the exploration phase was extended so the companies were given a 35-year lease. The lease happens to be with our own companies simply because we acquired Texaco and Tesoro, but 1974 was when the lease was awarded, not today.

British Gas in Dolphin, an award made in 1974, initial discovery 1976; a field declared commercial in 1981. There has been absolutely no production from it between 1981, when it was declared commercial, and 1993. A lease awarded for 35 years, and you cannot take it away from British Gas and Texaco. Government has awarded it to them for 35 years; sitting there with no production since 1976; declared commercial in 1981, and yet not one cubic foot of gas has come out of that field since that time.

There is no question of giving away anything. We are dealing with an existing situation with companies that have lease rights that will not expire until 2009 or 2011. What do we do? Do we wait until the lease expires in 2011, or do we encourage them to bring the fields into production? I think the circumstances of the country suggest that we must make the necessary effort to bring those fields into production.

I would give one further illustration. I agree that there are gas reserves all along the north coast, Trintoc 1981, Agip, Deminex, British Gas [*Interruption*] We are not holding anything. We are saying that here are companies sitting on existing fields; sitting on leases that were awarded in 1974 and 1976 that we really cannot take away from them. They have completed their obligations. Absolutely nothing is happening. No work has been done there for several years. This is what they are facing. So we produced a draft energy policy.

Let me take responsibility for certain aspects of the document.

5.50 p.m.

Mr. Mohammed: Madam Speaker, on a point of order. I would like to seek clarification. I recall the hon. Minister having spoken in this debate already. I do not recall that he proposed the Bill. I would like to know under which Standing Order this Minister, who is not the proposer of the Bill, now gets up to speak a second time on the same Bill.

Hon. B. Barnes: Madam Speaker, perhaps I should apologize to you and, indeed, to the House. In the unavoidable absence of the proposer of the Bill, I was asked to serve as a substitute and do the winding up of the debate.

Madam Speaker: The Minister did inform me that he was ill. I did not really say why he was not present.

Hon. B. Barnes: Madam Speaker, with your permission and, indeed, with the permission of the House, I will continue.

I respond to the Member for Chaguanas. In a way, she is correct. I was going to deal with the draft energy policy and to say it was intended as a Green Paper, different from the White Papers that have come before and it was intended to promote, first of all, some serious consideration and reflection and then to promote a discussion. It seemed to me, rightly or wrongly, that if you went very rigidly in the form of a White Paper—specific items of policy—that you were pre-empting some of the discussion. Some of the things were very deliberately loosened up, merely pointing the direction and saying, first of all, the historical thing, like this is where we are, these are some of the problems that we are facing and these are some of the possible solutions, to give people the opportunity to come back and make comments.

Again, I should just like to put on record one small point of difference underlying the draft energy policy document—the document as written makes a point that has been different from virtually everything that has been said for the

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last 30 years and it is simply this: That as small as our energy sector is, our domestic market of itself cannot support it. Our energy sector depends for its viability on an international market and, therefore, it is imperative that we regard our energy policy in the framework, not of the economy of Trinidad and Tobago, but of the international economy. That is where it has to survive.

This apparently created a number of problems for the wider community and if you permit me a personal comment, my own brother said to me: "I do not understand how anybody can write an energy policy for the energy sector of Trinidad and Tobago that is not fitted in the centre of the macro-economic structure of Trinidad and Tobago." He is an economist and that is how he talks. I do not use words like that. I had to say to him: "But that is precisely the problem." The fact is that our energy sector lives, if it lives at all, in the international market place, and you have to organize your energy sector to survive there, and then whatever benefits, whatever fallouts it may have within the domestic economy, are secondary. If you place it within the domestic economy, it will die outside. It is a change of thinking. That is the main difference.

The Ministry of Energy has received comments from over 40 organizations, some of them foreign. We have received comments from the Jamaican Petroleum Dealers Association, for instance, and a number of the foreign companies which have investments in Trinidad and Tobago. Many of the comments were virtually diametrically opposed, taking us in two directions. What the Ministry of Energy laboured to do was to collate these comments into a coherent document. The Ministry of Energy has examined those comments and made its own comments on the recommendations and suggestions and compiled them in one document saying we have examined, reflected and reviewed. That combination of comments has been taken before the Standing Committee on Energy, which very often has different views from the Ministry of Energy. The comments of the Standing Committee on Energy will be collated as well. The committee will go before the Cabinet, get the view of the Government and then, I suspect, early in the new year we may be going towards a broader consultation and then eventually produce the White Paper.

It has taken some time. As the Minister I take responsibility for that and the question is how you allocate your forces—whether you put great emphasis on doing the discussion paper when there are things to be done, where there are negotiations to be conducted and where, in my view, there is an urgency to get certain things in place in the energy sector. We needed to be in negotiations with British Gas and Enron, doing many things; it has taken some time but it is not

forgotten. We have progressed to a particular point and we believe—I should not pre-judge the Standing Committee on Energy, they will have their views; the matter is being processed.

6.00 p.m.

One of the comments that we had is that, there was too much history. The first part of the document which showed the development of the industry, something that has come up again, when we talked about leaving the clubs behind, and some of the assets, some of the clubs, some of the social things were done 60 years ago, by different companies. But gradually these companies were all acquired and the number of clubs grew.

I think it is necessary for us to understand how these things developed so that we could take a cold, hard, searching look at it and say, "is this really relevant in the circumstances where we are producing oil at costs of \$12 and \$16 per barrel and the value of the oil is \$12 per barrel? Do we really need this, can we live without it? I think we know what the answer is.

I was gratified to hear the Member for Chaguanas say, as I suspected she might, and as indeed I suspect everybody on the opposite side does, that she accepts the sanity and the logic of bringing the two companies together—I do not think that there is anybody that in fact disagrees. There are a number of things still to be done. There are questions about the generation of employment within the energy sector, and we know that it is a capital intensive sector. We know that when you are putting a platform in the Dolphin Field in 450 feet of water, 66 miles off the shore at a cost of US \$300 million, it is not going to employ 1,000 people. The contribution that it will make is that when you have 400 million cubic feet of gas coming ashore the revenues that accrue to Government and the country from that kind of activity can be diverted into other areas. This is what we are about.

On the question of whether we are we preparing Petrotrin for divestment: We have said, and the circumstances dictate, that you are obliged to upgrade a refinery that exists—a refinery with a 350,000 barrels per day capacity. You have got a vacuum gas-oil hydro-treater of a particular size, with a particular minimum turn-down. It cannot run below a particular figure and you cannot upgrade 10 per cent or 25 per cent of it. You either upgrade it or you do not. That is what sets the capacity of your upgraded refinery and it comes out at 160,000 barrels per day. But as we stand here, we are seeing approximately 80,000 barrels per day of our own available production. We are hooked, because if we do not upgrade, we

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cannot meet the international specifications, and if we spend the money to upgrade, we cannot guarantee the additional 70/80 thousand barrels per day of crude.

If I come to this House and say: What we are going to do is to go out into the international market and buy 80,000 barrels of crude a day to fill out the refinery, somebody on the other side, somebody on this side, you yourself, Madam Speaker, would say, 80,000 barrels a day by US \$16 per barrel—in the present time, possibly US \$21 per barrel later—that is a lot of money; where is Petrotrin going to get it?

We are saying there are people who have crude, who have markets, who require processing in the Caribbean area and we are saying good sense dictates that we talk to them, that we seek a joint venture arrangement. It takes two to tango. I tell my lady that if I have sufficient money in my pocket and she asks me to go to the supermarket, she can tell me to bring back this, bring back that, bring back the other. But if all I have is a shot gun and one shell, I have no money and I have to go into the forest to hunt, she cannot tell me to bring back a deer—I will bring back what I can find.

I said the last time that I was here that within that framework, as far as I am concerned, there is no future in prophecy. When we find the partner, I promise you that we will come to the House, we will tell you. We go out on exploration leases—it is a competitive bidding order; it is a matter of law—if we are successful and we would come and say we have awarded it to, say, UNOCAL and these are the terms and conditions. But—and I return to this matter again because I think it is vitally important—within the very leases that we sign as a Government—not only now—we give a guarantee of confidentiality of information, and I think we all know why. The wrong kind of announcement here on an Amoco find, for instance, creates hiccups on their stock exchange, their stock values, and the Security and Exchange Commission ask questions. There are several reasons for it.

That guarantee of confidentiality allows me, as Minister, to call Amoco and say, "I want two of my representatives on your rig, or on your well, while you are logging and you will place the log with the Ministry of Energy and Energy Industries so that our own people can look at it." We have access to the information. It is vital for this country to have that right of access, that capability within the Ministry of Energy and Energy Industries to the extent where, with the Southern Basin Consortium as they did, their seismic survey over the south, the

Ministry of Energy and Energy Industries was able to provide logs of wells that were drilled in 1950 and 1960. The information was there and the guarantee of confidentiality is the price that we pay.

6.10 p.m.

The Member for La Brea dealt comprehensively with the benefits; I do not need to go over that. I keep hearing about secrecy. I repeat, some people prefer to ask questions of the newspapers. Madam Speaker, take the opportunity to express on behalf of the ministry, and on my own behalf, our deep regret on the passing of George Hamil Legall. I can say in this House that he was in the Ministry of Energy every week. He came to the library, looked at the information—sometimes misinterpreted it, but that is a different matter—the information was made available.

Mr. Sudama: Madam Speaker, could the hon. Minister tell me whether I would be given the same facility in availing myself of the services of the ministry's library?

Mr. Maharaj: Including the contracts.

Hon. B. Barnes: The contracts are not in the library, but that is another matter. If I may reply to the Member for Oropouche in the way that John Wayne taught me: "Try me." Yes, you can have access to the library.

Mr. Sudama: I hope the librarian does not tell me she cannot find it.

Hon. B. Barnes: In defence of our librarians, the Member will find that they are the most helpful. In fact, even before I was in the ministry, I boasted that it was the best technical library in Trinidad and Tobago. It is a little cramped at the moment, but it really is the best.

There is one other matter of clarification that I would like to deal with. I am not suggesting that there is no need to diversify, to put particular effort into a whole range of other things. In fact, one of the things that embarrass me is that I continue to hear that the energy sector is providing 70 per cent of Government tax revenue to run the country at a time when we are at one-half the production of ten years ago and at half the price, it is still providing 70 per cent.

The fact is, however, that in terms of the reserves, in terms of the potential, in terms of the possibilities, the energy sector gives us the greatest opportunity of making a difference quickly. We know that it is capital intensive, and we are looking at a Government that does not have money, and state companies that also

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do not have money. Yet, as a country we do not realize that in the past 20 months we have, in fact, achieved a great deal and there is much activity going on in a capital intensive area without any money from us. I think we should look at it and understand.

To come back to the specifics. The Government is very clear, and I think the country can be very clear on what is going on in the energy sector. The Government is not in a position at this time to say this or that is going to happen. What I can say is that we are going to take a hard, searching look for a joint venture partner in respect of the Pointe-a-Pierre refinery because it makes sense. The fact that we are taking a hard, searching look for a partner does not necessarily mean that we are going to find one. We are going to look at proposals.

I know hon. Members talk about transparency—but if one man comes to you and says: "I need to process 50 thousand barrels of crude a day but I really do not want the heartache of running a refinery. Will you process this crude for me on a term basis over 20 years? I will pay you up-front money." That is one thing.

If somebody else says: "Look, there is further upgrading to be done in the refinery. What we would like to do is to come in and take up participation and do the further upgrading." Until one examines the fundamental difference—and it is coming up all the time, we are not allowing ourselves to be hemmed in with ideological considerations. We are saying let us examine all the possibilities and then rationally decide which is the one that best suits us, that best safeguards the interests of the country. We are not having any secrets.

In March or April last year, I said in this House that the Government was going to divest Urea, Fertrin, for purposes of securing funds to settle foreign debts; that we would partially divest the methanol plant to seek a possible basis of investment; and I did say, in an MTBE facility. When this proposal was examined, it was not real. So instead we said, fine, let us go for an additional methanol plant. I said also that we would be looking for a joint venture partner in respect of the Pointe-a-Pierre refinery and that we would be upgrading it. I said all these things in March. I said then that the Government was going after UNOCAL light, and that we were trying to get BHP. That is a case in point. After having worked very hard on BHP they came back and said: "The time has passed, we do not have the budget, we have gone elsewhere else." The lease is open again.

Mr. Sudama: I wonder if the Minister would give us some information. Is he saying that as of now there are no proposals to establish an MTBE facility in the country as an adjunct to one of the investments in the methanol plant?

Hon. B. Barnes: No, I am not saying that. When we looked at our world-scale MTBE plant, it became abundantly clear that it would require the importation of at least 50 per cent of the production of the plant, butane. Butane is a cooking gas, and we simply do not have the amount necessary to build a world-scale methanol plant. Now, methanol as a liquid is cheaper to transport than butane, which is a gas.

So the logic of the business is that if you want to put in an MTBE plant, you put the plant where the butane is, and you transport the methanol to the butane, not the reverse. We have the methanol; we do not have the butane. When the economics was worked out it was not worth it. There is the situation with the upgraded refinery, however, where within the upgraded refinery sufficient butane and butylene are being produced so that methanol can be taken from the methanol plant to the refinery to do the blending there and use that MTBE to reformulate the motor gasoline from the refinery. In fact, it will allow the reformulation of 40 per cent of the refinery's gasoline. And that is just about all the gasoline that the refinery is going to export. We really do not need reformulated gasoline for the domestic market.

It turns out that doing it that way gives 20 per cent of the capital cost of a world-scale plant and allows you to produce your MTBE at about 40 per cent of the cost at which you would have to buy it from a world-scale plant. It is the cheapest way to go. So we said, fine, let us recognize the realities. Instead of trying to build a world-scale MTBE plant let us put the MTBE plant in the refinery—as Shell has done in its US refineries; as Texaco has done in its US refinery, as virtually all the refineries which are staying in business have done, because it makes considerable sense.

So there will be a small MTBE plant, geared to the refinery's own reformulation of motor gasoline. These things are open, they have been published; there are no secrets.

There was a question on retrenchment. I tried to outline to this House what Petrotrin is facing in its present situation. There are about five thousand inactive wells. The ministry's records say fourteen thousand. Some of us know—everybody here is too young, particularly the Member for Chaguanas—that Guayaguayare was opened in the thirties and forties and was shut in. Then in the sixties Texaco went back in and took more oil out of Guayaguayare than was produced in the first stage. Just the change in exploration technology, the improvement in drilling and production methodology that have occurred over the years.

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They can go out and look again. They have just the number of people properly organized—the Member for La Brea made this point—additional drilling locations, additional opportunities to reactivate and bring back many of those wells—and I am not saying they are going to get back 5,000 wells. But I am saying that even at 6 barrels per well per day, 5,000 wells is 30,000 barrels per day, in a total country production of 125,000/130,000 barrels per day. That was what we were looking at. How to organize it.

Let me also make the point—I was trying almost to labour the point—that in 1969 BP said they did not want 16 barrels per day wells. They are British Petroleum; and Shell said the same thing. You are not getting anybody to come back in to do that kind of job. You do it yourself—and Petrotrin is organizing itself to be able to handle that.

Once the vesting Bill is passed, Petrotrin can turn its attention to the rationalization, reconciliation of its different industrial agreements; otherwise until it is, legally Petrotrin cannot move; it really and truly, those are not the areas for the Minister of Energy or, indeed, the Ministry of Energy. There are professional managers there. I hesitate to say it, but to manage the company they are paid twice what a Government Minister is paid. So I say let them manage the damn thing and work for their money! [*Interruption*] I am told that I am using unparliamentary language, Madam Speaker. I apologize.

Mr. Palackdharrysingh: Would the Minister give way to a question? Madam Speaker, I understand the Minister to be implying that his concern is with the efficiency of Petrotrin and really the matter of surplus labour is not a concern of his and possibly his Government. While I understand the need for rationalization and so on, what, perhaps, I would like to ask him is, what is his Government's commitment to those people who would be retrenched? That has to be answered because it is important.

Hon. B. Barnes: Madam Speaker, I was, in fact, trying very much to make the point that in the circumstances of the line operations, and with the rationalization of the operation, what we expect is that Petrotrin will now be able, for the first time, to divert the supposedly extra people towards working on the reactivation and recovery of a number of wells that have been left behind. I had made the point that it is possibly only in the very senior areas where there cannot be two managing directors and somebody is getting unhappy about that.

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Those things have to be handled, but in terms of the rationalization and reconciliation, what I am talking about is union agreements that are not, in fact, precisely the same within the two companies in terms of job specifications. Those have to be brought together with consultations with the respective unions and so forth. There is real work to be done. The committees that have been set up have looked at the financing system, the operations and the peculiarities. But the two main points have been covered and have been looked at very hard. What they need is, as it were, the freedom to commence. Madam Speaker, I do not know that I need to add anything further.

Mr. Mohammed: No, you did well.

Hon. B. Barnes: I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole House.

House in committee.

Clauses 1 to 7 ordered to stand part of the Bill.

First and Second Schedules ordered to stand part of the Bill.

Preamble approved.

Question put and agreed to, That the Bill be reported to the House.

House resumed.

Bill reported, without amendment; read the third time and passed.

6.30 p.m.

ADJOURNMENT

The Minister of Education (Hon. Augustus Ramreakersingh): Madam Speaker, before I move the adjournment, I wish to inform this House that on Monday, November 22, 1993, we will be debating the Airports Authority (Amdt.) Bill. That will be preceded by a meeting of the Finance Committee at 1.15 p.m.

I now beg to move that the House do now adjourn to Monday, November 22, 1993 at 1.30 p.m.

Madam Speaker: There is a motion on the adjournment by the Member for Siparia.

**Siparia Hindu School
(Land Slippage)**

Mr. Sahid Hosein (*Siparia*): Madam Speaker, the subject of my motion is:

The imminent danger posed to the Siparia Hindu School, its staff and students caused by land slippage on the northern and southern sides of the said school.

This school was opened, I believe, in January of this year. I am reminded January 17, 1993, so the school has been opened for less than one year. I have been informed that more than \$2 million was spent in the erection of this school. It is hard to believe, but the school was built on the side of a piece of land which seems to consist entirely of sand. One has to ask the question, given the sum of moneys involved and the location of the school, whether indeed there were consultants on that job. If there were, then given what has taken place at the school, they ought to be surcharged.

What is taking place at this time is, the northern—

Mr. Sudama: Did you not approve the site?

Mr. S. Hosein: I had nothing to do with the site. And the Minister says, neither did he.

You have the slope on the northern side of the school slipping onto the school, but it is not as bad as the slope on the southern side where the slippage has reached the doorsteps of the school itself. What is worse, is that the school is in the middle of the slide. I want to place on record my concern for the children being sent back into the school.

My information is that school was stopped but has since resumed. I want to make public my concern because my own view is that given the gravity of the situation, the children should not be in the school until some sort of remedial measures are implemented.

I thank you.

The Minister of Education (Hon. Augustus Ramrekersingh): Madam Speaker, my thanks to the hon. Member for Siparia.

The land on which the school is located was contributed by the Board of the Maha Sabha as their part of the cost of building the school. In fact—

Mr. Sudama: So they just give you a piece of land and you build a school.

Hon. A. Ramrekersingh: I think the Member for Oropouche should stay out of engineering matters.

I am aware of the problem, and, in fact, since October 22, 1993, technical work has been going on to deal with the problem. It is a little more than engineering in my opinion and we enlisted geologists to look at the whole question of the soil before *[Interruption]* Again, you see, the Member is stepping out of his field. There are geologists and geologists. There are some who deal with mineral and some who deal with rocks.

Mr. Sudama: Will you tell me which category the Member for San Fernando East is in?

Hon. A. Ramrekersingh: On this side, we happen to have a representative of each aspect of the geology profession.

The technical personnel proposed a two-pronged attack—a short-term plan and a longer term plan which will have to await the dry season because of the nature of the work. All the technical work has been completed. The Board has been given the go ahead to undertake the short-term plan and we expect within a few days that the actual work will begin.

Secondly, the Board and the PTA took a decision recently that children could continue to attend the school. We at the ministry are discussing that matter with them because we are not entirely happy with that decision.

I simply want to make the point in response to the Member for Siparia and I have before me, the valuation reports and engineering comments on the drawings from May and June 1991. While certain things were recognized—difficulties with the site—I will just give you a few examples of the engineering comments that were made while the tenders were being evaluated.

We take for instance the comment during May and June 1991:

"1. Structural:

Foundation designed as combination of spread footing with ties. No piles are provided for this structure. Preliminary soil investigation indicates that the foundation as designed is quite adequate to withstand all proposed loads.

2. Building:

Preliminary analysis indicates an earthquake-resistant structural frame is being provided. The layout of the major structural elements of the

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superstructure clearly indicates that a great deal of thought was placed on this element of the design with emphasis on minimizing cost. All elements were found to be adequately designed."

I could go on but I do not think we need to go on with the details. It was also pointed out that certain works should be undertaken to make the site as secure as possible.

In addition to the remedial works being proposed, I have arranged with the Solicitor General to meet with officers of my ministry to discuss liability, but in the meantime, together with the Board, we will undertake the remedial works, and the legal aspects of the matter will be dealt with in due course.

I thank you, Madam Speaker.

Mr. Sudama: Madam Speaker, I wonder if the Minister would be kind enough to answer two questions. The first is, who was the contractor involved in the actual construction of the school? Secondly, remedial works will be done in the dry season; can he tell us when you expect the dry season, and if there is no dry season, whether we shall have no remedial works being undertaken on these schools?

Hon. A. Ramrekersingh: Madam Speaker, as far as I can remember, I think the contractors were Kee-Chanona Limited, a contract given by the Central Tenders Board. The consultants were Vicab Engineering.

In terms of the dry season, all I can tell the hon. Member is that the dry season is the season when it does not rain.

Question put and agreed.

House adjourned accordingly.

Adjourned at 6.40 p.m.