

HOUSE OF REPRESENTATIVES*Wednesday, September 07, 2011*

The House met at 1.30 p.m.

PRAYERS[MR. SPEAKER *in the Chair*]**STATEMENT BY MINISTER**

Mr. Speaker: I have been advised that it is the intention of the hon. Prime Minister to make a statement under this item on the Order Paper. However, the Prime Minister has not arrived as yet and I have requested this statement be deferred for some time later on in the proceedings.

*Question put and agreed to.***RELATED MOTIONS**

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, I beg to move the Motion No. 1 standing in my name, and in so doing, in moving this Motion, I seek the leave of the House to debate along with this matter, Motion No. 2 and Motion No. 3 on the Order Paper which relates to the same subject.

*Question put.**Motion negatived.*

Mr. Speaker: Hon. Member, having regard to disagreement and dissension, leave has not and will not be granted to deal with these Motions conjointly and, as such, they will be taken separately, and I therefore call on the Minister of Finance to deal with Motion No. 1 on the Order Paper.

**GUARANTEE OF LOANS (COMPANIES) ACT
(INCREASE IN BORROWING)**

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, I beg to move Motion No. 1 standing in my name:

Whereas it is provided by subsection (1)(a) of section 3 of the Guarantee of Loans (Companies) Act, Chap. 71:82, (hereinafter referred to as "the Act"), that the Government may, in such manner and on such terms and subject to such conditions as may be agreed between it and a Lending Agency, guarantee the discharge by a Company of its obligations under any agreement which may be entered into by the Company with a Lending Agency in respect of any borrowing by that Company that is authorized by the Government:

And whereas it is provided by subsection (1) of section 4 of the Act, that the aggregate amount of all borrowings by Companies that are guaranteed by the Government under the Act shall not exceed fifty million dollars (without taking into account any amount in respect of interest, commissions and any other expenses secured by the guarantees) or such greater sum as may from time to time be specified by Resolution of the Senate and the House of Representatives:

And whereas by Resolution passed in the House of Representatives on the 17th day of January, 2003 and in the Senate on the 28th day of January, 2003 an aggregate sum of nine thousand million dollars was specified:

And whereas it is now necessary to increase the aggregate amount of all borrowings by Companies that are guaranteed by the Government under the Act by a further sum of sixteen thousand million dollars:

Be it resolved that the aggregate amount of all borrowings by Companies that are guaranteed by the Government under the Act shall not exceed twenty-five thousand million dollars in the currency of Trinidad and Tobago.

Mr. Speaker, in putting this Motion for the consideration and approval of this honourable House, I shall do so by very briefly putting into perspective the issues pertaining to borrowing limits in Trinidad and Tobago as authorized by this Parliament.

There are several pieces of legislation that impact on the borrowing limits of Trinidad and Tobago. There is The External Loans Act, Chap. 71:05; The Development Loans Act, Chap. 71:04 ; The Treasury Notes Act, 1995; The Treasury Bills Act, Chap. 71:40; The Treasury Bonds Act; The Guarantee of Loans (Companies) Act, Chap. 71:82; The Guarantee of Loans (Statutory Authority) Act, Chap. 71:82; The Inter-American Development Bank Act, of 1967, Chap. 7:06; and The Inter-American Act 32 of 1967, Chap. 71:32.

You will note from the list of legislative provisions that there are many different reasons for which borrowing limits are being sought from this honourable House. Today, however, in the Motion before us, we are dealing with Motion No. 1 to start with which deals with the Guarantee of Loans (Companies) Act, Chap. 71:82, and we are seeking to increase the limit from the sum of \$9 billion to the sum of \$25 billion.

Mr. Speaker, before I go into the details of the reasons for such a request on the part of the Government, may I simply indicate that the issue of debt financing

has been one of the critical issues that as Minister of Finance, I had to face upon the assumption of duty last May. After an early assessment of the challenges ahead of us, it became clear to me that, in the past, decisions to look at borrowing limits were derived not from a wider medium term framework but rather from the specific needs of the public authorities at the time.

It is in that context, Mr. Speaker, that the Ministry of Finance in association with some technical support from the World Bank began to devise what we refer to as a debt management strategy—a medium-term debt management strategy. The preliminary findings of that assignment which was completed in April 2011 suggested that we:

- must very carefully identify the cost and risk indicators of public debt portfolio in the management of our debt demands;
- should develop a medium-term debt management strategy;
- shall make clear determination as to the sources of funding from both the domestic and external sector;
- should carefully assess the indicative funding course; and
- should design a funding strategy, not only for the current fiscal year 2010—2011 but a funding strategy for the period 2011—2012 to 2014—2015.

It was also pointed out that we should look at the potential for refinancing and liability management operations and the refinancing of risk mitigation.

It is against that assessment of the challenges ahead of us in building the necessary medium-term—that management strategy—we began to put in place the management for effecting these measures. Without going into any great detail at this point, Mr. Speaker, I wish to simply place on the parliamentary record the fact that 66.1 per cent of our foreign exchange debt is in United States dollars; 16.1 percent is in sterling; 9.8 per cent is in yen, and the rest was made up between other currencies including euro.

In terms of the composition of this debt, central government issued 55 per cent of this debt; and statutory bodies, 21 per cent, and state enterprises, 24 per cent, which merely points out to this honourable House that the different Acts relate to different aspects of the issuers—whoever they may be. We then conducted an indicative analysis of the funding requirements between 2011 and 2015 based, of course, on certain assumptions.

1.45 p.m.

It is on that basis we began to put a trajectory forward as to what our funding requirements are likely to be. We then looked at the alternative strategies for meeting that funding requirement. To the extent that concessional lending is available to us, that, clearly, would be our number one priority, with respect to external debt.

With respect to the domestic debt, we began to look at different maturities of bonds that are appropriate in order to be able to fund the requirements over the medium term. It is in that context that we agreed on a certain division with respect to the sources of funds from both the external and the domestic economy and developed a very specific monitoring process for the management of this debt.

We all recollect the serious challenge that the Clico financing posed to the nation, and at some time we will get back to that subject, but we were careful to attempt to ensure that that particular demand did not put our debt management strategy out of alignment for the purposes of fiscal responsibility. Hence, having dealt with that possible systemic risk, we began to put in place the measures to deal with the current situation.

I believe it is safe for me at this point to say that, as far as the debt profile of Trinidad and Tobago is concerned, both in terms of the domestic and external market, that we are in a safe place in Trinidad and Tobago. [*Desk thumping*] But the safe place of which I speak is not indeed without the challenges and risks ahead of us.

Within the last four months, those risk factors have, in fact, increased in terms of the global developments. Four months ago, it was felt that the recovery process globally had begun. There was much debate as to the sustainability of that recovery process. As it turns out, the recovery process is still in momentum, but it is now widely accepted that it may well be a fragile recovery process. Within recent times, there have been major concerns expressed about the relationship between deficit financing and debt management in Europe and the contagion impact of that development.

Nearer home in the United States, we are faced with the unprecedented situation of Standard & Poors downgrading the strongest financial country in the world. Prior to that, Japan faced a similar experience, and there are many other countries. The result of that is that the storms ahead of us in little Trinidad and Tobago have begun to re-emerge from an international perspective, and therefore give credence to the fact that we began our charge in public debt management by

anticipating the need to look at our debt management strategy from a longer term perspective, and to determine this based on clearly defined options and requirements.

It is to the credit of the officials in the Ministry of Finance that they undertook this work with a sense of professionalism and with a sense of dedication. But not only do we feel that our country is a “safe place” when it comes to our debt situation, but that we have set up mechanisms to ensure that we sustain that safety over the medium term.

It is against that kind of background, Mr. Speaker, that we come before this House today to seek the approval of this House on three areas to increase our borrowing limits. Since you have directed, based on the views of the Members of this House, that we deal with each matter separately, I will attempt to do so by first dealing with the Guarantee of Loans (Companies) Act in which we seek an increase in our borrowing limit from \$9 billion to \$25 billion.

Mr. Speaker, the Guarantee of Loans Act was first enacted in July 1969. The Act prescribes a statutory limit on guarantees to be provided by the Government of Trinidad and Tobago for borrowings by wholly-owned and majority-owned state enterprises.

Section 3 of the Act states that the Government may:

“guarantee the discharge by a Company of its obligation, under any agreement which may be entered into by the Company with a Lending Agency in respect of any borrowing by that Company that is authorised by the Government”

Since its enactment, there have been seven revisions to the statutory limits under the Act from 1970 to 2002. In other words, the last time that the borrowing limits with respect to this Act was approved by Parliament was in 2002. It started from a paltry sum of \$70 million in 1970 and gradually improved in terms of the limits, so to speak, to \$5 billion in 1979 and \$9 billion in 2002.

What is the state of affairs with respect to the loans that are guaranteed under this Act? As of mid-August 2011, government guarantees issued under the Guarantee of Loans (Companies) Act amounted to approximately \$8.5 billion, leaving an available balance of approximately \$500 million. We are, therefore, at the edge of that limit.

It is interesting to note, Mr. Speaker—and I had raised this issue sometime in this House—that much of the development that has taken place in buildings in this country during the past administration have been facilitated by letters of

comfort to financial institutions and one of the early challenges was to support the financial integrity of Trinidad and Tobago by honouring these letters of comfort.

Although at times we felt that the value for money may not be what we would like to see for our nation, we are under an obligation to honour these letters of comfort, or else Trinidad and Tobago would have found itself in a position where it may have defaulted on arrangements arrived at by the previous administration. We are careful to ensure the continuity of the financial integrity of Trinidad and Tobago and to remove any possibility whatsoever of any default on the basis of performance or value. It is a hard decision to make, because we are well aware that many of these letters of comfort did not materialize in cost effective projects and certainly, in many cases, the question of the value, in terms of social value, was under question. But, we took the prudent course and decided that we shall negotiate wherever possible those letters of comfort to make it less onerous on the public treasury, but do agree to comply with the requirements.

The information that we have been able to collate on this issue, suggests that approximately \$4.5 billion have been issued as contingency debt through the letters of comfort, and that is what we have to accommodate in the new limits that we are talking about, \$4.5 billion. It is important to note, Mr. Speaker, that a very large percentage of these spending guarantees were, in fact, contracted under the previous administration. So, I continue to meet the obligations of the last government as we try to set up a clean balance sheet for Trinidad and Tobago.

With respect to the comfort and guarantees that were contracted after May 2010, there are only two new guarantees that this Government entered into. One has to do with the purchase of laptop computers for SEA students to the tune of TT \$80.95 million and the other had to deal more recently with \$160 million to meet the obligations in respect to operationalization of the Vanguard Hotel in Tobago.

The other commitments that we honoured during the course of this administration were all hangovers of commitments made prior to our time. They include TT \$68 million to meet payables, in respect of the SportTT Company of Trinidad and Tobago; U.S. \$11.5 million for the acquisition of one helicopter in our national security drive; TT \$148 million to finance the development works of the Tamana e Teck Park in Wallerfield which was a nightmare, which the Minister of Trade and Industry is trying to put light to; \$158.8 million in support of the National Highway Network Project; US \$88 million in respect of the completion of the Ministry of Education towers; \$230.1 million to finance outstanding payables on several UDeCott projects.

I must hasten to add, Mr. Speaker, that while these are projects which we are committed to convert from letters of comfort into guarantees on the basis of the points I have raised earlier, it is not that they are without value altogether. The question as to making them even more valuable is the challenge we face.

2.00 p.m.

And while we may question the priorities of expenditure as it pertains to the demands of this country's requirements, it remains projects which must be converted into very valuable benefits to the country. In some cases to do so there is need for further financing; for instance to deal with the issue of the Ministry of Education towers not only in terms of its completion, but in terms of outfitting. So not only are we committed to the comfort letters that were done in the previous administration, but we are also committed to continue to meet the financing requirements to at least bring them to a level of completion so that benefits can be derived. It would have made no sense to stop these projects in any way notwithstanding our views as to the wrong priorities of expenditure and, therefore, we continued on that path.

Much of what I have referred to here today also had to do with the issue of payables, and you would recollect that in the early part of this administration's discharge of monetary, fiscal matters, payables to contractors, creditors and even banks was a critical issue. The noise level on that was high. I remember having to attend many meetings—even the Minister of Works was at those meetings—in which the noise levels were high. They were saying that they wanted their money and they want it now. These were commitments and payables that were derived from the past which ought to have been paid on time. They were not paid on time and we were called upon to make that correct.

I think you will agree with me, Mr. Speaker, that although the job is not fully completed, and there are many payables that are yet to be processed and that is where the bottleneck eventually emerged in the verification process, but a large part of that problem has been resolved. Today I feel sure that the contractors in particular and the creditors, specifically, and certainly the banks will make no further noise that is legitimately a noise based on the non-payment by this Government of commitments of the past [*Desk thumping*]

I raise these issues only to reinforce that our determination of our borrowing limits has been based on three factors. The first factor had to do with the commitment of the past with respect to letters of comfort, and those that I have identified were only relevant to those that we executed during the last year, but

many were, in fact, done previously, and, as I indicated to you, it was \$4.5 billion in that category.

Secondly, it has to do with your expected further financing that is required to support that expenditure, in order to be able to make good out of bad expenditure. And the third reason was based on our determination of the financing needs of the country, particularly with respect to the state enterprises over the medium term of three years, based on the study and assessment of which I spoke earlier.

What I am attempting to convince this House, Mr. Speaker, is that we have approached this exercise as ticklish as it was, as risky as it was, with clear commitments to serving the interest of Trinidad and Tobago, maintaining the financial integrity of our system and meeting the obligations to our citizenship.

If we are, therefore, based on the estimates before us, to convert to full government guarantee over that course of the medium term, in addition to the new borrowings by the state enterprises which we have not carefully determined yet, but which we anticipate to make provisions for, it would necessitate the current limit of \$ 9 billion under the Guarantee of Loans Companies Act to be increased. Accordingly, we seek the approval of this Parliament to increase that to \$25 billion, facilitating the planned borrowings of the state enterprises, facilitating the conversions of letters of comfort to the Government guarantees.

Those are the details for this specific Motion and it is a pity that the House has agreed that I must deal with each one separately, because they are indeed connected, and it is about time that we connect everything in this Parliament, [*Desk thumping*] rather than to deal with it—but in order to maintain your directive, I will not deal with the Development Loans Act story at this point, nor will I deal with the External Loans Act. Essentially, Mr. Speaker, the overall framework applies to both, but we will, when the appropriate time arises, deal with the specific needs and the requirement.

You see, in this Government of full accountability, we are coming to this Parliament not to ask them for blank cheques, not to ask them for ceilings which we have not arrived at in a very systematic manner, not simply saying that matters of finance are mystique to this nation. We bring all the facts in the most transparent way to this nation, for we have full faith that this nation wants [*Desk thumping*] to know, ought to know and will know. [*Desk thumping*]

If necessary, Mr. Speaker, and I do not think it is necessary to use parliamentary time, but I have all the details in a number of pages which, if required, could be made public to this Parliament—it would just take too much

time—on every loan that has been done over the years by the Government of Trinidad and Tobago, most of which I said were due in the period before our time.

Let me, Mr. Speaker, in order to complete the framework on this particular Motion, raise the issue of the risk that whatever borrowing limits we are requesting will pose to the nation's financial security. With respect to the Act that I am speaking about in Motion 1, this is the largest increase. The other Acts are of less magnitude.

So one can, therefore, reasonably ask the question: is Trinidad and Tobago's debt profile going to increase the risk for the future? And that has always been a consideration in the discharge of this particular duty. We were assured that the rating agencies which look perhaps more carefully at the risk profile of the country than any other criterion, looked at that in great detail.

As you are well aware, in the recent downgrading of the United States of America's credit rating, the issue as to the sustainability of the measures to reduce their fiscal deficit, and the view that there is political paralysis in that system, that does not generate confidence. I hope that this honourable House will not demonstrate to this country any form of political paralysis and I shall get the support of the Opposition in this very important national effort. [*Desk thumping*] It has been pointed out that those were the two major concerns which eventually led to a decrease in the ratings and a subsequent increase in the borrowings of that country.

It is in that context I feel sure, Mr. Speaker, that now one will begin to understand how we approached the issue of the Colonial Life situation, for it was important for to us spread over time the impact of that debt of assuming the toxic assets which had become another piece of our inheritance. I hope that by the time this Government completes its term there will be no more toxic assets to be inherited by any at the end of this term of Government. [*Desk thumping*]

The Standard & Poor's assessment of Trinidad and Tobago reaffirmed the credit rating of Trinidad and Tobago and made special mention of our strategy to deal with our debt profiling. Subsequently, there was a slight change after the US downgrade in a revised methodology to change our rating one notch below, but still in the range of A. And they attributed that not on the basis of any change in perception, or any change in profile, but in a change in methodology that they had now put into effect subsequent to the developments globally.

So it is very clear that in dealing with a debt profile we got a vote of confidence by those agencies which looked at that matter with a finite comb. This

was further reinforced, Mr. Speaker, by the Moody's Investment Services which reaffirmed the position with respect to our foreign currency long term debt, our foreign short-term debt our local currency long-term debt and our local currency short-term debt, and this was done in January 2011 and further supported; which is only to add to the argument that as far as agencies that are responsible internationally to adjudicate on these matters, Trinidad and Tobago remains in a category described as stable with a debt profile that is manageable.

Mr. Speaker, more recently, CariCRIS [*Caribbean Information and Credit Rating Services Limited*] which is a Caribbean rating agency, has as of today I received their report in which they reaffirm positive ratings for Trinidad and Tobago in the [*Desk thumping*] management of its foreign currency, long term-short term, and local currency, long term-short term financing. At the appropriate time that information will add further confidence among those who have been looking at how we will negotiate a safe position in an unruly world of finance. An unruly world of finance is what we inherited. A stable one is what we shall give to the next government.

It is in that context, Mr. Speaker, that when we looked at what is happening globally, and we understand the premises upon which we are designing a new strategy: one—and I identified earlier some of the factors that we began to look at, but one very important one is the medium-term outlook.

2.15 p.m.

Sometime later on, we shall have a full debate in this House as to the fiscal outturn and projection for the next fiscal year and I have no doubt that we will be able to have the highest level of scrutiny on how we approach that exercise. Permit me to say that we are approaching that exercise in a multi-year approach so that we can look at sustainability issues over a medium term. That is what we have done here with respect to the Development Loans (Companies) Act.

The borrowing requirement of central government and the wider non-financial public sector over the next three years are indeed matters that affect the Development Loans (Companies) Act. It is in the context that I have outlined that this has been reinforced by our own figures with respect to our debt profile over the next few years and what exists today. I do not take total comfort from negotiating the risk ahead of us, but I do believe that the platform that has been built, not only by this Government, but by the previous administration, has given us cause for a greater sense of security.

While it is argued that the central government's gross debt as a percentage of our GDP is in the order of 35 per cent, it is also recognized that our gross public sector debt, which includes contingent liability and non-guaranteed debt of state enterprises which do not fall into any of the categories of which I speak, will increase our debt-to-GDP ratio to the order of 67 per cent.

That includes, however, debt financing of open market operations of the Central Bank which, strictly speaking, is a transfer as opposed to a debt, but for the purposes of accounting they are included in this exercise. There is legislation and we may need to come back to this House on specific legislation on the issues of the Treasury Bills and Treasury Notes, which are the legislative mechanisms that deal with open market operations in the Central Bank.

My argument, seeking the support of this honourable House, is based essentially on the fact that we have got a handle on a situation that was about to explode. We have brought back within reins, a situation that was developing in the past that appeared to have no real limit. We have not fully covered all the issues, but we are getting close to that. We are not only doing that from a purely financial perspective but from the perspective of having a medium-term framework and providing the support for inter-generational equity.

As late as yesterday, I attended a forum organized by the Central Bank and the Treasury Department of the World Bank, which has been assisting the Central Bank since the days I was at the Central Bank, with the establishment of the Heritage and Stabilisation Fund and its management. That comes under review during the course of this fiscal year as required by law.

As of now, it provides a level of support to the extent of 18 per cent of GDP and it has delivered a return, over the last year, of 5.2 per cent. It had a very credible performance during the lean years of 2008, 2009 and 2010. The return was in the order of 3 per cent; but when you compare that against what has happened in the Norwegian Fund; what has happened in the New Zealand Fund and other funds which actually had incurred a loss in the returns on their Heritage and Stabilisation Fund, however they call it, we are committed to maintaining the savings that we have placed into that fund in order to provide for the sense of security.

There are some who argue: why do you save in the Heritage Fund and run a fiscal deficit on the current account? The answer is very simple. It is a choice between today and tomorrow. Our Government, in laying the foundation for the future, has been careful to ensure that the foundations we lay today will sustain

tomorrow. That is why we have to approach this exercise in a manner looking at the sustainability of the finances.

Sometime later this month, we will discuss in greater detail the financial outcome; and later during the course of today, I hope that I will be able to present the details of the other two Motions which, when we go through them, you will begin to understand the depth of the crisis from which we have come; today, on a plateau looking forward with more confidence, but still aware of the new risk facing us, especially the risk abroad.

Question proposed.

Dr. Keith Rowley (*Diego Martin West*): Thank you very much, Mr. Speaker. In this Motion before us, you will hear large numbers being thrown around and, as is to be expected, you have seen the blame game at work, but for the benefit of the national community who might be confused, I want to retrace the step of the Minister of Finance, who is very well known to us.

The Minister of Finance, in fact, was the foster child in this country for demonstrating, arguing, objecting to previous economic policies, expenditure priorities, programmes and so. One of the things he is known for is telling this country that the last government was profligate; the last government took us on the brink of the debt trap and, if we were not careful, we would fall over it and that what really had to be done in this country is that we have to operate our business on the basis of a balanced budget.

Those were the tenets of his positions. In fact, he is known to some persons in the banking community—when you have conversations with persons there—who talk about his intellectual expressions as a fiscal conservative based on the positions he has taken outside. Today he has governmental authority and he comes to the Parliament with that authority and the responsibility to treat with the country's problem.

Mr. Speaker, you will agree with me that Trinidad and Tobago did not begin its existence on May 25, 2010. There must have been arrangements in place before. There were issues before and among them were savings, earnings and debt. The Minister of Finance is before the House today with a Motion that is asking us to increase the borrowing limit under the specific piece of legislation called the Guarantee of Loans (Companies) Act, Chap. 71:82. This is for funding to be used in the state enterprises public sector and we know that a lot of government business, developmentally, took place, is taking place and will take

place in that sector. Therefore, insofar as the people of Trinidad and Tobago borrow money, there is a debt governed by this Act.

Let me take you through the history of the movement of the loans ceiling governed by this Act. I take you, Mr. Speaker, to the Guarantee of Loans (Companies) Act, Chap. 71:82, the resolutions. In 1970, the limit was \$70 million; in 1972, it was raised to \$120 million; in 1974, \$200 million; in 1976, it was raised to \$400 million; 1978, \$1 billion; 1979, \$5 billion; 2003, \$9 billion; and, if this is passed today, it will go from \$9 billion to \$25 billion.

At no time in the history of this country would that equivalent increase for borrowing be made and it is being done under the fiscal conservative expert who warns us about debt and who railed against the profligacy of a previous government.

Again, you see, borrowing cannot stand on its own. Borrowing has to be in relation to something. Those figures I just quoted would be in relation to the nature of the economy, size of the economy, the GDP and one's ability to repay. As we talk today about borrowing, raising the limit to \$25 billion, we must be concerned about our ability to repay.

A most worrisome statement was made by the Minister of Finance of Trinidad and Tobago a moment ago and I think the statement is quite irresponsible. He said that he and his Government had to work some magic to prevent Trinidad and Tobago from defaulting on its loan. What kind of statement is that coming from a minister of finance in Trinidad and Tobago? That statement has gone around the world already. I ask you: where in Trinidad and Tobago did we ever come close to defaulting on our debt: we who are talking about a situation where we have 12 months of funding available for our payment of a bill? Normally the range is three months. Most countries are under three months. We have enough in our reserves for 12 months. We have a decent saving in our Stabilisation Fund and our revenues have not collapsed. Where did the Minister of Finance get it from in the UNC Government that we were in danger of defaulting?

2.30 p.m.

Of course, when that word goes and is seen in the context of other people who have, in fact, defaulted or are on the verge of default, that irresponsible statement by the Minister of Finance seeking to take credit for the work he has done would put Trinidad and Tobago in the bracket of countries that are tottering and default is a prospect. Because they would not examine the details of our books to see, "Well look, no, no he is wrong", or, "He is not so right", they simply will say,

“The Minister of Finance has just told the Parliament that we came close to defaulting.” That is an irresponsible statement from the Minister of Finance.

Mr. Speaker, he did also tell us that a significant amount of this window that he is asking for to borrow has to do with payment for commitments already made. Yes that is true. There was a major development thrust taking place in this country in recent years—granted they did not agree with the priorities, but that is not before us today. That has been beaten to death and the government that made those priorities is out of office—an election took place and the government is out of office—but, of course, he gave us the figure \$4 billion. So, \$4 billion—let us look at what is happening as of March 2011.

The limit for borrowing under the Guarantee of Loans Companies Act was \$9 billion. As of March 2011, \$8 billion of that was used up, and the Government had only a billion left in March. They might have used that up between March and now. I am pretty sure they might have. So the Government had borrowed up to the limit, I would say, for the argument. The Government is now requesting to borrow \$16 billion more. Let us assume that \$4 billion of those go to discharge inherited liabilities, we are still talking about \$12 billion. Because if that is approved with the \$1 billion that was there, they had not spent it plus the \$16 billion, it means that the Government has available to it \$17 billion to discharge ongoing liabilities—not incurred by them. As far as they are concerned, any liability that they did not incur not proper, should not have been incurred and therefore is an inheritance on which to make some issue. So they dispensed with the \$4 billion that they met to be paid. Twelve billion is now to be borrowed. To be spent on what, a development programme of some kind? Not a word, not a word on what that is going to be spent on. “Just give us the ability to borrow \$12 billion more”, so now the limit of borrowing under this Act would move from a \$9 billion ceiling to a ceiling of \$25 billion.

This is the same Minister of Finance that has been cautioning us about debt. If you look at what our GDP situation is like, when the borrowings took place under the profligate PNM, you would see, Mr. Speaker, that as of September—and I am quoting here from the Ministry of Finance and Central Bank, that is the source, this document, *Public Sector Debt*, Table 5 in that document from the Central Bank:

“contingent debt: September 2008 \$17 billion; September 2009 \$21 billion, September 2010, 22 billion, March 2011, \$23 billion” [External Loans Act](#)

When we approve these limits that they are talking about now that they want to get approval for, and they borrow to their heart's desire, Mr. Speaker, the new figure is going to be well above \$23 billion. You may recall that the Minister of Finance, again, was the spokesperson in this country who was always telling us about the debt to GDP ratio. In fact, there was a debate in this country, when the Government changed as to what exactly was the ratio between debt to GDP.

The document, Mr. Speaker, tells us now that, contrary to what was being said, that we were in the debt trap as a result of this humungous profligacy. It is now being told to us that at September 2008, total public debt, the ratio percentage of GDP September 2008 was 37.2 per cent, September 2009, 48.6 per cent, in 2010 it was 52 per cent and he is now telling us that, based on some things that he has to do, including like in the CLICO matter, it will go to 67 per cent.

Mr. Speaker, one of the problems we have in this country is that people who talk about the country's public financing, who ought to know or who talk as if they do know, make a career of misleading the country so for the population is never clear in recent times as to what our real situation is. As a result of that, there has been a serious loss of confidence—and I will take you, Mr. Speaker, to some comments being made in recent times coming out of the private sector. The one thing that was clear is that this Government, which is now in office for almost a year and a half, has no clear plan or strategy.

So today when you are being asked to give the Government the ability to borrow as they are asking, a limit of up to \$25 billion, that makes \$17 billion available, we will be giving the Government an ability to borrow and spend \$17 billion on a programme that has not been identified.

Mr. Speaker, on page 6 of the economic bulletin there is a quotation. It says:

“the private sector representatives thought that economic growth could remain weak over the medium term unless several structural impediments were addressed immediately”.

I want to ask the Minister of Finance if this humungous borrowing limit that he wants us to approve is, in fact, the Government's response to this concern. It goes on to say: “there is a lack of a clearly articulated diversification strategy that inter aisle identify the growth poles”—as described by the Government, of course.

So the Government talks now about borrowing. What is the climate within which the Government is going to borrow and spend this kind of money: And the climate is this: a very changed climate to the climate of the previous government

when some of the expenses were incurred, that is now referred to as the \$4 billion which has to be sorted out.

Mr. Speaker, this Government has made it quite clear that it will not support mega projects, because it castigated the last Government on known mega projects. Because whether you agreed or not, what was happening during the last government is that we entered into a period of prosperity—where even though he makes reference to the debt by the previous government, he makes absolutely no reference to the fact that it was under the previous government that LNG became a revenue earner during its term, and today the bulk of our revenues come from LNG. So there was a revenue stream available to Trinidad and Tobago identifiable and had appeared to be sustainable for a very long time.

Against that background, Mr. Speaker, a background where, in 2008, this country found itself in the best financial position it had ever been in the history of this country. [*Desk thumping*] Given what had happened leading up to 2008, given that we had entered the LNG market, given that the market was paying good prices, our revenue streams, our revenue inflows into this country saw us in 2008 in our best financial position ever. [*Desk thumping*] So it is reasonable against that background and projection from then, Mr. Speaker, that a government of that day could have said, “We will do this, we could do that which we could not afford before because we had a sound revenue stream and, more importantly, the world economic outlook was sound and solid and everything looked well.” [*Crosstalk*]

Mr. Speaker, I just heard the Member talk about some credit rating agency that has given us a good rating. Credit rating agencies look at one thing—and one thing only—and it is your ability to repay. That is all they are interested in. If anything happens between the print of the document and the following day, that rating is worth nothing. Because the day Lehman Brothers collapsed and started the world slide, that is still sliding, if you go and look at the credit rating for Lehman Brothers you will see it was quite good, but we got up one morning and discovered that the credit rating was not worth anything. Mr. Speaker, we are not to take too much comfort in the fact that our credit rating is good. What we have to look at is our earning capacity, whether our revenue stream can support the kinds of borrowing that we appear to want to embark upon. [*Desk thumping*]

The Minister of Finance, in his presentation just now, made no reference to revenues—

Miss McDonald: None at all.

Dr. K. Rowley:—to support his borrowing request.

Miss McDonald: That is right.

Dr. K. Rowley: He is simply saying that I will bad-mouth the PNM for a couple of minutes, tell myself I am doing well, praise myself and give me authority to borrow. And we are saying on this side, yes you would borrow but you have to borrow against the reality of your revenue stream. This Government seems to have a problem with revenue, and I would not go into that right now, but the bottom line is, this Government has not demonstrated to this country anything to tell us that our revenues can grow, or will grow by any identifiable action on their part. Everything that was in place for economic growth and revenue growth, they killed: [*Crosstalk*] from the smelter, to land and building tax. Revenue, they are not interested in that, but now they are interested in record breaking borrowing.

Mr. Speaker, we get our main revenues from oil and gas. Against this huge borrowing that the Minister of Finance wants to embark upon, we have to understand that our oil production today is under 100,000 barrels per day, and until we find some new fields the outlook is not very bright. Of course, we are still exploring and we hope that we find something, but in the meantime the strength of our revenue is not based on oil, it is not based on gas.

There are two things we need to look at, without quitting our gas market. One is that the prices that we enjoyed in 2007, 2008 are no longer available and all the projections as we go forward, even in the face of the Japanese tsunami problem which caused Japan's market to sustain LNG prices, even with that, the projections are still such that we are very unlikely to have LNG prices as we inherited in the period of 2008. Not to mention, that, not only on the horizon but in the marketplace already in the United States, which is our main LNG market, something of significant geological import is in play which would have the effect of influencing, not just in long term or the medium term, almost the short term, in LNG prices. I am talking to you about shale gas, its availability and its entry into the market.

As a matter of fact, Mr. Speaker, there are now plans in place in the United States, in the private sector, to supply gas to Caribbean markets, which would mean that those markets may not even need Trinidad and Tobago's fuel for generating electricity. So not only are we having to keep our eye on the loss of market and low prices in the United States, but to see that source of gas as a competitor in our own environment here, Mr. Speaker.

That is only Trinidad and Tobago's little concern, but we are not an island unto ourselves, we are part of the wider international economy. The global

economy since 2009 has been in turmoil. It started off appearing to be the United States, problem with their over leveraging at the national and the domestic level. [Crosstalk] No, Sir! It very quickly spread to the point where today, anybody looking at our future, must take into account that the global recession and the global instability seem to be something that must attract our attention all the time, because our trading partners are not as strong as they used to be.

2.45 p.m.

Every time you look at the United States of America news, it is dominated by the potential of what they call a double-dip recession. In other words; we just come out of a recession, we think we are going to have some growth; it looks as if there is sluggishness and we may very well go back into another recession. That is where we are right now.

The UK is tottering, Germany is underperforming, the Japanese are in the same situation; the Asian growth—even China is now shrinking back. The last report I saw two weeks ago, only Indonesia was maintaining any continued upward growth in Asia. So the whole global economy is not as it was in 2008. The effects of 2009 indicate that for some time to come there will be market situations where Trinidad and Tobago may not be maximizing our exports and our earnings as we did in 2008. Against that background, Mr. Speaker, when we talk about borrowing to record levels, as we are being asked to do here now, they must come to us. What about our ability to repay? The Minister of Finance has not addressed that issue.

As a matter of fact, the Central Bank Governor in talking—in the 2011 bulletin, I took note of the Central Bank Governor's concern. He said:

Following three years of fiscal deficits, faster growth in the medium term would require fiscal consolidation so as to contain the public debt and provide fiscal space for sustained infrastructural investment.

I thought that would have been the position of the Minister of Finance, instead it is the advice of the Governor of the Central Bank, and when the requirement is for fiscal consolidation, I want the Minister of Finance to tell us how creating space to borrow an extra \$12 billion in the state enterprise sector is fiscal consolidation, and tell us what that borrowing would be spent on.

Mr. Speaker, if I use NIDCO as an example—because NIDCO is a state enterprise sector, and I presume that the Government would spend some of this money on its state enterprise, NIDCO, but it only happens that in NIDCO it is one of the few projects that the Government has identified as a developmental project of

any significance or of any size to go forward. I think there is one other I heard about which I have seen the Government saying that it will convert the Harris Promenade, San Fernando office tower to a hospital, and I would view that as a developmental thing which will cost some money to convert what was, in effect, an office block into a hospital and to outfit a hospital.

Let us look at the NIDCO situation and you tell me, Mr. Speaker, if we in this Parliament could just simply give the Government what the Minister of Finance calls a blank cheque. Let me quote him. He said that, “The Government is—not to ask them for blank cheques.” He is not asking us for blank cheques. I mean, if anybody is asking for a blank cheque, that is precisely what the Minister is doing. He is saying, “Permit me to borrow an extra \$17 billion. I would use \$4 billion to clear off existing debts and projects that we know about in a policy and development programme that we did not approve of, but we have to pay it, but \$4 billion will go there I will still have another \$13 billion.” From how much?

Mr. Speaker, \$4 billion from \$17 billion; \$13 billion available! He does not tell us what that \$13 billion would be spent on; he does not tell us what policy would be pursued in the context of his known history of wanting to be known as a fiscal conservative. He does not tell us that. He is leading us to learn like the Americans did.

You see, when George Bush came into office, George Bush was a fiscal conservative, he and his party. They met the Clinton era of prosperity in place. By the time Mr. Bush left office, you would not believe what the record showed. The record showed that America, under the fiscal conservatives, was at levels of debt; record levels of debt and, of course, that played itself right down to the downgrading of the American credit rating as we saw recently, an unthinkable. The unthinkable happened last month! America lost its AAA rating, because of debt considerations and the need to manage that debt in a particular way, a way of confidence.

So the Minister of Finance, who is the fiscal conservative, does not outline for us one project that the Government has on line except, of course—I should not say one project. We have two projects that we know about, but he did not mention them in asking for the borrowing. One of the projects we know about is the “bake and shark highway” from Tunapuna to Maracas, the tunnel. We know about that! The other one is the airport in Couva. We know about that.

Are those the kinds of projects that we are going to borrow to spend on in a situation where our revenue situation is quite weak; the outlook is quite worrisome; our international market arrangements are quite shaky? I am simply asking the questions. Is that what Trinidad and Tobago wants to do today at this

time in its history? In the absence of any other policy, I can only go by what the Government tells us it is going to do.

I want a member of the Government to get up in this debate and tell us that none of this money that we are going to borrow will go on the building of an airport in Camden, in Couva. I want the Minister to tell us that none of this money will be going on the tunnel to Maracas from Tunapuna. So the country could ask itself, is that what we are going to borrow money for to get ourselves into a debt trap where repayment could be an issue and if he cannot repay, immediately the quality of life across the board is threatened, because we want a tunnel from Tunapuna to Maracas. I do not know who asked for that. I know it is offered, but the question is, is that a priority? Is that an economic development tool for Trinidad and Tobago or is it just a grandiose idea of an individual who wants to leave his mark above ground and below ground? We have to ask ourselves that.

So I come back to the Point Fortin Highway. Mr. Speaker, while we are talking about borrowing on this scale, I would have expected that given the scenario that this Government claimed that it met, and a requirement for the new Government to bring something new to the table, that it would not simply just parrot what it met, even though there are changed circumstances. The Point Fortin highway from Golconda to Point Fortin is a project that the PNM conceptualized and up to January—the Cabinet Note that authorized the forward movement of the Point Fortin highway is dated April 23, 2010. I want to make two points here: one, that nobody in the PNM is saying that the highway to Point Fortin should not be built. That is one thing. Secondly, I want to point out that this Government is seeking to claim this project as a UNC project without bringing to bear any consideration of the changed circumstance between April when this Cabinet Note approved the movement of that project and what is happening today.

What is happening today? This project, this original project, under the PNM, was meant to be done in what was called a design finance arrangement where the contractor would have brought the money to the table and would have built it in an arrangement where the Government pays after. That is one option. Another option was that the Government could have borrowed money and built this highway. A third option is that the Government could fund it directly out of revenues as money comes into the Treasury, so no borrowing.

What has actually happened is that when the Government changed, meeting a situation where preparation was in place for a piece of this project from Golconda to Debe, and knowing that the circumstances had changed significantly, the Government proceeded. In fact, after meeting with local contractors, local

contractors were saying, Let us do this highway in sections, allowing local contractors a greater say in the project.

I was quite surprised when this Government that had so much to say about the PNM and the PNM approaches decided to reject that approach and to pursue the approach of the PNM, which was to do the entire project as one contract from Golconda to Point Fortin, but unlike the PNM's approach, they did not look for any funding, loan fund; did not go by way of design, finance and construct, but instead were attempting to fund it from Treasury deposits.

Do you know what happened there Mr. Speaker? When this project was delayed for a number of months after the sod turning, we saw a most amazing thing, and it was not that the Government had taken steps to restart the project, because they said they would review it, and what I expected in the review was, if they rejected the PNM's approach, they would restart the project by going out for tenders using the IDB rules, and becoming qualified for IDB funding; loan funding that is available. They did not do that—that might take too long. That might change the contractor who was on site.

So what did the Government do? It created a hodgepodge of awarding the contract for the entire route, shut out loan funding, and even the local banking communities were not involved. They went straight to the Treasury and “take out” every cent to save the Minister of Works in the Cabinet, because the Minister of Works came out publicly and told the Government—a struggling Minister of Finance who knew better, and who in private will agree with me, but when you are facing a Minister of Works who tells the Government “If I don't get the money for this project in two weeks, I gone”; and the next thing you know, the Government cleans out the Treasury and provides money to this contract, to this project, to this Minister, and puts the entire public sector financing in a tailspin.

So now the project is underway. The contractor which entered the process during the PNM era in a different model of construction is the contractor they chose—shut out the possibility of IDB funding by not using IDB rules to invite tenders and, therefore, you cannot access IDB loans; using a policy now of funding that project directly out of Treasury deposits.

Today I am putting this country on notice that there will be serious problems with that project with respect to the funding the way it is going. More importantly, as the project has started, I want to ask the Government a few questions. You are asking us to allow you to borrow money to fund a project like this. Is the way you are doing this project how other projects would be done? As I speak to you now,

Mr. Speaker, the only part of that project that is ready for access with respect to land acquisition is the piece between Golconda and Debe and that was done by the PNM.

3.00 p.m.

The surveys for that site were done by the PNM. The acquisition—the publication of sections 3 and 4 was done before. I think there are 23 parcels of land for which about \$85 billion has been paid or almost all paid to those landowners, mainly residences and some farmland, Golconda to Debe. The Cabinet Note that approved that of April 23, 2010, and I want to read for you what the Cabinet Note said, clause 12:

“A preliminary cost of \$835 Mn for compensation...” for “...persons...” for land “...and buildings...” and the route.

So here it is, Mr. Speaker, the only part of the project that had survey plans for which acquisition proceedings had been embarked upon, for which land has been acquired in an estimated arrangement of \$835 million.

What shocked me is when the Minister of Works announced to the country that land acquisition cost for this project would be \$2.5 billion. And I asked myself and you must ask, Mr. Speaker, and the country must ask: on what basis did the Minister of Works make that statement to the country? Because we will know as of now, as I am talking to you now, no surveys have been completed for the piece between Debe and Point Fortin, and until you do the surveys you do not know what piece of land you are going to acquire, you cannot attach a value to it, you have done no valuation. And therefore on what basis would a Minister of Works tell this country that a project which had an estimate in April 2010 of \$835 million is now estimated to cost \$2.5 billion for land acquisition?

Then a strange thing happened, Mr. Speaker, the Prime Minister announced that she has put a team of MPs in place to oversee this project of going to Point Fortin because these MPs have constituents who have interest in the whole area of the whole project. The only interest they really have and their main interest is the landownership which the Government is about to acquire.

Where did it come from that the rest of the route which is largely farmland—because Golconda to Debe is mainly—a lot of it is residential—the section between Debe going towards Fyzabad onwards is largely agricultural, but somebody has decided that the estimate for that will be over \$2 billion. Now, when the Minister of Finance comes into the Parliament and asks us to allow him to borrow at will an extra \$13 billion even after he has cleared off the \$4 billion in

the pipeline for projects, some of which he listed there, you ask yourself: is that what we are approving for the Minister of Finance to do? He is asking the Parliament to raise the limit to borrow from \$9 billion to \$25 billion. We have already used up \$8 billion of that. He said he has \$4 billion of known debts to pay—that is \$12 billion.

We have \$13 billion available for the Minister of Finance to be bullied—because, remember it is the same Minister of Finance who was told, “Give me the money that I want in two weeks or I gone.” Now that the Minister of Finance is to be given approval by the Parliament to borrow up to \$13 billion, what is to prevent the Minister of Works from threatening him again and saying, “Give me the \$2 billion or I gone”?

When you understand, Mr. Speaker, that there are two ways of acquiring property in this country under the law: you publish the sections indicating—section 3 and section 4. Section 3 indicates that the Government is interested in the land and section 4 indicates that the Government can enter on the land. And when the Government does that by publishing section 4, the Government is required to pay 80 per cent of the value of the land, and to complete that transaction within six months, failing which the process lapses. And if it lapses, it must start over again from scratch and you can acquire it compulsorily or you can acquire it by negotiation, which is called private treaty.

Mr. Speaker, I draw this to your attention because here it is the Minister of Finance has announced a hugely inflated price for the cost of land for this project which is the one project this Government is engaged in. The cost of the land in the Cabinet Note, the estimate is \$835 million. The Minister of Finance, without having the benefit of surveys and therefore cannot have the benefit of valuation, has put us on notice that this land acquisition will cost us \$2.5 billion. The Minister of Finance has already indicated to us in Arima that where there is access to land or land to be negotiated, he will go personally. [*Interruption*] The Minister of Works, sorry. Thank you.

In the case of Arima, I think there was a bar, some bar in Arima was standing in the way of some road and the next thing I know the Minister of Works was there personally assuring the country that he will negotiate with the man and get him to agree because “he know how to do these things”, and calm the man down, and the man is asking some ridiculous price. I do not know and I do not know that this country knows what they settled at. What I do know is that in a situation where you have an intransigent landowner, the provision in the law is to compulsorily acquire if you cannot access it by private treaty and if the price is too high, or if the landowner does not want to cooperate.

What is to prevent, Mr. Speaker, the realization of the payment of \$2 billion on the route to Point Fortin by simply taking that same approach which the Minister of Works indicated to us that he is willing to do. And here it is the Minister of Finance has succumbed to the first threat of “Give me the money in two weeks or I gone.” What comfort do I take that the Minister of Finance will not now, in order to hold the Government together, succumb to the Minister of Works and allow ridiculous prices to be paid for land in this route from Point Fortin to Golconda. How do I know that?

What I do know is that we had a limit to borrow, the limit is \$9 billion, as of March we had \$1 billion left to get to the limit. It might even have gone beyond that between March and now, they might have borrowed that money, but only \$1 billion was available since March to borrow within the law, and then we have a request to increase the limit.

We have no difficulty in increasing the borrowing limits to allow the Government to discharge its responsibility to service the country. The PNM have no difficulty with that. The difficulty we have, Mr. Speaker, is how you get from \$9 billion to \$25 billion.

Mr. Speaker: Hon. Members, the speaking time of the Leader of the Opposition, the Member for Diego Martin West, has expired.

Motion made: That the hon. Member’s speaking time be extended by 30 minutes. [Miss M. McDonald]

Question put and agreed to.

Dr. K. Rowley: Thank you, Mr. Speaker. I was making the point that we have no difficulty in agreeing to approve some reasonable increase in the borrowing limits, because we have accepted that given where we are in our economic development, given how suddenly the change took place in 2009/2010, in our circumstances with respect to the revenues and our commitments, that there is need for some adjustment in the limits. We are not arguing that. What we want the Government to do is to justify to us the huge increase it is asking for against a background of no policy, no programme, no specifics, and in an economic climate that indicates to us that repayment could become an issue.

Mr. Speaker, as I talk about the Point Fortin Highway I want the country to know that the project as of now can only properly be executed between Golconda and Debe, but a contractor has been there since January, and everything is in place for that contractor to rip us off, because having given him access to the site to start the project, if we are unable to give him access to the route throughout, we

are laying the foundation for serious expenses down the road. I draw your attention to what happened in Tobago with the Claude Noel Highway. We need to learn from our experiences. When the Claude Noel Highway was awarded to Moonan in Tobago, there was a village called Smithfield on the route, and the Government had difficulty removing the people who were living at Smithfield on the route and the contractor took the position that you have to give him the whole route. And they said to the contractor, “Well, you could work there—you could work there”—he said fine.

The end result was that we had to pay that contractor substantial sums of money for not being able to give the contractor the full route, and in the end it turned out that the contractor walked away with huge sums of money, under law, and a new contractor had to be hired because the contractor insisted that you did not give him the full route. We are doing the same thing with the Point Fortin highway, except that in the case of Moonan in Tobago, I think the figure was \$14 million. The sums now are huge.

As I speak to you now I have seen no publication of section 3, I have seen no publication of section 4, I am only hearing from government spokespersons that the contract has been awarded from Golconda to Point Fortin. If it is not so, I would like government spokespersons to clarify that in fact the contractor on site is only working from Golconda to Debe, because that is what has been properly prepared for action. And if it is not so, tell us what is happening between Debe and Point Fortin.

Tell us how much you paid so far for the work that has not even started properly, but we have paid substantial sums of money, and tell us how much of this money we are going to borrow here will go down that whirlpool that we are creating down there, all because this Government has thrown out of the window effective collective Cabinet responsibility and allowed itself to be blackmailed by one Minister, who is Minister of everything, Minister every day—every day he is all over the country.

I do not know how much time he spends in his office. He is over the country promising the sun, the moon and the stars as if he has no restriction with respect to budgetary matters. He must be the only Minister who has no budgetary constraints. Every other Minister operates within a budget approved by the Parliament and operated by a Ministry and a Permanent Secretary. It appears as though the Minister of Works does not have that constraint, and when that does not work he tells the country and the Government, “If I do not get what I want, I gone.” Against that background, Mr. Speaker, the country’s finances are exposed,

the Minister of Finance could be blackmailed and the debt that we are going to incur could put us in a position where, if our repayment ability does not improve, we could move from a condition of relative comfort to one of serious discord.

Mr. Speaker, it was the Minister of Finance who kept warning us about this all along before he was Minister of Finance. What I find surprising is how he so easily succumbs to the creation of the very climate that he has been warning us against. I would like him to tell me, Mr. Speaker, in this discourse on borrowing, what is the Government's programme for sustaining and increasing our revenues to allow us to be comfortable repaying these debts that they will incur. Because if he does not do that, Mr. Speaker, I will accuse him of being the chief architect of setting the stage for creating a bed of thorns for the next PNM government when the next election comes, because they will borrow within the limits and not be able to pay and then walk out of office as they normally do and leave the PNM to continue to look after this country's interest. That is what they will do.

3.15 p.m.

Mr. Speaker, notwithstanding all the "hoo-ha" and the "rah-rah" and the rhetoric about "de PNM and de PNM and de PNM", we are only able to borrow, as he is asking for us to borrow today, because the finances in this country are sound finances and they are sound after an extensive period of PNM management. [*Desk thumping*] If our situation was not sound, we could not have been borrowing or even attempting to borrow as he said. It is because, by and large, when you look at it—I have no doubt that there have been projects you disapproved of; I have no doubt that you would be saying, "Well, I did not like this", or "I did not like that." I have no doubt that you might find an instance here or there of corrupt practice, but at the end of the day, by and large, Trinidad and Tobago's finances were sound on May 24 when they came into office, which is why I have great difficulty understanding him coming here today and raising the spectre of default.

It was the Minister of Finance who, when he was Governor of the Central Bank, we went to Brazil together. I was the Minister of Planning and Development and he was the Central Bank Governor. I think that was somewhere in 2002/2003. At that time, Trinidad and Tobago's credit rating was BBB plus. Barbados was rated above us. I think I discussed it with him, as Governor of the Central Bank. As Minister of Planning and Development, I decided to query that Trinidad and Tobago/Barbados comparison.

I organized a breakfast meeting, which he missed. You would recall that. He had a little personal problem and he missed the meeting, but the meeting took

place. Trinidad and Tobago, our delegation, hosted all the rating agencies in Porta Fortaleza in Brazil, and took issue with them with respect to our credit rating, because your credit rating controls the cost of borrowing. The better your credit rating, the cheaper your cost of borrowing.

If you look at history, you would see that in March 1996 our credit rating was BB plus, positive; September 1999, BBB minus, stable, and the time I am talking about 2002/2003, it was BBB, stable. In June 2004, it went to BBB plus after that meeting in Fortaleza, and then it went in July 2005—because the agencies gave us a commitment in that meeting to take a second look at Trinidad and Tobago's economy, our programme and our economic strength. It came out reflecting itself after that, BBB plus on June 16, 2004, and for the first time on July 21, 2005 we went to A minus, by September 2007 it was positive and in 2008 it became A stable, as the world economic effects started to affect us. In September 2009, the last figure I have here is A stable, and I think the Minister said we are still in A.

This tells me that notwithstanding all they have been saying about what has been happening to the country's finances and the foundation in Trinidad and Tobago, we have progressed solidly and steadily from 2002—2011 upwards and onwards. That is why today I take objection to the Minister of Finance coming here and talking about default and potential default on Trinidad and Tobago's debt.

If there is any prospect of default on our debt, it has to be with the resounding incompetence of the Government of Trinidad and Tobago, which does not understand what is required; [*Desk thumping*] because there ought to be no question of Trinidad and Tobago defaulting on its debt. We are nowhere near that stage. If a government, after 16 months in office or thereabouts, can only talk about default, then the people of Trinidad and Tobago must know that we are in serious trouble.

Today we want to ask the Government: we gave you some breathing space when you came into office, because you came in under strained circumstances; you came in a hurry. You did not expect to be there. [*Interruption*] A snap election; you came in with a snap election. You brought to the Parliament a PNM budget, last year. One year ago you brought a PNM budget to the Parliament without revenue items. We still voted for the budget, because we thought that you had it within you, notwithstanding all your carryings on, to make the budget work. Of course, Mr. Speaker, we leave that for another time; the budget is coming. But in the meantime, it is enough time for this Government to show this country some policy, for some programme for some specific items, with respect to economic development.

As I talk to you now, this Government has put nothing on the table with respect to tangible economic development, as a result of which the private sector is there waiting and doing nothing. The banks are awash with cash. There is a loss of confidence in the Government and in the country and the economy is not going anywhere.

I will tell you something else. One of the outcomes of that is unemployment, because if there is no economic activity taking place to bring about growth, or even sustaining what you have, it would reflect itself in a loss of employment opportunities. I want to ask this Government today: Why is it since they came into office, the unemployment statistics have disappeared? It is one year now we have not had any unemployment figures from the Central Statistical Office (CSO); one year. [*Desk thumping*]

I can tell you, Mr. Speaker, this document will show you the labour market: unemployment rate, 2008, 3.9 per cent, probably the lowest in the history of the country. I think it had gone to 3.5 per cent, but it was 3.9 per cent in 2008. In 2009, 5.1 per cent; the first quarter of 2010, PNM is still in office, you get your figures, 6.7 per cent; second quarter of 2010, 4.8 per cent; third quarter of 2010, a new government is in office, you get an estimate; estimated unemployment, third quarter of 2010, 6 per cent. As of now, I do not know if that estimate was found to be high or low, but that is the figure we have. Mr. Speaker, fourth quarter of 2010, not available; first quarter of 2011, not available; second quarter of 2011, not available.

I am asking the Government of Trinidad and Tobago to do what it has to do to ensure that the CSO functions as it was functioning before the third quarter of 2010, before they came into office. Make sure that the CSO functions and provides the country with the important statistics, in so far as they relate to the unemployment figures. [*Desk thumping*]

Do not come and tell us what a wonderful job you are doing, and “Believe me and trust me.” We do not trust you; you do not speak the truth. We want the official figures from the CSO so that all persons in the business and private sector, local and international, will know what is happening in Trinidad and Tobago with respect to the effect of our economy, insofar as a loss of confidence has resulted in a loss of investment, has resulted in underfunding in the local economy and, at the same time, an increased debt environment. We need those figures, and I would like to hear from the Government today, why these figures are not available. There may be a good reason for it, I do not know, but tell us the reason.

The first time I asked about this figure I was told that there was some temporary industrial unrest at the CSO. It appears to be permanent. That has not been confirmed by the Government. I am asking the Minister of Finance, before you wind up today, if you could find out and tell the country why we have not been getting figures, because in the meantime, there are loudmouths in the Government, who would be telling us what wonderful things are happening. The Government is firing people left, right and centre. They are losing their jobs left, right and centre.

Only last week—or was it this week—a number of persons lost their jobs in the RHAS, and that was announced with great aplomb, as though “dey do God service”. They sent home how many thousand people, and while that is happening we have no official statistics as to the labour market outturn for the second and third quarters; for the first and second quarters of 2011 and for the third and fourth quarters of 2010.

Mr. Speaker, we are in a position now to manage our affairs, so that we can steer away from the worst, or even steer away from a bad outcome. We could so manage our affairs to ensure that while others, who did not have a foundation as solid as us, ended up in problems, we could minimize or eliminate the problems that would be attendant on circumstances where, if we just follow and place blame on the previous government, and not do what this Government is required to do, and end up with a situation which we could have avoided, by the correct intervention by the Government, by the correct policies, by the correct programmes, if the Government would only face up to reality and accept that today’s problems in Trinidad and Tobago require the attention of today’s Government. The blame game will get you nowhere.

I thank you, Mr. Speaker.

Mr. Speaker: Hon. Members, I did not want to interrupt the hon. Leader of the Opposition when he was in full stride. I just want to advise Members, including the last speaker, that it is really offensive, and I would say unparliamentary, to refer to any Member of Parliament as engaging in blackmail. I do not think that is permissible. I think it is offensive and out of order. I also think it is out of order to refer to Members of Parliament as “loudmouths”. I think that is also offensive and unparliamentary.

As I said, I did not want to interrupt the hon. Leader of the Opposition, but it is guidance for all Members. All Members are “hon. Members”. We must not personalize debates. That is where we get into the language problem. I just want

to advise, let us be very, very careful how we refer to each other, because you could have the Member for Chaguanas West rising up after you and then we get into this personality clash. So we do not want to get there, and that is why I am saying, from here on in, I am not entertaining those things. I will talk to the *Hansard* people on those matters about “blackmail” and “loudmouth”, because I do not want that on the record of our Parliament.

The hon. Prime Minister has arrived. As I indicated to hon. Members earlier, she has a statement to make. I now call on the Prime Minister to speak.

STATEMENT BY MINISTER
Appointment of FIU Director
(Prime Minister’s Veto Power)

The Prime Minister (Hon. Kamla Persad-Bissessar): Mr. Speaker, you may recall during the course of the debate on the Motion to extend the state of emergency, the hon. Leader of the Opposition in his contribution caused me to intervene, while he was speaking. I did so to confirm the fact that the constitutional veto conferred by section 121 was indeed exercised in relation to the Public Service Commission’s nominee for the Office of Director of the Financial Intelligence Unit. I did indicate then that I would share the reasons.

Regrettably, when I came back to speak in the House, it was Sunday and I was not able to readily access the documentation. So today being the first opportunity since then, I want to share the information I promised to, with this honourable Chamber and, of course, with respect to the matters raised by the Member for Diego Martin West.

Section 121(3) of our Constitution reads as follows:

“Before the Public Service Commission makes any appointment to an office to which this subsection applies, it shall consult the Prime Minister.”

Section 121(4) provides, and I quote:

“A person shall not be appointed to an office to which subsection (3) applies if the Prime Minister signifies to the Public Service Commission his objection to the appointment of that person to that office.”

I now provide the facts and circumstances surrounding the exercise of the veto, in this regard.

The Public Service Commission by letter dated June 29, 2011, proposed the nomination of Michelle Ann Austin. Ms. Austin is the current Court Executive Administrator for the Judiciary. In accordance with the usual practice and procedure, I referred this matter to the relevant line Minister for comments.

You may recall during the last debate on the amendment to the FIU Act of Trinidad and Tobago that I had, at the request of the Opposition, agreed for us on this side to allow the FIU to remain under the watch of the Ministry of Finance. The proposal at the time was to place the FIU at the Ministry of the Attorney General in light of the fact the Central Authority and the Anti-Corruption Bureau are placed there, under the Attorney General's Office. However, based on the concerns and the arguments raised in this House, we acceded to the request of the Opposition and the FIU remained under the Ministry of Finance.

3.30 p.m.

The hon. Minister of Finance, Mr. Winston Dookeran, by letter dated July 06, 2011, objected to the appointment of Miss Austin, and he gave detailed reasons for so doing. The reasons are as follows:

The efforts of the current director of the FIU resulted in Trinidad and Tobago being moved from the dark grey list to the light grey list by Financial Action Task Force Organization (FATF). If insufficient progress is made by Trinidad and Tobago then Trinidad and Tobago will be placed on the FATF public statement directly. The appointment of a new director at this time will be inappropriate, and will add great uncertainty to the current efforts of Trinidad and Tobago to comply with FATF requirements.

The uncertainty that would result from the appointment of a new director is a risk that Trinidad and Tobago cannot afford given the financial consequences that may arise. A detailed timetable and action plan to remove Trinidad and Tobago from any negative rating has been well articulated and is being executed with excellent professional help and diplomacy of the current director.

Trinidad and Tobago must take the necessary steps to address its remaining deficiencies and continue the process of implementing its action plan. To this end, the current Director of the FIU launched an aggressive drive to register listed businesses and non-regulated financial institutions on February 15, 2011. As of June 2011, over 1500 such businesses and institutions were registered with the FIU. This drive is regarded as highly successful especially since many jurisdictions have not registered with such entities within the AMLCFT regime. The current director also conducted over 20 AMLCFT awareness and training sessions for listed businesses and non-regulated financial institutions during the last three months."

That is prior to the date of the letter.

In May and June 2011, the FIU received suspicious transactions reports from four listed business which were recently registered. The current director also completed and published a guide to assist listed businesses and non-regulated financial institutions in creating compliance programmes and has also begun assessing compliance programmes. The current director has ensured that staff members are being continuously trained, for example in May 2011, four members attended a Forensic and Fraud Seminar.”

Mr. Speaker, the practice and procedure whereby the Prime Minister consults with the line minister before making a decision in such matters is adequately set out in recent judgments from the Court of Appeal and the Privy Council in the well known cases of *Ganga Persad Kissoon vs Patrick Manning and the Public Service Commission*, and in the case of *Eroza Ramjohn vs Patrick Manning and the Permanent Secretary, Ministry of Foreign Affairs*.

At paragraph 37 of the judgment of Court of Appeal in the case of *Ganga Persad Kissoon*, Justice of Appeal Mendonca said, and I quote:

There can be no objection, and there was none to the Prime Minister consulting with the Minister before he exercises his veto.”

The country’s rating and credibility, Mr. Speaker, with the International Financial Action Task Force is a very important and serious matter. As you know, we were forced to embark on a rescue mission because of the precarious position we found ourselves in. The country had been downgraded to the dark grey list of the Financial Action Task Force organization. The Government, by virtue of a series of amendments, operational developments and high-level meetings was able to negotiate a way for us out of this ominous dark grey list.

On Friday, June 24, 2011, Trinidad and Tobago was elevated from the ominous dark grey list to the light grey list. The delegation from the Government dealing with this matter included the Minister of National Security, the Attorney General, the Minister of Finance and the Ag. Director of the FIU, Miss Francois.

The hon. Minister of Finance was of the view that the work of the present Ag. Director of the FIU was instrumental and critical to this success. In the circumstances, he was of the view that the detailed timetable and strategic plan that was currently being pursued should not have been interrupted given the potential risks and financial consequences involved. This veto, Mr. Speaker, was therefore exercised based on the representations made by the hon. Minister of Finance who has ministerial responsibility for the FIU.

I was persuaded by the reasons advanced and therefore exercised my discretion and judgment in favour of vetoing the proposed nominee. This was done in the interest of preserving the hard earned gains made thus far lest we jeopardize the stability that has been restored to our relationship with the international FATF.

The Government has worked extremely hard to clean up the mess left behind. There was no attempt to appoint a substantive director and deputy director for the FIU previously. Its independence was undermined by the temporary contract appointment of an attorney from private practice who was simultaneously operating as a private legal consultant to the then Attorney General. This appointment was in fact made by the Cabinet. Unfortunately, it appears that this fact was misrepresented to the FATF, as an impression was created that the individual was in fact appointed and was functioning as a substantive Director of the FIU.

Miss Francois is a distinguished career public servant who is well qualified for the position of the Director of the FIU. She is a former Registrar General and has no political affiliation to any political party. Operational management of the FIU has resulted in Trinidad and Tobago being moved from the dark grey list to the light grey list.

Mr. Speaker, this is not a situation where the Prime Minister's constitutional veto is being misused and abused as happened in the past. It is a matter of public record that the Privy Council as recently as on July 28, 2011, dismissed two appeals filed by the former Prime Minister, the Member for San Fernando East, Mr. Patrick Manning; filed against judgments from our local courts which condemned for the unfair and unreasonable exercise of this very veto. The declaration granted by the Privy Council in favor of Mr. Ganga Persad Kissoon speaks for itself and reads as follows:

“In the circumstances of this case the respondent was treated unfairly by the Prime Minister's failure to exercise his power of veto rationally or at least to provide a rational explanation for exercising it against the respondent's appointment.”

It is important to note that the Privy Council made an important clarification and gave clear guidance on when this veto can and should be exercised. I have scrupulously followed this advice and guidance. At paragraph 45 of that same judgment, Mr. Speaker, Lord Brown said in the Privy Council, and I quote:

In their Lordship's view, the veto could properly be exercised to prevent the promotion of a candidate whom the Prime Minister regarded as unsuitable for

appointment on other than political grounds. If obviously the ground of objection was some specific allegation, as in Miss Ramjohn's case, then fairness would require that it be put to the candidate. But if the Prime minister was objecting on general grounds involving no particular case against the candidate, fairness would not demand any advance notice of the veto."

Permit me to say that this is not a case where there is any specific allegation against the proposed nominee. In the interest of fairness, unlike my predecessor, I have given due and objective consideration to the issues raised by the Minister of Finance and exercise of my judgment in the interest of Trinidad and Tobago. The exercise of the constitutional veto is not a power that can be lightly exercised. It requires careful deliberation and much attention. This is a matter that caused anxiety but, in the end, I acceded to the issues raised by the hon. Minister of Finance in the public's interest, he being the line Minister with responsibility for the FIU.

This is not a case, in my respectful view, where the veto was exercised for an improper purpose as the stability of our relationship with FATF is of paramount importance.

I thank you, Mr. Speaker.

**GUARANTEE OF LOANS (COMPANIES) ACT
(INCREASE IN BORROWING)**

Mr. Speaker: Hon. Prime Minister, would you like to speak now?

Hon. K. Persad-Bissessar: Mr. Speaker, thank you for permitting me to join in this debate and contribute on the Motion before this House, which is Motion No. 1, I believe, for the ceiling under the Guarantee of Loans Act, Chapter 71:82, to be increased from the present ceiling of 9 billion to \$25 billion.

Mr. Speaker, I listened to the hon. Leader of the Opposition and again, on hearing some of his words, it came to my mind again that the hon. Member was demonstrating the hypocrisy of the PNM when dealing with matters in the Parliament. [*Desk thumping*]

Mr. Speaker, in 1970 the limit or the ceiling under this particular statute was \$50 million—as low as \$50 million. By 1979 that had increased by 5,000 per cent to \$5 billion, so between 70 and 79, a 5,000 per cent per cent increase in the limit under that statute to \$5 billion. Thereafter in or about 2003 the limit was increased to \$9 billion, and that is where we are today, \$9 billion is the ceiling, is the limit under the Act.

So, here we are eight years later in 2011, and the hon. Minister of Finance presents in his Motion a proposal for this House to approve an increase to \$25 billion, from \$9 billion to \$25 billion. But I think the hon. Member probably did not fully appreciate what the Minister of Finance is proposing.

Mr. Warner: He is a geologist.

Hon. K. Persad-Bissessar: What the hon. the Minister of Finance is proposing is that from the present ceiling of \$9 billion you go to \$25 billion. But the Minister of Finance, as other Ministers would have done previously when the ceiling was lifted, is saying that we are not going to be borrowing \$25 billion.

Dr. Moonilal: That is the point.

Hon. K. Persad-Bissessar: That is the point. It is not that in this fiscal year we will be borrowing \$25 billion. What happens is that you come from time to time, you raise the ceiling but you do not borrow the amounts to the ceiling, and that is what happened every year that the ceiling was increased. So, in this fiscal year the Minister of Finance assures us that he will not be borrowing up to the maximum of the \$25 billion.

Indeed, to do that would be most foolhardy, and one thing I know about the Minister of Finance, the Member for Tunupuna, he is the least foolhardy of individuals, [*Desk thumping*] very cautious and very careful. The same fiscal conservative that you were speaking of, he is a fiscally and conservative Minister of Finance, at times we want to get him across the board to be less conservative but he holds strong, and that is why the economy today is stable because the Minister of Finance holds his ground. [*Desk thumping*] So, eight years later, from 2003, this limit is to be increased.

Mr. Speaker, the question is why this, and the other Motions I will not prematurely go into but they are basically of the same ilk, and whilst the Parliament is totally entitled not to want to take the Motions together—I think some Members like to stay until 2.00 and 3.00 a.m., and get curfew passes—these three Motions could have been dealt with together but the Standing Orders says if you want to do them differently, but they are of the same ilk, that is to increase it. The question that arises is, how did we get here? Why do we have to come after billions were spent in the years of the boom—that we are here now with deficit financing and have to do further borrowings. So I think that is the question. That is a serious question, Mr. Speaker.

Again, we talk about the hypocrisy when you come here to say that you would be doing all these things. You talk about how preposterous it is when the Minister

of Finance announced the tunnel from Tunapuna up to the North Coast. I think you have a very short memory, or perhaps you were not privy to what your party was putting out in its 2011 Manifesto. Were you there? Let me tell you what you had in your own manifesto.

Hon. Member: You do not even read your own manifesto.

Hon. K. Persad-Bissessar: Maybe you never read it. This was 2011, last year—

Dr. Moonilal: Where were you?

Hon. K. Persad-Bissessar: I know you were talking about jumping ship or not jumping ship. [*Laughter*] Maybe you did not know. So, here we are caring about you today and tomorrow. The 2010 Manifesto of the PNM.

The page number, right, 34—it is very tiny—Phase 1 of a national highway programme. Phase 2: a first-class road—would you believe—“A First-Class Road Tunnel from Curepe to the North Coast”. [*Laughter*]

Dr. Moonilal: A tunnel.

Hon. K. Persad-Bissessar: And we come here—you want me to repeat it—a first-class road tunnel from Curepe to the North Coast.

Dr. Moonilal: Spell “tunnel”?

Mr. Warner: T-U-N-N-E-L. [*Laughter*]

Dr. Moonilal: But what is this?

Hon. K. Persad-Bissessar: Diego Martin West says *mea culpa*. He concedes.

Dr. Moonilal: They kept you out of everything.

Hon. K. Persad-Bissessar: So here we are when we announced our national highway programme—

3.45 p.m.

Mr. Speaker, simultaneously when they were campaigning they were talking about the same tunnel to the north coast. Again, it is the hypocrisy or maybe left hand did not know what right hand was doing then—

National highways programme: then we talk about the Point Fortin highway. [*Interruption*] Each time we come here the Member is questioning about this Point Fortin highway and the fact that the Prime Minister set up an inter-ministerial or parliamentary team to help oversee what was happening and what will be happening for this—[*Interruption*]

Mr. Speaker, every person in the House right now, on these Benches, every single one is a Member of Parliament. How do we become Members of Parliament? Nobody here right now is a Senator. Every single person here was elected by the vote of their constituents, and, therefore, your duty first is to the voice of the people which is the voice of God. That is your first duty as a Member of Parliament.

That is why when you have a highway that would be running through constituencies, disrupting the normal quality of life and way of life of a community, the Member of Parliament has to be involved, has to be there to ensure that there is liaison with the communities, with the constituencies so that there can be consensus building whilst this highway construction is taking place. So that committee is not to distribute money. Take that out of your mind. Maybe that was the PNM way of doing things. It is not the way of the People's Partnership. [*Desk thumping*] So this committee has been established.

We will also liaise with the Member for La Brea and the Member for Point Fortin, through which—

Hon. Member: We do.

Hon. K. Persad-Bissessar:—as we do from time to time. In fact, the Minister of Works already went to Point Fortin to assist with roads—

Mr. Warner: And to La Brea.

Hon. K. Persad-Bissessar:—and La Brea as well, so you would not be left out, but it is imperative that when you are going to be disrupting these communities people would have to be relocated, people would have to move, that the Members of Parliament with responsibility for those areas of land and for those constituencies be on a committee to oversee, monitor and build consensus among constituents.

But it is not just the Member of Parliament for those constituencies who is on this committee, we also have other Ministries which would impact on and be impacted by the construction of the highway, and so, for example, the Minister of Planning—because we are talking about land, the Minister of Food Production—the Member for Diego Martin West mentioned about farmers on arable land and so on—is also on that committee, the Minister of Public Utilities is involved because we have to ensure that the utilities are coming to those people who may have to be moved; the Minister of Energy and Energy Affairs, because sometimes the lands are energy conserved areas, so if we have to relocate or even run the line

we would have to be guided by the Minister of Energy and Energy Affairs as well.

So those are some of the others and as we go we will coopt people as we see fit to serve on this committee. So there is nothing preposterous about having a committee of this nature. Let us not go along those routes to create fear and panic that you have a team wanting to deal with money. There are rules, there are regulations and there are laws in this country about procurement processes and about how moneys are to be expended and moneys are to be disbursed. [*Desk thumping*] And that is the process we will follow.

The Minister of Works said to me that there were two companies, so let us get this straight. There were two companies shortlisted before we took office, so again, it is their hypocrisy that we are here, taking money and we gave contracts. These were the two shortlisted companies under the previous administration—GLF and OAS—and I am advised that OAS was the lower bidder and that is where the contract went. That is what I am advised. All this happened prior to the People's Partnership taking office. [*Interruption*] The ranking of GLF and OAS happened before our time, the bids coming in and being assessed before our time, I am so advised by the Minister of Works.

Mr. Warner: That is right.

Hon. K. Persad-Bissessar: What day was this contract signed?

Mr. Warner: I do not remember, but I know it was, of course, before our time.

Dr. Moonilal: May.

Hon. K. Persad-Bissessar: I am advised by the Minister of Works that the contract was actually signed prior to the Government taking office on May 26.

Mr. Warner: I think it was May 6th.

Hon. K. Persad-Bissessar: May 24, I am so advised by the Minister of Works. [*Interruption*] The Minister was sworn in two days later, on the 28th. [*Crosstalk*]

Mr. Speaker, that highway was promised and promised and promised, I am being told since the genesis of the PNM in 1956, but we will make it happen. [*Desk thumping*] We will do it within cost and should there be anything, I have asked for every contract to include a clause, an anti-corruption clause, so we would be looking very closely not just at this but at every contract given out by

this Government. And again, if you have evidence to the contrary, we would be very happy to receive that evidence and deal with it according to law.

Mr. Speaker, I was saying, how did we get here—and I went off into the highway and so on—how did we get to having to go for these levels of borrowing? It is because—Minister of Finance may have already mentioned some of the reasons where, debt—we went through billions of dollars in this country in boom years yet accumulated debt, and I know Dr. Gopeesingh, the Member for Caroni East, always has the public accounts where we see every year the contingent liabilities increased, increased, increased, increased, and you do not see them on the books, you do not see them on those estimates and so on—the yellow books—but when you go into the public accounts, the committees, the public accounts reports, you would see contingent liabilities continue to increase—

Hon. Member: The Auditor General's Report.

Hon. K. Persad-Bissessar: The Auditor's General Report, that is right, and I know Dr. Gopeesingh may have some there, if you could pass it for me please, with the contingent liabilities.

Whilst I wait on that, I am asking, how did we get there? How did we get to this point where we have to go? You will recall we said when we came in we inherited a Treasury that was empty. We inherited, already, the accounts for the Treasury where we were weighing debt and there was already deficit financing. How much was it, \$7 billion, Minister?

Mr. Warner: Yes.

Hon. K. Persad-Bissessar: The previous administration took us into deficit financing of \$7 billion, but that was just, again, on the books. Off the book would have been all these other contingent liabilities totalling billions of dollars and these are some of the debts now that we have to pay. This is the Auditor General's Report for the financial year 2010. This is from October '09 to September 2010. These are some of the contingent liabilities that we now have to pay.

Economic Managements Division, Housing Development Corporation, balance as at 30 September, 2010, \$42 million; Airports Authority of Trinidad and Tobago, balance as at 2010, \$478,939,525, over \$478 million; [*Interruption*] half a billion dollars. The Port Authority of Trinidad and Tobago—Mr. Speaker, when you hear these you would understand why we say if you have to negotiate for

your salaries or your wages, go to the drawing board with the management. These are not matters handled by the CPO, and listen to the state of affairs by the company, what that particular state enterprise could afford to pay, because when you read these, almost every single state enterprise that we inherited, every single one, was in millions of dollars of debt, accumulated debt under the previous administration for years.

So, the Airports Authority of Trinidad and Tobago, \$478 million—I said almost half a billion—the Port Authority, \$133.277 million; Public Transport Service Corporation, \$26 million, almost \$27 million; Water and Sewerage Authority (WASA), \$206.8 million. WASA continuing, \$766 million; Regional Health Authorities—this looks like \$2 billion; \$2-plus billion; National Quarries, \$11-plus million; VMCOTT, \$41-plus million; National Helicopter Services Limited, \$94-plus million; UDeCott—

Hon. Member: “Oh God. Oh God.”

Mr. Roberts: “Ooh, Ow! Ow!”

Mr. Warner: “Tell dem! Tell dem!”

Hon. K. Persad-Bissessar:—\$3.4 billion.

Mr. Roberts: “Oooh! Aaaw!”

Mr. Warner: “Tell dem! Tell dem!”

Hon. K. Persad-Bissessar: These were the projects that are close to the heart of the former administration; \$3.4 billion. You want to know why we have to come and increase the level of borrowings? You want to know why the contractors are complaining? We have to pay them. You had them work, you did not pay them and you are owing them.

Mr. Warner: For two years.

Hon. K. Persad-Bissessar: More than two years, several years—\$3.4 billion; Sugar Manufacturing Company Limited, \$18.5 million; Tourism Development Company—that one is off—zero; eTecK, \$431 billion; British West Indian Airways Limited, \$7.5 million; National Infrastructure Development Company (NIDCO), \$51 million—[*Interruption*] That is not all you know, there are two figures. One is for the Ansa Merchant Bank Limited, \$153.8 million and then RBTT Merchant Bank, \$512 million—continued with NIDCO—Citicorp Merchant Bank, \$264.7 million; Scotiabank—apparently he borrowed from every single bank. [*Laughter*] Citicorp Merchant Bank again, \$321.766; making a grand total

that NIDCO is owing of \$791.554 million. Exim Bank, \$135 million; Nipdec, total for Nipdec, you know how much?

Mr. Warner: Tell them! Tell them.

Hon. K. Persad-Bissessar:—\$4.9 billion.

Mr. Roberts: “Ooooh Good, Calder Hart had \$9 billion.

Hon. Member: Shame!”

Hon. K. Persad-Bissessar: So there is a total of these letters of comfort of \$7 billion. *[Interruption]* Just for these; just for these, Mr. Speaker. Then you have the promissory notes as at September 2010, \$2.456—three and three, six, and three, nine, this is billion is it not?—\$2.4 billion.

Mr. Roberts: Wake him up.

Hon. K. Persad-Bissessar: “So, how much we reach already and counting?”
Seven—

Mr. Warner: Man, almost 10.

Hon. K. Persad-Bissessar: Seven and two, nine point five. *[Interruption]* Almost \$10 billion and it is not done yet, Mr. Speaker. It is not done yet. So how did we get here? *[Interruption]* What do we have to show for this? Those are the letters of comfort and then we have the Government guarantees as well. *[Interruption]* Yes, it is here, guarantees. *[Interruption]* Loans of credits guaranteed by the State as at September 30, 2010—Trinidad and Tobago Electricity Commission, \$925.9 million; Housing Development Company—several bonds with CBTT, \$2.58 billion.

Mr. Warner: “Oh”, who was the Minister? Who was the Minister of Housing?

Dr. Rowley: Me.

Mr. Warner: No toilet, no bathroom, no electricity.

Mr. Roberts: You got fired before that.

Hon. K. Persad-Bissessar: Export/Import Bank of Trinidad and Tobago — *[Interruption]*—National Maintenance Training and Security Company; *[Interruption]* UDeCott here now under—*[Interruption]*

Mr. Speaker: Member, please! I mean to say, I know that we are not in a church, but at the same time we would like to have some respect and courtesy extended.

Hon. K. Persad-Bissessar: UDeCott, Mr. Speaker, and this is in addition to the billions about which we already spoke, \$818.3 million on guarantees. *[Interruption]* Trinidad and Tobago Mortgage Finance Company Limited, \$200 million; Nipdec again, \$1.542 billion; National Insurance Development Company Limited, \$106 million; EFCL, \$3 billion, and they could not build the preschool.

Every year they were building 16 and at the end of the year if we got six we got a lot, but yet you are owing all of this. Which schools did you build? Which schools did you build to have the EFCL with a \$3 billion deficit? What did you do? So the grand total for the loans of credits guaranteed is \$11 billion; add to that the totals for the letters of comfort and add to that a promissory notes, so, the comfort letters total, counting guarantees we said was how much?

Mr. Warner: Nine point five.

Hon. K. Persad- Bissessar: No, total guarantees, \$11 billion. Letters of comfort, total of seven, so 11 and seven, 18; promissory notes \$2.4—we are looking at \$21 billion in debt that we inherited.

4.00 p.m.

And then this now; these are not all the debts. These are the contingent liabilities. Then we still have to do the normal development programme of the government. We still have projects ongoing and one I am very proud of—and they have promised that we will get it as a Christmas gift, is to convert that Chancery Lane Complex into a hospital—*[Desk thumping]*—

Mr. Roberts: Put San Fernando East first.

Hon. K. Persad-Bissessar: —275 more beds. We have massive highway works going on. People are paving day and night. Day and night roads are being paved.

Mr. Warner: You do not like that? Seucharan Trace, Gopee Trace, Pluck Road. You do not like that. Papourie Road.

Hon. K. Persad-Bissessar: You know, the hon. Member said we are doing nothing. He said this Government is doing nothing. But you know, before I get to that point there is something I need to raise because—how did we get here? The mishandling of the CL Financial matter. When the government signed—what was it, a 7 billion MOU—Where did that 7 billion come from? It came from the Treasury as well. It came from the Treasury, \$7 billion, Mr. Speaker—*[Crosstalk]*

Mr. Speaker: Please, please, please Members.

Hon. K. Persad-Bissessar: Mr. Speaker, you were in the other place, but there were some of us who were in this House when the debate was done here to deal with the amendments to the Central Bank Act in order to take on board the matters relating to the CL Financial bailout, as it was called. I stood in this House and I asked the then hon. Minister of Finance to tell us whether she had withdrawn her monies out of the CL Financial, prior to the MOU and the bailing out and the winding up. The Minister gave a long explanation, very long explanation. A long explanation, but the truth was that she had taken her money out.

As Dr. Moonilal put it in that debate—“when other people putting on nail polish and cutex and combing their hair and putting on their pretty dresses to go off to old year’s night fetes, the Minister was,” on old year’s day, pulling her money out of CL Financial. I asked the then Prime Minister. The then Prime Minister said all his Members acted with propriety. They all acted with propriety. The hon. Member for San Fernando East, former Prime Minister even said to me, so you have money in there? I said, I have no money in CL, financial or any of their associates.

Mr. Speaker, this is what the Minister then said, the former Minister of Finance, prior to January 14 of this year and this was said in 2009:

“I can truthfully state I had no personal, formal or informal information about the extent of liquidity difficulties that CL Investment Bank found itself in other than the information known to or available to any other citizen of Trinidad and Tobago and those on the other side for that matter...”, Mrs. Nunez-Teshiera said in her response to Parliament.

This was the Minister of Finance. On the law, the Minister has regulatory powers. The Minister denied every and anything. But you see the media is a very progressive media in Trinidad and Tobago. They always find out, they analyze and investigate, and so every day thereafter you will recall the newspaper roll-outs print—actually printing the accounts, printing transactions and so on and the Minister on two occasions really—the facts gave the lie to the words of the hon. Minister then, Mr. Speaker.

They say God does not sleep, he only wears pajamas. So that matter, discussed at length here, elections came and went, the Minister is no longer in this House, but you know several persons had raised issues of the breach of the Integrity in Public Life Act. I did it here in the Parliament. But there were other citizens outside of the Parliament who wrote to the Integrity Commission with

respect to a possible breach of the Integrity in Public Life Act and a conflict of interest by the former Minister of Finance.

Mr. Speaker, I have in my hand today a letter dated September 07, 2011, addressed to Sen. Devant Maharaj, who had written at that time alleging in January 2009 a breach of the Integrity in Public Life Act by the then Minister of Finance, Mrs. Karen Nunez-Tesheira. In this letter, September 07, 2011, Mr. Martin Farrell, Registrar of the Integrity Commission informs Sen. Devant Maharaj that the Integrity Commission conducted—well first of all the heading is—the caption:

“Breach of the Integrity in Public Life Act by Mrs. Karen Nunez-Tesheira, former Minister of Finance.

Dear Sir,

The matter at caption refers, the Integrity Commission has conducted investigation into your complaint read above. The matter has now been referred to the Director of Public Prosecutions for action as he deems necessary.”

For the DPP.

Mr. Speaker, just for us to understand what that means, on what occasions would an Integrity Commission refer a matter or a person to the Director of Public Prosecution. The Act tells us:

“Where after the conduct of an investigation, the Commission is satisfied that there are reasonable grounds for suspecting that an offence has been committed, it shall make a report to the Director of Public Prosecutions who may take such action as he thinks appropriate.”

So here it is the Integrity Commission is of the view that the reasonable grounds to suspect that an offence has been committed in terms of a breach of the Integrity in Public Life Act, so we will await to see the findings of the DPP. This matter will not go away so lightly.

So how did we get here? The Clico bailout, mishandling of that, the huge projects, the megaprojects and so on, massive spending, Mr. Speaker, squandermania at its highest and then here we are today, just like when we spoke about how we got here when it came to crime and what was happening in our country with respect to crime. It says, you know, we cannot reach here without

looking backwards and how we came to this past. I lay the blame squarely at the feet of the former administration for us having to come here today to seek to decrease foreign limits. And then the hon. Member said “what have you done? Your Government has done nothing.” We have done nothing. We have done nothing. We are not creating jobs.

Mr. Speaker, let us look at the area of housing—with respect to housing. The Minister of Housing has advised 4,500 starts in the housing units—4500 units, creating jobs; creating jobs at the same time filling a need for housing. Only recently I rolled out the programme for the construction of 18 new police stations, first to begin in Arima; promised and promised and promised, never delivered. The fire station, several fire stations to be built, Tobago, Mayaro and I know the MP for Mayaro is very anxious as we roll out those projects.

If you drive along the North/South highway, you would see the 13 surveillance bays that we have constructed. [*Desk thumping*] What have we done? Those created jobs, and, on top of that, Mr. Speaker, will give us a greater sense of security and safety as those bays will kick in very soon, but you see them. They are there for all to see. Not megaprojects like the Tarouba Stadium falling apart, these are functional and these would provide value and improve the quality of life of all of our citizens. Recently we commissioned the Navet trunk water main, 29 kilometres long. They said they have been promised by the former administration since 2005—never done. We started it and we completed it within time and under budget. And on top of that, all the labour employed was from WASA—[*Interruption*]

Hon. Member: Local.

Mr. Warner: Not Chinese.

Hon. K. Persad-Bissessar:—and on top of that I am advised that over 200,000 persons will benefit from that trunk line. So what are we doing? What are we doing?

Mr. Speaker, the list of achievements could go on and on. We completed under the Minister of Works the dualling of the Churchill Roosevelt Highway from O'Meara to Santa Rosa, Is that true? Yes. [*Desk thumping*] For six years it was languishing or even before that, but promised over that six year period—never happened; 40 million in penalties because you did not do it. We completed the Aranguez overpass and related infrastructure. We completed it, yes. What are we doing? We completed that overpass. [*Desk thumping*]

Mr. Warner: “We start Tarouba which they have not done for 27 years.”

Hon. K. Persad-Bissessar: I have been advised that we have started Tarouba which has not been done for 27 years. Throughout the country, in Oropouche West, roads that never saw a workman, a paver, all they used to do was patch, patch, patch, patch, roads, big pavers moving through those areas, Oropouche East, Oropouche West, but also in Port of Spain. So when you say we look only after our constituencies, nothing is further from truth—totally not true. Laventille will be ready on Friday. I remember when we went up in Maraval to do that piece of road, Point Fortin, La Brea, but also Oropouche East and West. Thank you, Minister.

I came to this Parliament on many occasions. There was a whole block of roadway where people were protesting in my constituency down in Scotts Road and Mendez and so on, prior to this Government taking office and people were protesting. I came, I wrote letters to the then Minister of Local Government. They said they were local government roads. Several letters—nothing happened. I came to this Parliament with a petition from the residents—nothing happened.

Well, thanks to the Member for Chaguanas West and the People's Partnership Government, those roads were paved. [*Desk thumping*] For 40 years those roads have never been paved. Granny Luces said 50 years. And then we talk about discrimination. Talk about discrimination, Mr. Speaker. St. Ann's, La Brea, Point Fortin, Laventille and other areas. So for construction of roads, but in other areas too.

I felt so proud and happy on Monday morning when school reopened and students were able to go to Biche High School. [*Desk thumping*] What are we doing? Those children had to wake up 3.00 and 4.00 in the morning— [*Interruption*]

Mr. Warner: Wicked, wicked.

Hon. K. Persad-Bissessar:—to go to school, but that administration would never open that school. I built it. We built it under our last government. We built it, [*Desk thumping*] but out of spite and malice and ill will, will never open the school, thinking they were suffering us in the Opposition when all they were doing was suffering the children, suffering the children.

When we were building those schools the Member for Diego Martin North/East, said we were building schools for “douen and parrots”. So the children of Biche should not have had a school. The children of Coryal should not have had school. The children of Brazil should not have had a school. But thanks to the last UNC administration all these rural areas, schools were built. Biche

remained as a monument of spite and malice on the part of the former administration. [*Desk thumping*] But I have said, God does not sleep. He may wear pajamas, but he does not sleep and that is why now 10 years later, thanks to the People's Partnership Government, the children of Biche take their rightful place in a school of their choice close to their home. [*Desk thumping*]

4.15 p.m.

Mr. Speaker, what are we doing? Project upon project; that is what we are doing. Our Government is people-focussed and people-centred. You may not see the megaprojects of the last administration; you may not see these concrete high-rises and so on, but what you will see is in the heart of communities we are there to assist in the social, sustainable development of communities. [*Desk thumping*]

Today, for example—you remember on Sunday I talked about an initiative that we will launch on Wednesday in the Morvant/Laventille area, in Beetham? I was very proud to be there with the Minister of National Security to launch the MLI Programme. What is the MLI Programme? It is “Make Life Important”.

Mrs. Gopee-Scoon: Our project.

Hon. K. Persad-Bissessar: It was your project, but, you see, you are always “coulda, woulda, shoulda”. Always on that side, “It is my project”, but you never get it done. Everything was your project. Great! Take the benefit that it is your project, but you never rolled it out.

So the MLI is Make Life Important—

Hon. Member: It is on stream.

Hon. K. Persad-Bissessar: Thank you for having it on stream. We are glad to get it off the ground, up and running and functioning so that people could use it. [*Desk thumping*] So take credit; you started it, but today it was launched, and that programme would be part of our fight against crime, because we understand that the law enforcement, such as a state of emergency, cannot be and must not be the be-all and end-all in the fight against crime. It must include the preventive aspects, and the preventive aspects will mean we go back into our communities and build our communities, in other words, take back our communities from the criminals and gangs. [*Desk thumping*] So the MLI, the Make Life Important Programme, we congratulate the Minister of National Security and his team for that rollout this morning. [*Desk thumping*] That will go hand in hand.

So what are we doing? We are doing the social programmes. We are doing that hard-nosed construction programmes, because I have said at the end of my

term, with the grace of God, as we continue to put God in front, that my legacy must not be in megabuildings and tall buildings, but it must be in schools, hospitals and in social development. [*Desk thumping*] That will be the legacy of this Government; that will be the legacy of the People's Partnership.

If I may, someone—and I thank them very much; I think it was the Member for Diego Martin Central. No it was the Member for St. Ann's East—in the debate over the weekend said, “I appreciate the Prime Minister has compassion for children”—because someone else was saying that they do not believe that. She said, “I appreciate that, but tell me, is the Children's Life Fund functioning?” Of course it is, Madam. That was the first Cabinet note I took to the Cabinet of the People's Partnership Government, and that programme has been up and running. We came here with the legislation; we passed the legislation.

Up to today, I again ask you—because every Member on this side is contributing a percentage of their salary to the Children's Life Fund. We have asked you over and over whether you will be willing to also give a percentage of your salary to the Children's Life Fund. So, yes, the Children's Life Fund is up and functioning. What are we doing? We are saving the lives of our disadvantaged and challenged children through the Children's Life Fund. Member for St. Ann's East, if I am not mistaken, we did assist a constituent of yours.

Mrs. Thomas: Yes.

Hon. K. Persad-Bissessar: Yes, we did. Thank you very much. Thank you. She is a gentle, gracious lady.

Mr. Warner: “She on de wrong side.”

Hon. K. Persad-Bissessar: Just on the wrong side.

Mr. Roberts: “Yuh doh fit een over dey.”

Hon. K. Persad-Bissessar: Mr. Speaker, through the Ministry Sport and Youth Affairs, we are going into sport tourism. Again, that does maybe three things: sport tourism, a revenue earner; during the construction phase, generating employment, and certainly creating places where our young people can use their energies, their creative talents, which will also assist us in the fight against crime. So the Minister of Sport has not one, not two, but how many projects you have rolling out this year?

Mr. Roberts: Six.

Hon. K. Persad-Bissessar: Six large projects.

Mr. Roberts: Then eight regional.

Hon. K. Persad-Bissessar: And eight regional projects, and he will tell us more—

Mr. Roberts: Forty-five local.

Hon. K. Persad-Bissessar: Forty-five local. Give him a round of applause. [*Desk thumping*]

What are we doing? Under the Member for Mayaro, the Minister for Arts and Multiculturalism, we had the best Carnival ever back in the Savannah. [*Desk thumping*]

Mr. Warner: Back to the Savannah!

Hon. K. Persad-Bissessar: The Minister of Justice will be rolling out, and has been putting in place, several programmes to improve the justice system, again in the fight against crime; the Offender Management Programme. I spoke on Sunday about the GPS, the bracelets, which will help us to keep track and monitor the criminals. The development of court plans, I see the Minister has one, but I think we would have to get permission from the Speaker before we can display it.

How could I forget the Minister of the People and Social Development, the Member for Caroni Central? We will be turning the sod very soon for a \$11.5 million facility for the physically challenged. [*Desk thumping*]

Under the Minister for Science, Technology and Tertiary Education, what are we doing? You see, they may not see that, because they object so vehemently to get a university campus in the south, in Debe. But that is what we are doing as well, so our children from the south will have easy access to education, because the only way this society can really grow and take off is through education. The Minister of Education is working round the clock to ensure that we do get the preschools. So at both ends of the spectrum, at the lower childhood care spectrum and at the tertiary level, we are expanding the capacity so that we can service the young people of our nation. That is how a nation grows. If you look at the Singapore model, that is what they did. It was through education, education, education.

So what are we doing? What about PTSC, the number of buses that were down? Buses are up and running and there is more to come. I think there are 100 buses to be ordered to service the communities in Trinidad and Tobago.

If we look again at Ministers here, the Minister of Tourism has been holding discussions with the Prime Minister and his team in Curaçao to do what? What

they want to do is something that will revitalize tourism in Tobago, one aspect of it, and that is to have a seven-island cruise service coming out of Curaçao, coming down the islands to Tobago and Grenada, but they are doing it in a novel way. It is not your normal cruise ship stop-and-go.

The proposal is for us to partner with them and with the other five islands—so seven in all—and if persons go to one island and they want to stay, they do not have to take the cruise ship the same day; they can stay over and use a hopper by air to catch up with the cruise along the way. You may want to spend more days in one place than another. So it is an innovative model that we are exploring together with Curaçao. The Prime Minister of Curaçao came to Trinidad some time ago; he put his proposal to us and we have signed the MOU with Curaçao in this regard.

Through Trade and Industry, Minister, Stephen Cadiz, next week Monday the China/Caribbean Conference will take place. But even before that, we had the Trade and Investment Convention; we also had the Commonwealth Business Forum, businesses coming from all over the world. Trinidad and Tobago, as the Minister of Foreign Affairs pointed out—

Mr. Speaker: Hon. Members, the speaking time of the hon. Prime Minister and Member for Siparia has expired.

Motion made: That the hon. Member's speaking time be extended by 30 minutes. [*Dr. R. Moonilal*]

Question put and agreed to.

Hon. K. Persad-Bissessar: [*Desk thumping*] Thank you very much, Mr. Speaker. Mr. Speaker, I am going through some of these because, obviously, some on the other side are not aware of all these projects and, perhaps, we should spend a little more time on communications and putting these projects forward.

I was talking about the tourism thrust and then trade and industry. The Minister of Foreign Affairs and Communications mentioned that only over the weekend in this Parliament about the report in the *Financial Times* and about the great interest being generated in Trinidad and Tobago. As you know, I would lead a team very shortly to the United Nations General Assembly—on the 19th. There are two very important initiatives there; one for the Caricom. I know the Member for Point Fortin does not like me to speak about anything relating to foreign affairs. Some people will call it political “tabanca”, [*Laughter*] the Member being the former Minister of Foreign Affairs.

Mrs. Gopee-Scoon: That is not so.

Hon. K. Persad-Bissessar: Non—communicable diseases: this is a thrust that is being led by the Caricom. There is going to be a special site meeting prior to the actual assembly on the 19th. We are also leading a Women Leaders' Forum with women leaders around the world. What has been very interesting with that is how many countries have agreed to partner with Trinidad and Tobago for that women's forum, which is very, very interesting, so that the cost has come down to minimalist because other countries are now assisting to join us. Only today I received an invitation from the World Bank asking me to join in a forum which will be moderated by CNN and streamed through all the social media during the period when I will be in New York. It must be that something good is happening in Trinidad and Tobago. [*Desk thumping*]

As I close, before we take the break, I want to quote from the *Hansard* of Monday, September 14, 2009 when the Appropriation Bill, the budget, was being debated, and when the Member for Diego Martin West made the following contribution.

“Mr. Speaker, I was surprised in the budget debate after all that has transpired in that commission of enquiry; it is on the Internet, the public is scandalized. My colleague, the Member for Caroni East was talking about that galvanized mausoleum they are building by the Princes Building Ground. [*Laughter*] It looks like a mutant, aeroplane engine. Has absolutely nothing to do with Trinidad and Tobago, not ship, shape nor Bristol fashion to do with Trinidad and Tobago.

He was talking about the cost of it and the Prime Minister got up, interrupted him and put in the parliamentary record that it is costing US \$60 million. The Prime Minister is head of the Cabinet, this matter has been one of great contention yet in *Hansard* we are being told it is US \$60 million.

Mr. Speaker, I want to go back again to the record arising out of the commission of enquiry because it takes a commission of enquiry for you, the parliamentarians, Cabinet Members and the people of Trinidad and Tobago to know how your money is being spent.”

This is the Member for Diego Martin West talking about whom? His own administration and that is the hypocrisy of those on the other side. And when you talk about the Minister of Finance “bad-talking” and giving Trinidad a bad image, what were you doing then? What were you then, when you accused your own party? So how did we arrive here? This is how we arrived here, Sir. [*Desk thumping*]

“This document, the first page there is a table, you see this table, Mr. Speaker, the first item on this table submitted to Professor Uff is the North Campus of the Performing Arts...”

So it is NAPA we are speaking of; this thing without--what is it? Not ship, shape nor Bristol fashion, a mutant aeroplane engine. This is what the Member was speaking about:

“...which is the one on the Princes Building Ground: Shanghai Construction Group, contract date, May 12, period, 20 months. It should have finished January 07 this year, it is rescheduled to finish September 12 this year which was a couple days ago, it should be finished. But the relevant point I am making is that the original contract value is \$441 million; that is not US \$60 million. This is what UDeCott is saying to a commission of enquiry, yet we are being told in Parliament that it is US \$60 million, \$441 million, and the projected completion is \$468 million, and that is likely to rise beyond that.

I am asking, who is misleading the Prime Minister of Trinidad and Tobago? Why is the Prime Minister ending up in a situation where he can get up in the Parliament to contradict a parliamentary colleague and put the wrong figure on the table when this document is available?

The Government has probably \$20 million worth of lawyers in the commission of enquiry.”

I quote this to, sort of, end where I began. Why did we reach here? The Member for Diego Martin West has a good idea as to why we need to borrow this money. Because they squandered it and he knew it and he spoke of it. Therefore, it is hypocrisy, in my respectful view, to say that there is no need for the measures being proposed by the Minister of Finance.

With those words, I endorse the proposal of the Minister of Finance and I thank you very much. [*Desk thumping*]

Mr. Speaker: This is a good time for us to pause and have some light refreshments and we shall return at 5.00 p.m. This sitting is now suspended until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00p.m.: *Sitting resumed.*

Mr. C. Imbert (*Diego Martin North/East*): Thank you, Mr. Speaker. Mr. Speaker, the matter that is being debated at this time is Motion Number 1 on the

Order Paper, [*Interruption*] which—Mr. Speaker, I have not even started yet. It is so ridiculous. They do not know how to behave. [*Interruption*] There he goes again, bleating away.

Mr. Speaker: You have my full protection. [*Interruption*] Please! Please! Please continue and allow the hon. Member to speak in silence.

Mr. C. Imbert: Thank you, Mr. Speaker.

Mr. Indarsingh: [*Inaudible*]

Mr. C. Imbert: Yes, you are very popular with the labour movement. The Motion before us, the resolution reads as follows:

“BE IT RESOLVED that the aggregate amount of all borrowings by Companies that are guaranteed by the Government under the Act”—and the Act being referred to is the Guarantee of Loans (Companies) Act, Chap 71:8—“shall not exceed twenty-five thousand million dollars in the currency of Trinidad and Tobago.”

And earlier on in the Motion, it records the fact that the last time the borrowing limit under the Guarantee of Loans (Companies) Act was raised or the ceiling was increased was in January 2003. So eight and half years ago the then government increased the ceiling to \$9 thousand million or \$9 billion. And for eight and after half years we have had no increase in the ceiling for the borrowing by state enterprises. The Minister of Finance in his introduction promised to tell the Parliament and the national population as to why the Government was seeking such a phenomenal increase, and for those who are watching this debate, let me make it clear, what this Government is doing is increasing the borrowing limit for state enterprises from the current limit of \$9 billion dollars in total for all state enterprises to \$25 billion, virtually trebling the limit and giving itself the ability to borrow up to \$16 billion for loans taken out by state enterprises that are guaranteed by the Government.

Now, the Minister of Finance promised that he would tell us why this administration considered it necessary to give itself the power to borrow an additional \$16 billion dollars for loans, projects undertaken by state enterprises. But by the time of his very short speech; he spoke barely for about 40 minutes. He gave no information whatsoever, in fact, when I listen to the Minister of Finance I often wonder if he is living in another world, because he says one thing and does another. He says—listen to his words, “We are not asking for a blank cheque, we are not asking for increases in the ceiling without providing the facts” and then he

says it will take too long to give the details. Now he says that the borrowing that they intend to engage in to utilize this 16 billion, not decided yet.

So here we have a Minister of Finance who prides himself on his prudence, his conservatism, et cetera, coming to the Parliament asking us on this side to agree that they—that Government that is already very unpopular with the citizens of this country—

Mr. Indarsingh: Really.

Mr. C. Imbert:—can borrow—yes, you see the Prime Minister painted a very rosy picture at the end of her speech, very rosy. And you know what is happening to you hon. Members opposite is that you are beginning to believe your own propaganda. It is a very dangerous place to be in, when you believe the untruths and the inaccurate version of reality that you put out into the public domain. It is a very dangerous place to be in, but your view, their view, is not the only view of what is happening in Trinidad and Tobago.

So we have a situation where the present Government—this unpopular Government has decided that it wants to borrow \$16 billion for state enterprise projects, which it does not have the courtesy—and it reminds me of a previous debate on the state of emergency. This Government does not have the courtesy to inform Members of Parliament and inform the national population on exactly what it intends to spend this \$16 billion on. Then the Minister comes and he promises to tell us all and he tells us nothing. And you see, when you say one thing and do another thing, you chip away at your credibility; and I dare say that the Minister of Finance and the present Government is losing creditability on a daily basis.

Because you see, I have to go back in time and look at what the Minister of Finance said, the Member for Tunapuna in his first budget address to this Parliament in his capacity of Minister of Finance in the UNC coalition government. And I am reading from the budget statement presented by the Minister of Finance of September 8, 2010 in this Parliament, and I am reading from page 26 of that document. What does the Minister of Finance tell us. On that page which is entitled “Overview on Financial Projections 2011” he talks about our economy, he talks about our economy stumbling in 2007, registering fiscal deficit, and having the first balance of payment deficit since the early 1990s. Then he says that the new Government is going to engage in investment firstly, in the Public Sector Investment Programme to the tune of some \$7 billion, then in the energy sector to the tune of some \$8 billion, and then private sector investment of

\$3 billion. And he adds it all up and he says that there is also potential for capital formation and so on. And these are his words: “In other words,”—Mr. Speaker—the potential for investment and capital formation in Trinidad and Tobago could amount to \$20 billion. If realized this will generate an economic growth rate between 3 to 4 per cent.” So those are the words of the Minister of Finance in his budget statement in September 2010, telling us that he is going to generate economic growth— his Government with their brilliant policies is going to generate economic growth of between 3 to 4 per cent in fiscal 2011. And he goes onto say:

“The key issue is building confidence. The—” Government—“has started to do so, and in less than 120 days we have begun to see the rebuilding of confidence.”

Then he goes on and on and on and then he makes this statement about the previous PNM administration:

“The past regime’s borrowing to satisfy its profligate spending saw the Net Public Sector Debt Stock increase from 34.1 per cent of GDP in 2008 to 49.4 per cent of GDP by September 2010.”and he says...

“We must return to balanced budgets, growing our cash balances while lessening our borrowing, in order to consolidate our fiscal position.” Sounds nice. So this is what the Minister of Finance told us in 2010. He told us that our debt to GDP ratio was about 49 per cent all as a result of the profligate spending of the past PNM administration and he declares that we have to return to a balanced budget, put the country on a growth path and so on and so on. What are the facts?

In July of this year the Central Bank published its Economic Bulletin Vol. 13. No. 2, July 2010, and I go to the section in that bulletin on central government fiscal operations, July 2011, just a month ago. Preliminary data from the Ministry of Finance headed by that hon. Member for the period October 2010 to June 2011 shows that the central government accounts registered a surplus of 1.2 billion— hooray, for you. The document goes on to tell us that the economy contracted in the last quarter of 2010, and the economy has also contracted in this first quarter of 2011. So instead of having economic growth of three to four per cent we in fact have a contraction of 3.6 per cent in the last quarter of 2010 and about .7 percent in the first quarter of 2011. And I am certain with the declaration of this state of emergency, with the global economic situation, that we are going to end 2011 with either a flat economy or a contraction in economic growth.

So where is the money going to come from to repay this \$16 billion that they are about to borrow? [*Desk thumping*] Where is the money going to come from? You see—Mr. Speaker, you know—[*Interruption*]

Mr. Speaker: Please, hon. Members; you see this crosstalk? Please. Member for D’Abadie/O’Meara, please do not refer to Members in that kind of derogatory term. Please. I would like Members to avoid, as much as possible, crosstalk. I would like to listen to what the hon. Member for Diego Martin North/East is saying and the Hansard recorder would also like to do the same. Continue hon. Member for Diego Martin North/East. [*Desk thumping*]

Mr. C. Imbert: Mr. Speaker, you see they think this country is made up of a pack of fools. I heard the *soto voce* comment that it is just a ceiling—ha! If it is just a ceiling, then why are you increasing your ability to borrow for state enterprise projects from \$9 billion to \$25 billion. If it is not your intention to utilize the entire additional \$16 billion, then why are you asking for it? You are treating the population like a pack of fools, [*Desk thumping*] and I can assure you the population is not stupid. I can assure you this Government will borrow every single cent of that \$16 billion that they are coming here to ask the Parliament for, and they have given us no details, no information. And you see, since hon. Members opposite do not read, do not know. Let me; read the precise information, Mr. Speaker, from—[*Interruption*]

Mr. Speaker: Hon. Member, I do not know that you can say hon. Members do not read. I think that you have to assume that everyone reads. So, to say that they do not read, I think that is a bit, you know—[*Crosstalk*]

5.15 p.m.

Mr. C. Imbert: “They doh understand!” [*Crosstalk*] “They doh understand”.

Mr. Speaker: Let us be a little more courteous.

Mr. C. Imbert: So let me educate them with respect to our economic situation, Mr. Speaker. Page 11 of the *Economic Bulletin, Gross Domestic Product*:

“Latest data point to a small contraction of real GDP in Trinidad and Tobago during the first quarter of 2011.

Preliminary estimates from the Central Bank’s Quarterly Gross Domestic Product (QGDP) Index indicated that, on a year-on-year basis, the Trinidad and Tobago economy registered negative growth of 1.7 per cent following a contraction of 3.6 per cent in the fourth quarter of 2010...” [*Interruption*]

Hon. Member: We are in recession.

Mr. C. Imbert: Of course we are in recession. We have two successive quarters of negative growth in Trinidad and Tobago, and that is the international definition for a recession. So Trinidad and Tobago is officially in a recession. They could say what they want, Mr. Speaker, and I doubt they have read this.

You, Mr. Speaker, say that I must assume they read this, but I am sorry, I cannot accept that they would have read this, otherwise they would not come into this Parliament and ask us to agree for them to take our debt stock from \$70 billion to almost \$90 billion with just this one measure. If the economy is contracting as the Central Bank is telling us, both the energy sector minus 2.7 per cent and the non-energy sector minus 0.8 per cent experienced declining economic activity.

Dr. Rowley: No revenue coming in.

Mr. C. Imbert: No revenue coming in. No growth in the economy. Officially, we have two successive quarters of negative economic growth. That is called a recession in developed countries. Yet the Minister of Finance stands and says, “We are not asking you for a blank cheque, we are not asking you just to agree to a ceiling without the facts”, then tell us nothing. We want to know what you are going to spend that \$16 billion on. That \$16 billion is effectively mortgaging the future of this country’s children [*Desk thumping*] because it is the children of the future who have to pay back that \$16 billion which they intend to borrow for state enterprise projects.

Dr. Rowley: After all they have said.

Mr. C. Imbert: After all the Minister has said, he has told us nothing. He simply comes and says, “I want to raise the limit from \$9 billion to \$25 billion. I cyah tell you what it is because it go take too long to go into the details.” That is what he said, and we are supposed to listen to him? There are some facts that the population needs to know, and I am sorry I have to assume that the Members opposite are not doing their research. If you said that I cannot say they do not read, they are not doing their research, Mr. Speaker.

Mr. Speaker, are the Members opposite aware that in July or August of this year, 2011, our long-term local currency sovereign credit rating was lowered? Do they know that? Are they aware that Standard and Poor’s rating agency has lowered Trinidad and Tobago’s long-term local currency sovereign credit rating from A+ to A? No, they do not. I am certain that the hon. Members opposite do

not know that. I am certain they do not know. You see, if I go into what was published by the international rating agencies in July of 2011, look at what Moody's is saying about Trinidad and Tobago. Moody's gives Trinidad and Tobago a stable outlook.

The economy of Trinidad and Tobago real GDP growth is expected to be a modest 2.1 per cent for 2011. Well somebody is not telling Moody's the truth. Who told Moody's that economic growth for Trinidad and Tobago in fiscal 2011 is supposed to be 2.1 per cent, when in July 2011 the same time the Central Bank of Trinidad and Tobago, which is the official agency recording our economic growth has shown we have had two periods of negative growth of contraction, that our GDP is decreasing, that we are on a downward spiral? Who told them? Was it you, hon. Member for Tunapuna? Did you tell Moody's that our economic growth for 2011 is going to be 2 per cent when the Central Bank is saying it is negative? You see, just after this comes Standard and Poor's downgrading Trinidad and Tobago's long-term local currency sovereign credit rating. Here is what the Minister of Finance—media release from him—says:

“...this new development”—do not worry. They downgraded our credit rating, but do not worry—“is based on methodology rather than a change in perception.”

Who are you trying to fool?

Mr. Dookeran: That is what they said.

Mr. C. Imbert: Who are you trying to fool? Mr. Speaker, who does he think he is trying to fool?

Mr. Roberts: Mr. Speaker, Standing Order 36(5), imputing improper motives. Moody's does their own research. The Minister cannot tell them anything.

Mr. Speaker: I understand the point that you have made, but I do not think that is—continue. [*Desk thumping*]

Mr. C. Imbert: Mr. Speaker, it is very confused people you are dealing with here. You just do not know what is going on in this country. We have been downgraded by Standard and Poor's. You do not know what is going on. We have had two successive quarters of negative growth, a contraction in our GDP. You do not know what is going on, hon. Member. You just do not know.

You see, if you knew and if you knew that what the Minister is planning to do is the exact opposite of what this Government said they would do; and if hon. Members had any idea what kind of debt service burden will be on this country

when you have to pay back that \$16 billion, which I am certain is going to be used for questionable projects, projects of questionable value, projects of questionable effectiveness—you see, hon. Members opposite do not realize that they are in power now. When we went through this bulletin, the hon. Member for Diego Martin West attempted to educate hon. Members opposite, to tell them that we have an issue now with shale gas, that in the global economic environment there are threats to liquefied natural gas and it is coming from shale gas.

Again, I will educate hon. Members opposite because they do not know what is going on and I quote again from the bulletin:

“The US has made significant advances in the extraction of shale gas with production growing by an average of 17 per cent per year between 2000 and 2006. A gradual improvement in technologies as well as attractive gas prices encouraged development of the industry, driving the annual rate of increase in production to 48 per cent between 2006 and 2010. In 2009, shale gas accounted for 14 per cent of total US natural gas, production and 32 per cent of US potential natural gas reserves. The EIA estimates that shale gas could eventually account for 45 per cent of total natural gas supply in the US by 2035.

With more exploration of shale gas, the expansion of world supply of gas has far outstripped the growth in demand. As a result, market prices for natural gas especially in the US, have been relatively low in recent times. Forecasts point to persistently low prices for the foreseeable future as technological advancement in shale gas extraction gains momentum, and the number of countries which possess shale deposits continues to rise. The global gas market is expected to become much more competitive, with significant implications for earnings and profitability of Trinidad and Tobago’s gas industry.”

What does this tell us? Trinidad and Tobago used to be an oil economy. It is now a gas economy. We have declining oil production, we have mature fields, no significant discoveries of oil, our oil production is now barely 100,000 barrels a day, from 200,000 barrels a day when the Member for Pointe-a-Pierre was in his prime and “making mass” down in Pointe-a-Pierre.

So our oil production is now 50 per cent of what it used to be 20 years ago, our gas price outlook is not good and our economy is contracting according to the Central Bank. So there is no prospect of increased revenues from natural gas, no prospect of increased revenues from oil, and when you look at the non-energy sector that too is in difficulty according to the Central Bank. I say all of these

things to put paid to the picture to ask the Minister of Finance to tell us: where is he going to get the revenue to repay all of this debt—this \$16 billion in debt, \$16 billion in borrowing—that he wants to engage in on behalf of state enterprises in Trinidad and Tobago.

Let us take a look at the actual numbers, the fiscal number, in terms of what is happening in Trinidad and Tobago. There is a table, again, in this document—table five—Summary of Central Government Fiscal Operations, and the overall deficits for fiscal 2010. Because of the management of the economy by the brilliant economist from Tunapuna, the fiscal deficit for 2011 is projected to be \$8.5 billion. How does one finance a deficit? You have to borrow. So the Minister of Finance is responsible now, according to this document, and at the end of this fiscal year, which is the end of this month, we will have a deficit for this fiscal year of \$8.5 billion. What do we have to show for it? What does Trinidad and Tobago have to show for this \$8.5 billion deficit?

I heard the Prime Minister trot out a whole list of projects. Is that \$8.5 billion in expenditure? “Them three lil thing that I heard the Prime Minister talk about?” Half of them were already in progress or virtually completed before the May 2010 election. Chancery Lane—what is being done at the Chancery Lane Complex in San Fernando, that would account for a fiscal deficit in 2011 of \$8.5 billion? Could the Minister of Finance tell us? Could you tell us what you spent that \$8.5 billion on? Because that \$8.5 billion was supposed to be spent on projects. That \$8.5 billion is supposed to be the capital programme for the Government for the year 2010/2011.

So we are going to go through a fiscal year, the Minister will come and report to us, maybe the figures will be slightly different, maybe it will be more, maybe it will be slightly less, but we know from what the Central Bank is telling us that the fiscal outturn for 2011 is a deficit of \$8.5 billion. What new projects have they done? What new projects has this Government engaged in the year 2011?

Mrs. Gopee-Scoon: Nada.

Mr. C. Imbert: Very little! Very little!

Mrs. Gopee-Scoon : Cannot see it.

Mr. C. Imbert: The population cannot see it. I heard the Prime Minister painting a very rosy picture of Trinidad and Tobago, a very, very rosy picture that Trinidad and Tobago was like the promised land, as if we were living in the promised land if you listened to what the Prime Minister had to say. But as I said,

that is not the only point of view in this country. There are other people in this country who have a different point of view. When you start to believe your own propaganda, that is when we are in very dangerous times.

Mr. Speaker, I am going to read an editorial from the *Trinidad and Tobago Review*, the Lloyd Best Institute of the West Indies, and this editorial was posted on the September 04, 2011. The headline is “Dangerous Seductions” and it goes as follows:

“These are dangerous times. A government too weak to govern under terms of a democracy has decided to govern on the borrowed strength of a State of Emergency. A people lost without leadership, grasping at straws, ready to hold on to anything, including the lull of a false calm.”

The partnership of 2010 has long fractured, papered over only by the smiling face of...”—Prime Minister—“in carefully structure, ethnically-sensitive photo-ops with strategic positioning for Tobago, the COP and whoever else as the situation warrants.”

5.30 pm

Now, these are not my words, Mr. Speaker. The *Trinidad and Tobago Review* is TAPIA newspaper. TAPIA has never supported the People’s National Movement. The *Trinidad and Tobago Review* could not by any stretch of the imagination be described as a magazine that emanates or supports the views of the People’s National Movement. No way! These are not my views. So let us go on.

“Under the mask, the UNC is rampant. In government, its partners have all been brought to heel, reduced to begging for talks that never materialise. But while the leaders stay in the cabinet, claiming to be fighting for their people from inside, the people, like Longfellows’ Arabs, have silently folded their tents and are silently stealing away.”

See; another point of view. I am sure the Prime Minister and the hon. Members opposite think that their point of view is the correct view. This rosy picture about Trinidad and Tobago is such a wonderful place. So many wonderful things are being done by this UNC coalition but here is another view—it is not PNM talking.

“From Tobago to Westmoorings to Point Fortin, the cry for representation is everywhere. With its partners reduced to impotence, the Persad-Bissessar administration is already a government without legitimacy.”

Okay; that is another point of view, Mr. Speaker.

Mr. Speaker, what does this Government want us to agree to allow them to borrow \$16 billion to do? Right off the bat I can tell you. There is no way I could agree to a \$16-billion increase in our ceiling with that threadbare presentation coming from the Minister of Finance with no indication whatsoever on what you are going to spend the money. The Minister told us that \$4 billion is for letters of comfort for projects, most of which would already have been completed or in the stages of completion. But, what is the other \$12 billion for? Tell us what the other \$12 billion is for. You are treating the population with scant courtesy, Mr. Speaker.

I want to ask—I am reading into the record an article published in the *Trinidad Guardian*. It will be March 06 or June 03 depending on how you look at the date.

“NP \$40m contract scrapped

Fresh bidding to be invited says”—Attorney General.

It reads as follows:

“Attorney General Anand Ramlogan says the tendering process for National Petroleum’s (NP) \$40 million transport contract must be quashed and fresh bidding should be invited. He said that recommendation was made to, and accepted by Cabinet yesterday.

Ramlogan spoke during yesterday’s post-Cabinet news conference at the Office of the Prime Minister... He said the process...”—the procurement process undertaken by that Government—“was ‘untenable and I have advised that the entire process be quashed and the tender for the distribution of the fuel be tendered afresh.’ The AG added: ‘It will not be the first time that we will be cracking the whip.’

He said the first time was when the Persad-Bissessar stopped the award of a contract to light up the Piarco Airport without a board being in place. He said the tendering process was flawed and the decision was taken to have the bids retendered.”

Now, Mr. Speaker, I do not need to go into any great detail on the situation associated with that flawed and questionable contract for \$40 million to a group of people who are closely associated with the Prime Minister, I mean, it is public knowledge that the Prime Minister—I am not casting any aspersions—it is public

knowledge that the Prime Minister stayed at the home of the owners of the company that was the intended beneficiaries of this \$40 million contract from a state enterprise—National Petroleum—that subsequently was declared null and void by the Attorney General. In fact, the Prime Minister was referred to the Integrity Commission with respect to this matter but I am not casting any aspersions.

Mr. Speaker, I am simply asking the Minister of Finance to tell us. This \$16 billion that you are going to borrow or the additional \$12 billion for new projects—let us take your figures at face value—are they going to be used for questionable contracts like this—for this \$40 million contract at NP and this multi-million dollar lighting contract at the airport, both of which were stopped because the procurement process was flawed?

You see, Mr. Speaker, this Government came into power on the altar of morality—morality in public affairs—made a big song and dance about how they would govern this country so differently to what took place previously. And we have already seen, in their very short tenure, all sorts of allegations of impropriety levelled at persons who are in state enterprises. We have had a very public battle between the Member for Chaguanas West when he was previously in charge of both works and transport; a public battle between the Minister of Works and Transport as he was then and the board of Caribbean Airlines over a multi-million dollar acquisition of aircraft.

Most recently, there was another proposed acquisition by that state enterprise which would have to be guaranteed under the Guarantee of Loans (Companies) Act, Chap. 71:82 if it goes through. The acquisition of some jet aircraft was responsible for the resignation of the sitting Chairman of Caribbean Airlines. *[Interruption]* He tendered his resignation; it was not accepted. But the fact of the matter is, in the short 15 months that this Government has been in power, we have had scandal after scandal relating to the operations of state enterprises, scandal after scandal in terms of the procurement process being adopted by persons, in state enterprises, who have been appointed by this Government.

What we are all about today is we are being asked to approve and increase the limit from \$9 billion to \$25 billion to allow them— to allow the persons that they have appointed to head to state enterprises to spend \$16 billion. Of course, they are not telling us on what, Mr. Speaker. They are not telling us on what. *[Interruption]* You could say what you want.

Mr. Speaker, let us take a look at some of the figures. Most countries try to reduce their public debt. I was reading a very interesting article on the United

States of America and, you see, when the Member for Tunapuna was campaigning, that is what he told the country he would do. He told the country that the PNM had squandered the country's money; he told the country that the PNM had bankrupted the Treasury; he told the county that our debt burden was impossible and that when they came into power, they would reduce our debt burden, reduce our debt service ratio, payoff our debt and bring stability back into the economy. That is what he told us, Mr. Speaker.

I was reading a very interesting article about what happened in the United States in terms of its debt, Mr. Speaker. You know, the United States has been very much in the news in the last couple of months in terms of the crisis in that country with respect to its debt ceiling, and you have a situation where the Congress is not controlled by the ruling party in the United States, and therefore the President was unable to get the Congress to agree to increasing the debt, and you had a crisis in the United States which resulted in Standard & Poor's actually downgrading the best economy in the world.

Let us look at what had happened in the United States. What is the history of the public debt? It makes interesting reading, Mr. Speaker. I am reading from an article published, again, in Wikipedia and they give a history of the United States, public debt. It reads as follows:

“The United States has had a public debt since its founding in 1791. Debts incurred during the American Revolutionary war and under the Articles of Confederation amounted to \$75...million on January 1, 1791. From 1796 to 1811 there were 14 budget surpluses and 2 deficits. There was a sharp increase in the debt as a result of the War of 1812. In the 20 years following that war, there were 18 surpluses and the US paid off 99.97% of its then debt.”

What does that tell us? The American people took a conscious decision during the first year of the formation of that country to pay off virtually their entire public debt. They got into debt because of war, because of the revolutionary war and because of the war of 1812, and over a period of 20 years they virtually paid off 100 per cent of their debt.

“Another sharp increase in the debt occurred as a result of the Civil War. The debt...was \$65 million...but passed one \$1 billion in 1863...”

You hear these numbers? US \$1 billion in 1863.

“...and reached \$2.7 billion by the end of the war. During the following 47 years, there were 36 surpluses and 11 deficits. During this period, 55 % of the national debt”—in the United States—“was paid off. The next period of major increase...took place during World War I, reaching \$25.5 billion at its conclusion. It was followed by 11 consecutive”—budget—“surpluses and saw the debt reduced by 36 %.

After this period, beginning in 1965 and each year afterward, the growth of the US...debt began increasing faster than GDP as GDP...rates in western countries began to taper off.”

The debt “quadrupled during the Reagan and Bush presidencies from 1980 to 1992.” [*Interruption*] Yes, fiscal conservative like the hon. Member for Tunapuna, Reagan and Bush. The American public debt quadrupled during the Reagan and Bush presidencies.

“The net public debt quintupled in nominal terms. Gross debt relative to GDP declined...then rose during the 1980s as part of Regonomics...During the 1980s, it rose to 41 % of GDP.

During the presidency of George W. Bush, the gross public debt increased from \$5.7 trillion in January 2001 to \$10.7 trillion in December 2008. Under President Barack Obama, the debt increased from \$10.7 trillion in 2008 to \$14.2 trillion in February 2011. Debt relative to GDP rose...”—continuously until it was—“...62% by the end of fiscal...2010”.

And what happened? For the first time, Standard and Poor’s devalued the most powerful economy in the world and removed the American economy’s triple A rating. They did so because the debt to GDP ratio in the United States crossed 60 per cent, and Standard and Poor’s came to the conclusion that the United States was now a risk.

What is this hon. Minister doing? Just with this measure alone and you have more to come. With this measure alone, currently, our debt is about \$71 billion—more or less—71 billion, about 50 per cent of GDP more or less. What does this Minister want to do? He wants to increase the debt from 71 to 87. That takes it from 50 per cent of GDP to about 63 per cent of GDP. So if this Government utilizes its ceiling because it is coming to us today—does not have to come back, after today, when they use their majority and they railroad through this measure, because that is how they used their majority—no discussion, no details, no information, not taking the population into their confidence as to anything, the Minister did not give us any overview of the country’s economy.

5.45 p.m.

He did not tell us what I had to tell this Parliament; that we are in an economic recession. He did not tell us that the fiscal outturn for 2011 is not looking too rosy. He did not tell us any of that. He gave no details of the projects they want to spend this \$16 billion on and he did not tell us that if they spend this \$16 billion, our debt to GDP ratio is going to cross 62 per cent. It was at 62 per cent that Standard & Poor's downgraded the United States, economy.

Hon. Members opposite, you could do what you want. You have the majority. You could come into power promising fiscal responsibility. You could come into power promising to reduce our debt burden. You could come into power with pious platitudes about how the PNM government has put such a huge burden of debt on this country and the country's children would take years and generations to pay it off—those pious—[*Interruption*]

Mr. Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made: That the hon. Member's speaking time be extended by 30 minutes. [*Miss M. McDonald*]

Question put and agreed to.

Mr. C. Imbert: I thank you hon. Members opposite; those who did not disagree. I cannot thank the ones who muttered: "No." One of the things about a Parliament is that the Government will have its way and the Opposition will have its say. The word "Parliament" comes from the word "*parlez*" and that is to speak and we are here about the people's business. If you do not want to tell the people what is going on we will, we shall.

As I have said, the present UNC coalition came into power mouthing pious platitudes about the debt burden in Trinidad and Tobago; pious platitudes. Instead of paying down the debt—you do not need to increase the ceiling at all, it is a ceiling. Instead of using your brilliant economic minds to grow our economy so that you can pay off some of our debts and you can use the space that is created by paying off some of our debts to borrow some additional money to do your projects, you have taken the easy way out. You are interested in growing our economy. Now, you are going to engage in deficit spending. Now, you are going to engage in a very risky approach to economics.

I listened to the hon. Prime Minister, and the hon. Prime Minister, in my opinion, misunderstood why she was here. This Motion is not a review of the performance of the UNC coalition for the last 12 months. This is not what this

Motion is for. This Motion is going forward, where the Government has come to ask the Parliament to agree to give them the power to borrow \$16 billion for state companies, which is going to take place in the future. It is not what has happened in the past or what, in the romantic mind of the Prime Minister, might have happened.

I was quite saddened when the Prime Minister, in her enthusiasm, was trying to respond to the hon. Member for Diego Martin West, with respect to the very serious questions he raised about the Point Fortin highway. The Member for Diego Martin West has made the point that there was a particular estimate for land acquisition for the Point Fortin highway; an estimate of \$800 million more or less, and from the public utterances of the Minister of Works and Infrastructure, the clear impression given is that the estimate for land acquisition for the Point Fortin highway has tripled. It has gone from \$800 million to \$2.4 billion. This is what we are being told.

The Member for Diego Martin West has called upon the Government to explain why it is going to cost \$2 billion to acquire land between San Fernando and Point Fortin, when the previous estimates were less than \$1 billion. We want to know whether the prices that are going to be paid are inflated. The reason we have questioned the presence of Members of Parliament on the committee is that we want to know if those Members of Parliament are going to ensure that persons along the route of the highway that go through their constituencies are going to be paid inflated prices for land.

These are legitimate questions. These questions have not been answered. The Government can put this to rest. They can explain why they are spending \$2 billion on land acquisition when the previous estimate was \$800 million. The national population will judge as to whether what the Government is doing is correct or whether they are favouring a particular section of people who are fortunate enough to own land along the route alignment of the highway. These are questions that need to be answered.

In the Prime Minister's exuberance to give a report to the nation on the fantastic achievements of the UNC coalition in the last 12 months, the Prime Minister trotted out all sorts of things. One of the astonishing statements made was that the Chancery Lane Office Complex will be converted into a hospital by December 2011. This is a building that was never designed and constructed to have surgical theatres; never designed and not constructed with laboratories; never designed with diagnostic facilities; never designed with elevators for transporting patients on stretchers; not designed with the electrical and

mechanical services that are associated with a hospital, but you are going to convert an office complex into a hospital in three months. After that piece of exuberance, which is obviously pie in the sky, the best they can do is just convert the building into a dormitory; put some beds inside there and use it as overflow from the San Fernando Hospital. The person who can construct or convert an office building into a hospital in three months has not been born yet.

In the Prime Minister's exuberance, after saying that the Chancery Lane Office Complex would be converted into a hospital—does not tell us how; does not tell us whether this is being done by a state enterprise, does not tell us whether this is part of the \$16 billion that they plan to borrow; does not tell us how many billions or hundreds of millions they are going to be spending on that project in order to do this miracle in the next three months—the next piece of magic that comes out of the Prime Minister's speech is a statement based on prompting from the Member for Chaguanas West. If the Prime Minister does not know by now, that the Member for Chaguanas West is a person who, whenever he tells you something, you need to take it with a pinch of salt.

The Member for Chaguanas West has made Trinidad and Tobago famous over the last six months, and if the Prime Minister did not know, by now she should know that when the Member for Chaguanas West speaks, you had better take what he says with a bucket of salt. I had to say in this Parliament, know full well that tenders for the Point Fortin highway were received May 2010. An evaluation was done. No decision was taken on an award of contract. No communication. A new government comes in and the Minister of Works announces to the national population that he is putting all projects of the previous administration on hold for review. They put that project on ice. No contract was awarded and no arrangements were made with the contractor. The Member for Chaguanas West goes off to South Africa to the World Cup, is approached by persons friendly with that Brazilian contractor and all of a sudden revives the project and then, sometime towards December 2010, instructs Nidco—[*Interruption*]

Mr. Warner: Standing Order 36(5).

Mr. Speaker: When you said he went to South Africa with some friends—you are imputing improper motives. You should withdraw that.

Mr. Warner: I never did!

Mr. C. Imbert: If he says so, I withdraw that. If he says he met nobody from OAS in South Africa, I withdraw that.

Mr. Sharma: How do you know? Were you there?

Mr. C. Imbert: But the fact of the matter is, the Minister of Works prompted the Prime Minister to put an untruth on the record of this Parliament, and I know what I am saying.

Dr. Moonilal: Mr. Speaker, Standing Order 36(5).

Mr. C. Imbert: No, no, no, I have facts.

Mr. Speaker: I think I recall the Prime Minister saying she has been advised.

Mr. C. Imbert: Exactly!

Mr. Speaker: To say that she has put an untruth on the record, when she said she has been advised, I do not think it is fair.

Mr. C. Imbert: That was what the Prime Minister said first and then the hon. Prime Minister emphatically stated that the contract for the Point Fortin highway had been signed before the 2010 election. I was right there. I took notes. That is a complete and blatant untruth. That contract was only signed a very short while ago. *[Interruption]* What? Are you getting up on a Standing Order? What Standing Order?

Mr. Warner: Standing Order 36(5). Mr. Speaker, I would like again to put on the record that the contract for—*[Interruption]*

Mr. C. Imbert: No, no, no. I got up for Standing Order 36(5).

Mr. Speaker: What is going on here is that a statement has been made, you are disputing the statement and you are assuming that what was said was an untruth. The question here is that until we are able to get evidence to prove otherwise, then we have to take the statement that has been given from a Member. If you have evidence and you can produce the evidence that the contract that you spoke about was signed a short while ago, then produce it. He is denying what you are saying and you are disputing what the Prime Minister is saying. Let us be very careful.

Mr. C. Imbert: Mr. Speaker, I was the Minister of Works and Transport in the last PNM administration. I have intimate knowledge of the status of the Point Fortin Highway Project up to midnight on May 24, 2010 and I can say without any fear of contradiction, in my capacity as the former Minister in charge of that portfolio and in charge of that project, that the contract for the Point Fortin highway was not signed before the 2010 election. For anyone to say—it does not matter who it is, whether it is the Minister of Works or whether it is the Prime

Minister—for any Member of the Government coming into this Parliament and alleging that the contract for the Point Fortin highway was signed before the 2010 election, I state without any fear of contradiction and I am willing to suffer any consequences, that is not true.

I also would like to say that because of the imminent election, as Minister of Works I did not make any decision with respect to that matter and I made no recommendation to Cabinet, with respect to the Point Fortin highway. The award of the contract is entirely the doing of the UNC coalition; entirely the doing of the UNC coalition. They can do what they want. I heard the Minister tell the Prime Minister something and I heard the Prime Minister say something and the *Hansard* will reflect what has been said. You can do what you want. It is this exuberance. That is why I have to go back.

6.00 p.m.

When you begin to believe your own propaganda, Mr. Speaker, so you could say what you want, you could say anything and you expect that people will believe you; that is what moves, Mr. Speaker, let me make it clear, I do not blame the Prime Minister, at all.

I heard the Minister of Works give her the information, and then the Prime Minister said “I have been advised by so and so,” then went on to repeat the allegation made to her by the Minister of Works as if it were factual, Mr. Speaker. I do not blame the Prime Minister, I want to make that absolutely clear. What I am saying is that the Prime Minister was misled by the Minister of Works. You see, when you get to the point where you believe your own propaganda, that is when you are in a very dangerous place. And that is why I—you know, Members opposite, you could ignore what is going on, but you need to read these articles that have been published by persons in the TNT Review, by other intellectuals in this country, and you will get a better sense of what persons think of the UNC-coalition, quite differently to what occurred in May 2010.

Mr. Speaker, in May 2010, the UNC-coalition had the majority of support in this country that was reflected in the election results; they got about 400,000 votes as far as I remember; we got a little less than 300,000. So there were at least 100,000 voters, more or less, in Trinidad and Tobago who supported the UNC-coalition in the last election. That was the state of play on May 24, 2010. [*Crosstalk*] Whatever. So it was more—there was a significantly larger number of persons who supported the UNC in 2010, than the PNM, Mr. Speaker.

You see, one of the things I have found with Governments, the NAR suffered from it as well. The NAR won 33 seats in 1986 and the then Prime Minister was so

infused by those 33 seats [*Crosstalk*] he called it an embarrassment of riches. That within one year his government began to fracture when he expelled the ULF faction of that government. And the then Prime Minister did not understand that the sum of the parts and the whole were very different, Mr. Speaker. He did not understand that.

So looking at bare numbers, 33 minus 10 is 23, thought that he, the then Prime Minister, could comfortably govern this country and gets reelected in 1991, because he had a clear majority, Mr. Speaker. That was just on paper. By the time the 1991 election came along, those NAR candidates who had managed to win their seats by 10,000 votes and 11,000 votes and so on, they were scrambling to get 1,000 and 2,000 votes. That is what happened to them.

We have a situation where you have a Government which has 29 seats in this Parliament, and as I said, Mr. Speaker, they are falling for their own propaganda. Because I want to ask the Minister of Finance to tell us, of this \$16 billion you want to borrow for state enterprises, is Colonial Life considered to be a state enterprise in the context of the—I want the Minister to clarify it. I know. I see he is saying that. If you do not mind, in your winding up, I will ask the Minister of Finance to clarify that Colonial Life Insurance Company of which the Government owns 49 per cent of the shares at this point in time, as far as I know, is not considered to be a company that would benefit from the Guarantee of Loans (Companies) Act, Chap. 71 of 1982. Tell us.

Mr. Dookeran: No, I will tell you.

Mr. C. Imbert: You are saying no! Right, and look at that. So that this \$16 billion which the Minister of Finance tells us is for past issues leaving a balance of approximately 12, I am just rounding it off, has nothing to do with the financing for dealing with the Clico problem, Mr. Speaker. Nothing to do with it!

They are borrowing \$16 billion for state enterprises and the Clico financing is going to have to come from some other borrowing, Mr. Speaker. So what the Minister of Finance has just told me is that after they are finished borrowing this \$16 billion for state enterprises, and they borrow God knows how many billions, because they would not deal with the Clico matter in the agreed fashion, where the assets in the Statutory Fund are supposed to be disposed of to liquidate the debt to policyholders, they would not deal with it so, so the Minister of Finance is going to further increase the debt profile and the debt burden on Trinidad and Tobago in order to deal with the Clico situation, with his misguided solution.

What is that going to do to our debt to GDP ratio, Mr. Speaker, when he does that? You have already heard from the Minister that what he is doing is going to

send it over 60 per cent. If he adds taxes on something for Colonial Life, where is that going to send our debt to GDP ratio? Seventy per cent, 80 per cent? And we know that the Government intends to engage in other borrowings. There is a newspaper report this week that tells us that the Government intends to increase its ability to borrow by some \$30 billion. So this \$16 billion is not the end of it, if we go on that newspaper report.

So we have the billions of dollars for Clico, \$16 billion for state enterprises; another \$15-odd billion from somewhere, that is going to take our debt burden in excess of \$100 billion, Mr. Speaker; if we listen to the Minister of Finance. One hundred billion dollars, in excess of 80 per cent of our GDP. Now, is that fiscal prudence? Where is this country going to get the revenues to repay that \$100 billion which the Government of the UNC is going to saddle us with? Where are they going to get the \$100 billion? Where are they going to get the money to pay off that? Are they going to increase taxation? Is the UNC coalition going to increase taxation? Because, you see, they repealed property tax. In fact, Mr. Speaker, I have a copy of a release from the Minister of Finance affirming that the Government does not intend to proceed with the Property Tax Act. You issued a release, the hon. Minister. You issued a release saying that you have—I will read it for you. August 10, 2011:

“The Minister of Finance wishes to advise that the Government is committed to repealing the Property Tax Act, 2009. As indicated in last budget...a waiver of land and buildings tax has been instituted.”

So the Government has deprived itself of a couple \$100 million in revenue per year from property taxation. They brought a piece of legislation to this Parliament earlier in this session, it was not well drafted, they withdrew it. We have not seen any proper legislation come back, Mr. Speaker. We do not know what is going to happen for 2010, but the fact of the matter is, if we have a declining economy, the tax amnesty which the Minister instituted in 2011, you cannot do a tax amnesty in 2012, you know. Amnesty done! “Everybody done sort out their business with the tax amnesty”. So there is no more income to come from an amnesty, you are going to repeal property tax; we have negative growth in the energy sector, we have negative growth in the non-energy sector.

Mr. Speaker, if you look again at this economic bulletin coming from the Central Bank, if we look at what the Central Bank is telling us, in terms of what is going on in our economy, they did a very interesting review of what was happening in the construction sector, and I go to pages 11 and 12. Page 11 was where the Central Bank told us that the economy contracted in the last quarter of

2010 and contracted in first quarter of 2011.

Hear what it tells us in terms of construction:

“However, construction remained in a deep slump...”—that is July 2011. “The sector contracted by an estimated 6.8 per cent—July 2011. They are talking about the first quarter of 2011. “The sector contracted by an estimated 6.8 per cent in light of a delay in a fresh stream of capital projects, particularly Government infrastructure...”

Two telling indicators are local sales of cement and retail sales of hardware and construction materials which decreased...”—[*Interruption*]*—*that is okay. That is what you are there for—“...which decreased by 18.2 per cent and 9.8 per cent respectively between the first quarter of 2010”—as you build the tunnel the construction industry [*Crosstalk*] will increase? I understand—“...between the first quarter of 2010 and the first quarter 2011.”

Mr. Speaker, on page 13 of this economic bulletin there are a number of graphs. The first graph deals with local sales of cement. Look at the graph going down [*Holds up document for display*]. Here is the comment: “Local sales of cement have declined over the last few months...”

Next graph:

“Index of Retail Sales of Hardware and Construction Materials”, down. At the retail level, sales of hardware and construction material continue to fall...” Imports of Construction Materials”—down. “Foreign purchases of materials used in construction continues to be low...” Government Capital Expenditure”—down. “The slow pace of capital expenditure has contributed to reduced activity in the construction sector...”

As a result, the construction industry has been relatively weak within recent months.”

So, Mr. Speaker, you know we have been told about the approach of the Minister of Finance in the economy of Trinidad and Tobago. We have been told. Because in our opinion, because this Government has no ideas, because it has been even with oil prices crossing \$100 a barrel, even with that fillip, even with an additional \$1.6 billion in tax revenue which you did not expect to get from the amnesty, even with the oil prices over \$100, this economy is refusing to grow.

Now, what is happening in the rest of the world? We have the situation in Europe where every day you hear about some other European country in default, or, on its way to default. Greece, Spain, Ireland, Portugal, Italy even Germany’s economic performance in the last quarter was below par. The United States’

economic output, below par, Mr. Speaker. They have had a dramatic crash in the US stock market over the last two or three months, because there is no longer any confidence.

In fact, I was reading something yesterday about President Obama and there was a story in the international press yesterday about President Obama, which said his popularity is now at an all-time low; and that now, for the first time since Obama was elected, the American public would prefer a generic Republican candidate, for the first time. And when the pollsters analyzed—[*Crosstalk*]

Mr. Roberts: You are watching Fox News.

Mr. C. Imbert: No, no, no this has nothing to do with Fox News. This was a poll done by *The Wall Street Journal*, Mr. Speaker. [*Inaudible*] Sure, when they analyzed what has happened to this President of the United States, who held out so much promise for the American people, it is all about the economy. The previous Democratic President Clinton was so popular. Even with his indiscretions. He was so popular because he grew the American economy and he put America on a growth path.

Mr. Speaker, the Minister of Finance has come in his usual way and given us no information. He has come in his usual way and he has announced—but people do not quite understand it as yet, but they will understand—a betrayal of the manifesto pledges of the UNC-coalition. The Prime Minister has come into Parliament completely oblivious to reality, “taking basket” from the Member for Chaguanas West, giving her bad information about projects.

6.15 p.m.

The Government has a majority; they can do whatever they want, but all the international literature tells us that when a government decides to take the easy way out; decides to borrow blindly; decides to create a debt trap for successive governments, it is one of the worst things that can ever happen to a country. My only consolation is that we just have 44 months of this incompetent Government in this country.

I thank you, Mr. Speaker.

Mr. Speaker: Before I call on the Member for Caroni East and Minister of Education to speak, may I seek your indulgence to revert to Item 3 on the Order Paper, Announcements?

Agreed.

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I have received communication, though a bit late, concerning the inability of the Member of Parliament for Diego Martin Central to be with us at today's sitting. He has sought leave in those circumstances. The leave which the Member for Diego Martin Central seeks is granted.

**GUARANTEE OF LOANS (COMPANIES) ACT
(INCREASE IN BORROWING)**

The Minister of Education (Hon. Dr. Tim Gopeesingh): Thank you very much, Mr. Speaker. You know it is very unfortunate that these three Bills, which relate to finance—the Development Loans Act, the External Loans Act and this one, the Guarantee of Loans (Companies) Act, which all seek to give the State the ability to create a limit for borrowing—the Opposition sees it fit to frustrate the efforts of the Government by trying to say we will do one, another one and another one.

In the past, if we look at the record of the *Hansard* and this Bill on the Guarantee of Loans (Companies) Act, the last time this was debated was in 2003. We look at what was done in both the House of Representatives and in the Senate. The Minister in the Ministry of Finance on Tuesday, January 28, 2003 raised these same related Motions in the Senate and I just want to quote to show the sanctimonious hypocrisy of Members opposite.

“I beg to move...”

I quote from Tuesday, January 28, 2003 by the Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill.

“...that Motion No. 3 which is to resolve that the Development Loans Act, Chap. 71:04, which gives the Government authority to borrow for the purposes of financing general development of Trinidad and Tobago and, Motion No. 4, that Government may borrow under the Guarantees of Loans Companies Act, be taken together. I therefore seek leave to deal with both Motions together.

Assent indicated.”

The same PNM government—they are on the other side now—in 2003, when that last Guarantee of Loans (Companies) Act, the Development Loans Act and the External Loans Act were sought to be debated—they were debated together—*[Interruption]* Yes. Sanctimonious hypocrisy. My colleague behind is saying that you are like political chameleons; political iguanas. You change the colour of your skin from minute to minute; but it is important to make that point because you are trying to frustrate yourselves by saying that you must do one, two, three.

The Member for Diego Margin West and the Member for Diego Martin North/East kept repeating themselves; the Member for Diego Martin North/East repeating what the Member for Diego Martin West said. They had very little to say in terms of the entire process and on the debate.

I want to quote from the Minister in the Ministry of Finance at that time when he debated the Guarantee of Loans (Companies) Act. He said:

“Hon. Members will note that two-thirds of the Government’s planned domestic borrowing in fiscal 2003, as was stated in the budget debate, is really for this purpose; re -financing high -cost debt.”

He was moving that from \$5 billion to \$9 billion. This is what he said:

“In the current situation, with dampened demand for credit,”—is this dissimilar to what exists today? Not at all.—“There is certainly an ample appetite in the system for Government to issue additional paper without any adverse impact on demand for credit from other sectors. In fact, Madam President, we expect Government’s actions to represent a positive impact on the domestic capital market.”

He was seeking to move the borrowing from \$5 billion to \$9 billion. These were his arguments. How different are our arguments to that? The same situation exists now as existed in 2003 as far as the requirement for moving the borrowing limit from \$5 billion to \$9 billion. Now, we want to move it from \$9 billion to \$25 billion.

He said:

“We remain in good standing in the international capital market.”—Has that changed? We remain in good standing.—“It came as no surprise to us therefore, when last year, Standard and Poor’s upgraded our economic outlook from stable to positive...”

We have maintained a stable environment. If we look at Moody’s report, which I will come back to, Moody’s report July 05, 2011:

Country ceiling A-one stable local currency AA.

This is Moody’s Investor Service, July 05, 2011. How different is it now? He is saying that in that time Standard and Poor’s maintained a positive approach:

“This position will allow us to take advantage of the relatively low rates of interest...”

It is the same situation now. We have relatively low rates of interest now, so why can we not take a situation and use the low rates of interest by allowing us the flexibility for that borrowing limit?

On the international capital market, loans from the Chinese banks are going at 2 per cent and, internationally, sometimes even 1 per cent. We have loans at 6 per cent and 8 per cent here in Trinidad and Tobago. You mean we cannot refinance those loans and get a better interest rate at 1 per cent or 2 per cent? And you want to curtail our ability to do that? Obviously, you do not like the people of Trinidad and Tobago.

“Accordingly, Madam President, we are assured that our external debt situation is viable and sustainable and that this country can withstand any assessment of its external vulnerability.”

That was the Minister in the Ministry of Finance piloting his Bill for the moving of \$5 billion to \$9 billion in 2003. The reasons have not changed; the same rationale is there for it. When you say that the hon. Minister of Finance is talking about default, there is no default. The same reasons exist. We want to reinvest and we are looking to get credit at a lower interest rate and we want to refinance our credit. We are not spending the \$16 billion now, but that is the limit to allow the flexibility.

Hear what he said, as though we do not want to do this:

“The Resolutions in the Senate today provide a platform from which expenditures that undermine the fiscal performance of the Government would be considerably reduced, and at the same time allow the conduct of monetary operations to be more effectively harmonized with Government fiscal operations.”

This is a Government that practises prudent and fiscal management.

Permit me at this time to sincerely congratulate, I am sure on behalf of the entire Government, the Minister of Finance for doing an extremely brilliant piece of work within the last year and three months. The Minister of Finance met an economy that was shattered. It was in shambles. The Minister of Finance did not know how much money you owed when you left office. We had no idea how much money contractors were owed, what money was available for us as a government to spend. We had to wait about three months before the Minister could tell us the situation. Even the Ministry of Finance, the technical officers, did not have a clue about what you had done; how you had ruined the Treasury. You had marauded through the Treasury. You had taken everything.

Mr. Speaker, that was the government that had almost \$300 billion to spend in eight and a half years. We told them time and again, and the 435,000 persons who voted for us told them that they had plundered the Treasury; almost \$30 billion badly accounted for, misspent, misappropriated and corruptly spent by that administration to put us in a situation today that we have to seek to borrow \$16 billion more to pay off some of the debts and the corruptly spent \$30 billion by the last administration.

I will go on to substantiate what I am telling you. Let us look at some companies and some of the projects they undertook during their time. First there is NAPA. They had a US \$100 million loan from the Chinese government to build both the north and south National Performing Academies. Just the North one alone ending up costing close to \$1.2 billion. UDeCott is now continuing the south one and that is costing \$600 million to \$700 million; so both will cost close to \$2 billion, when they were supposed to cost TT \$600 million.

The Brian Lara Stadium, which was supposed to cost \$250 million, ended up costing \$1 billion and this is what the Member for Diego Martin North/East wants to educate us with in the economic situation. I want to educate the Member for Diego Martin North/East of the economic shambles and ruin they put this country through.

There are the Brian Lara Stadium, \$1 billion; the National Oncology Centre, which is still only grass; \$100 million was spent and nothing done. The Waterfront Project and the Hyatt Regency Hotel ended up costing the taxpayers and the children of this country—for the next 17 years the children's future is mortgaged to pay off nearly \$4.2 billion in debt in that project, the Hyatt Regency Hotel and the Waterfront Project.

We will be paying something like \$250 million every year for 17 years. We have to pay for it now. The Vanguard Holdings in Tobago was bought for \$340 million. The Minister of Trade and Industry has to spend another \$150 million to make it viable. The sum of \$700 million was spent on the Hilton Hotel and it has not been completed. The Minister of Trade and Industry has to come back to Cabinet to ask for more funding valued close to \$200 million, and to take plenty slack for it because we want to know why Hilton is not finished.

What about e-TeK, the Tamana Park? Over \$1 billion was spent and they do not have a clue about where they are going and what they are doing. He has \$10 million in furniture sitting doing nothing, Mr. Speaker. They want to talk about economic stability and what we are doing and want to educate us? What about \$2

billion for the summit? What did we get from it? The Minister of Foreign Affairs at that time should tell this country what we got out of it. Is it a hug? The UDeCott projects, total shame.

Mr. Speaker, you remember the rapid rail project that the Member for Diego Martin North/East implemented? A three-phase project for the rapid rail and phase 1, which was supposed to be exploratory to find out if there was a feasibility, cost \$540 million. Phase 1.

6.30 p.m.

It has to be abandoned, Mr. Speaker. So \$540 million was just thrown away like that—\$540 million. EMBD spent \$1.2 billion to develop—I do not know what—how many plots of land. When the fire was on the chairman, he had to run and he ran and hid. I understand that a private jet was taken for him to leave Trinidad and Tobago. So he is out, \$1.2 billion spent, the heart of the UDeCott out, nowhere to be found. Billions of dollars wasted on that.

Mr. Speaker, then WASA—the hon. Prime Minister spoke about it earlier on—how much money has been spent for guarantees and letters of comfort in WASA, it is a shame and disgrace.

They are speaking about the state of the economy. Let me just give some additional information on what we met in terms of the economic situation. I want to quote in addition to what the Prime Minister quoted from the Auditor General's report. Permit me to quote some of the important information that arose from that Auditor General's report.

Mr. Speaker, when we took over the exchequer account of the financial situation, it was overdrawn by \$13.194 billion, the exchequer account. They were just continuing to waste more and more money. It was an increase of \$2.4 billion or 22.9 per cent over 2009. So in 2010, the exchequer account was overdrawn by \$13 billion, and they are asking us what we want to borrow the money for. The Member for Diego Martin West and the Member for Diego Martin North/East. We have to pay back. The exchequer account was in the red by \$13.194 billion when we came into office. This is from the Auditor General's report.

Mr. Speaker, in 2009 their receipts was \$40.22 billion, and the payments, they spent \$45.32 billion. Five point one billion dollars; they spent more than they received in 2009. [*Crosstalk*] I just want to give an idea of revenues and expenditure to show the profligate government at that time, and they want to give difficulty in supporting a situation where we are asking for a limit from \$6 to \$15 billion rather—not to spend it but for a limit. [*Crosstalk*]

Mrs. Gopee-Scoon: What insurance could you give?

Hon. Dr. T. Gopeesingh: Mr. Speaker, I quote from table 9 on page 89 of the Auditor General's report, and it is important we give to the national community a situation of the financial aspects from 2006-2010. Revenues in 2006, \$37.6 billion expenditure of \$39.3; overspending by \$1.68 billion; 2007 revenues \$40.466, expenditure \$41.5, deficit budgeting again, \$1.07 billion; 2008 that the Member for Diego Martin West spoke about, that 2008 was one of the best years; best years of getting money and wasting money.

Mr. Speaker, when they received \$55.55 billion in 2008 in revenues they spent \$55.459 billion. Do you know how much money could have gone in that Heritage and Stabilization Fund with that excess amount of money that they received? They got revenues about \$55 billion and they spent \$55 billion. In 2008 they spent \$55 billion. What did the country benefit from?

Mr. Speaker, in 2009, they received \$40.16 billion, they spent \$45.32 billion—\$5.165 billion in deficit budgeting. In 2010, they received \$43.67 billion, they spent \$46.112 billion; \$2.441 in deficit budgeting again. This graph illustrates it beautifully, the light blue shows the total expenditure and the dark blue shows revenue. In every one of these years the light blue outstrips the dark blue. Total expenditure outstripped revenue in each of these years from 2006 — 2010.

So, Mr. Speaker, I think that when they stand and speak about the financial situation in Trinidad and Tobago, they do not have any moral authority. Particularly, the Member for Diego Martin West challenged the hon. Prime Minister in those days about UDeCott. *[Interrupted]*

Dr. Rowley: Mr. Speaker, given the presentation of my—I thank my colleague for giving way. Since you have just told us that in every single one of those years expenditure outstripped revenue, could you advise me, and by extension the national community, where the money came from during that period to build up what now exists, as a Heritage and Stabilization Fund?

Hon. Dr. T. Gopeesingh: You remember that oil was \$140 per barrel. *[Interruption]*

Dr. Rowley: It is still revenue.

Hon. Dr. T. Gopeesingh: It is revenue? There is one particular year that you all would have been able to put more money in, but I am speaking about 2008 when you had a windfall and you received \$55 billion in revenue. You really

believe that you should have spent \$55 billion in expenditure or—Member for Diego Martin West, I think—try and find your way because you of all people know that when you commented while you were standing there in the Back Bench and criticizing your own government then—you were speaking against your own government saying that they had over spent in the UDeCott matter.

Hon. Member: You put them in Opposition.

Hon. Dr. T. Gopeesingh: In fact, we are very happy that the Member for Diego Martin West is the one who facilitated us coming into government and bringing us on this side. [*Desk thumping*] So I think he will make sure that he facilitates us for a second term again, so that we will be here for a second term, Mr. Speaker.

I believe the Member—I think the Prime Minister asked him, this afternoon, I believe he might have wanted to cross the floor at that time, so he belongs to us. I believe he is one of us and we welcome him on this side. [*Crosstalk*]

Mr. Speaker, look at loans. The local loans in 2009 were \$14.87 billion, in 2010 it was \$19.23 billion. External loans were about \$9.7 billion, total. Local loans and external by the government total as at 2010, \$32.261 billion. So when the hon. Prime Minister said that guarantees were \$14 billion, letters of comfort, \$7 billion; promissory notes, \$2 billion; that is \$23 billion; \$23 billion and \$32 billion, that is \$55 billion that this People's Partnership Government met. When the Minister of Finance came in to be Minister of Finance we were owing by external loan, local loan or external debt and local debt, \$32 billion, guarantees, \$14 billion; letters of comfort, \$7 billion and promissory notes \$2 billion. So \$53 billion was the state. As the Prime Minister indicated that did not include off-balance-sheet budgeting and operations budgeting as well.

The Minister of Finance found himself in a situation and the Government found itself in the situation where we possibly owed close to \$60 billion. Our GDP is equivalent to about TT \$130 billion, Mr. Speaker. I would quote from the Moody's Investors Service in terms of the findings on the GDP. If I find the page.

Real GDP change—they talk about improvement of the GDP. Nominal GDP for us, US \$20 billion, equivalent to close to TT \$130 billion. GDP per capita, US \$14934 per capita. But look at real GDP change. From 2007 — 2010; the GDP increased to 4.8 in 2007, 2.4 in 2008 when they had all this amount of money and fell 2009 by 3.5 per cent. The GDP fell in 2009 with all that amount of money that they had, the GDP fell by 3.5 per cent in 2009 and in 2010 it went back at about 2.5 per cent increase.

Mr. Speaker, at one time this GDP in Trinidad and Tobago was close to US \$27 billion, more than close to TT \$170 billion, and it is now TT 130 billion. In four short years 2007—three short years, 2008 it was TT \$27 billion, close TT \$170 billion in 2008, and in 2010 now it is \$130 billion. They want to talk about competence and fiscal management and fiscal prudence; \$40 billion the GDP fell by, from 2008 — 2010, Mr. Speaker. Two years! The GDP fell by \$40 billion, two years under their management. Therefore, when we say that they have no moral authority to talk anything about fiscal prudence or fiscal ability, this demonstrates it convincingly.

Dr. Rowley: Let us not talk about moral. [*Crosstalk*]

Hon. Dr. T. Gopeesingh: Come on do not get into that you two. We will have a fist fight—we will have some discussions on that. [*Crosstalk*] You are my colleague from Jamaica, so we will have much discussion on that.

Mr. Speaker, they spoke about the ratings from Standard & Poors. Is Moody's not an international rating agency? This is what Moody's had to say on July 05, 2011. Trinidad and Tobago's ratings in July 2011 are, after 15 months of the People's Partnership Government—Trinidad and Tobago's ratings are supported by relatively high levels of economic development, a very strong external position, still low government debt levels and a solid institutional framework. [*Crosstalk*]

Mrs. Gopee-Scoon: That is how we left it.

Hon. Dr. T. Gopeesingh: Mr. Speaker, this is what Moody's had to say on July 05, 2011: Trinidad and Tobago's ratings in July 2011 after 15 months of the People's Partnership Government, Trinidad and Tobago's rating are supported by relatively high levels of economic development, a very strong external position, still low government debt levels and a solid institutional framework. Mr. Speaker, this is what Moody's—July 05 2011. The country's \$25,705 per capita GDP is almost double the median bar of BAA sovereigns. Debt to GDP may reach close to 2.5 per cent this year, while rising from 14 per cent in 2008. They were taking into consideration the external debt and the local debt alone. They did not take in to consideration the guarantees and the letters of comfort and the promising notes and offbalance-sheets as spoken about by the hon. Prime Minister.

6.45 p.m.

Mr. Speaker, let us draw an analogy of Trinidad and Tobago, a small country, to what existed within the United States of America, and the most recent precedent of a nation raising its debt ceiling is the United States of America, and

the world looked on at what was happening there. This was done after weeks of negotiations and compromises by the Obama-led Democratic administration and the Republican party. The Democrats and the Republicans put aside their traditional, heated, longstanding warring to strike a compromise in this crucial issue for the sake of their country's economic stability.

Mr. Speaker, this is what happened in the United States of America, and they oppose just for opposing sake. They do not have a clue about why they are opposing, but they just want to draw out this debate and try and frustrate the Government, but we are prepared to continue; we are prepared to discuss it with you; we are prepared to show you the pitfalls of your argument; we are prepared to show you that you did not satisfy this country; and you have us in the state where we are today.

President Obama said that leaders of both parties in the US House and Senate had approved an agreement to raise the nation's debt ceiling by \$2.1 trillion. Their GDP is close to \$15 trillion, and he was prepared to raise it by \$2.1 trillion; one-seventh of it, which is close to about 14 per cent, and cut the Federal deficit by as much as \$2.5 trillion over a decade. So they wanted to cut that for over 10 years. So \$250 million a year for 10 years, a deal that must now be sold to Congress. I quote the leader, President Obama:

“...the leaders of both parties, in both chambers have reached an agreement that will reduce the deficit and avoid default...”.

We have not reached that situation of default. That is what Obama said at the White House:

“...this compromise does make a serious down payment on the deficit reduction we need.”

So, most importantly, it will allow us to avoid default. The deficit, we inherited \$13 billion in deficit from the Exchequer; we inherited close to \$53 billion in foreign and direct loans, guarantees, letters of comfort and promissory notes and of, the balance sheet, probably another \$7 billion—so \$60 billion there plus \$13 billion there. Is it not prudent for the Minister of Finance and the People's Partnership Government to do almost a similar thing to reduce the debt deficit?

This is what we are seeking to do, to allow us the ability to have a limit for borrowing; to probably issue some Treasury Bonds and so forth, and reduce the liquidity in the market so that our fiscal policies will be in alignment with our

monetary policies set down by the Central Bank and the Governor of the Central Bank, but they never exercised that type of restraint. They exercised excessive spending. So here we have a Government that is conducting restraint, and they were a government that was excessive.

The whole country remembers when the Governor of the Central Bank was appealing to the Manning administration to cut its spending because they were overheating the economy, and inflation was going to its highest. Food inflation was close to 35 per cent and headline inflation was close to 15 per cent at one time, and here the Prime Minister, at that time, instead of him tightening the belt, he was telling the population to “loosen your belt”. The whole country remembers that. Well, they loosened their belts, and this is the state that the Minister of Finance inherited, and this is what the People’s Partnership Government has inherited; close to almost \$60-something billion the country owes.

Mr. Speaker, do you know what happened as a result of when the US President was able to get this agreement? I quote what Tom Quarmby, a head of Regional Banking Research at Barclays Capital in Hong Kong said in a Bloomberg television interview:

“While many hurdles remain, the deal gets them out of a lot of trouble in the near term.”

We are not in trouble. We are asking for a ceiling on the limit.

Do you know what would have happened in the United States of America if they did not get that ceiling of the limit of borrowing? Immediately the dollar climbed; the US currency rose. Standard and Poor’s 500 Index of stocks ended a seven-day losing streak, gaining 1.5 per cent. Within just two days left before the Treasury department had said the nation would default without additional borrowing authority, both sides made concessions.

What would have happened if they did not increase the debt ceiling? If the United States of America had gotten to a point where the debt ceiling was not raised, and the Treasury was forced to take tough choices, the resulting shock to the financial system could have thrown the entire world into a depression that would have been far worse than anything else seen before. All the credit bureau like Standard and Poor’s and Moody’s would be forced to downgrade the US debt, and this would have sent the financial markets into a panic.

The stock markets would most likely see sell-off 20 per cent or more in minutes, and the SEC would most likely halt trading; the world credit markets would freeze instantly; many financial firms would be forced to write down huge

contracts; US bond prices will fall instantly; and financial firms, governments around the world and individuals would be in a massive rush to sell off treasury holdings.

Mr. Speaker, this would have happened if the United States of America did not get the agreement between the Republicans and the Democrats in allowing it to raise the limits of borrowing by \$2.1 trillion. Here it is we are asking to allow the Government to raise the limit of borrowing by \$16 billion, because of the huge debt that we have before us, and we have the ability to negotiate some better interest rates.

Mr. Speaker, the debt that I spoke about is not complete. I forgot to mention the GTL situation with Petrotrin. We understand the GTL situation with Petrotrin is close to about \$12 billion in borrowing for GTL for the Petrotrin refinery. Do you know what were the interest rates that the last managers and so on at the Petrotrin area borrowed for GTL? They borrowed the first set at 6 per cent and the second set at 9 per cent, when the interest rates around the world were around 2 to 3 per cent. Mr. Speaker, that is what their Government encouraged; that is what the Manning's administration encouraged, and this is how we have found ourselves in that situation. So, \$60-plus billion in debt plus another \$12 billion—\$15 billion for GTL for Petrotrin.

There is a court matter under arbitration worldwide. I think it is in the United States of America court where, if Petrotrin loses the arbitration matter, we stand to lose a further \$12 billion. So you could imagine we have to pay \$60 billion in debt; another \$12 billion from Petrotrin, that is \$72 billion, and if we lose the case that is about \$12 billion. That is \$84 billion that you all have left us with to handle. The Manning administration has left almost \$84 billion in debt for the People's Partnership Government to handle, and they want to question why we are asking for a ceiling of another \$16 billion! It is to pay off the debt that you all have created, and over \$30 billion was corruptly spent by that last administration.

I just want to respond to a few of the things said by the two speakers. First I would deal with the Member for Diego Martin North/East. He said we show no courtesy on what we are going to spend the money on. They should have had the courtesy to tell the country how they were spending the money and what they were doing with the money, but they hid it. Mr. Speaker, the people of this country finally found that they were a government that plundered the Treasury, they raped the Treasury and so, Mr. Speaker, the people voted them out.

So when he speaks about we have no courtesy and asking us where we are going to spend the money, we are paying off their debts. He said, "Where is the

money going to come from in the borrowing of \$16 billion?” We are not saying we are borrowing \$16 billion. That is the limit we want. We may borrow \$1 billion or \$2 billion from year to year. Mr. Speaker, there is so much more that I could respond to, but I do not think that it makes any sense for me to respond to anything that they said, because it really did not make any sense.

I just want to close my contribution in the interest of governance, and in the interest of Parliament, so that we would not have to be detained as a result of the mischievousness and the deliberate plot by the Opposition to try to frustrate our efforts. You cannot frustrate our efforts, and you will never be able to succeed. The last thing I want to draw to the attention of the Parliament is the report of the Commission of Enquiry into the Construction Sector of Trinidad and Tobago. I just want to read some of the findings; just a few, and the recommendations of which the hon. Member for Diego Martin West knows full well, because he was before the Commission of Enquiry giving evidence on the UDeCott matter. He was a witness.

“UDECOTT must avoid any breach or abuse of procurement rules through excessive and unfair use of sole selective tendering, in breach of obligations as to free and fair competition and transparency.”

They are telling them they must avoid any breach or abuse of procurement rules, because they did breach or abuse procurement rules.

“UDECOTT must recognise that a public perception of secrecy and arrogance has been engendered by its actions, which is wholly inappropriate for a body performing a public function on behalf of the Government of Trinidad and Tobago.”

This is damning condemnation of the last administration, which is echoed and supported by the Member for Diego West when he was in Government, but not as a Minister, before the commission of enquiry.

“There should be a full investigation by an appropriate Law Enforcement Authority into the award of the MLA contract to CH Development...” That is the Ministry of Legal Affairs—“including the role of Mr. Calder Hart and the conduct of the Board in not ensuring that an enforceable guarantee was given by the parent company of CH Development.”

The next recommendation:

“There should be a full investigation by an appropriate Law Enforcement Authority into the award of Packages 3 and 5—8 for the Brian Lara project,

particularly as to (a) why no formal terms were drawn up dealing with advance payments...”

Do you remember Karamath where he was paid close to \$78 million in advance payments before the work was even started—

Mr. Roberts: One hundred and twenty-four million!

Hon. Dr. T. Gopeesingh:—\$124 million without a contract being signed.

“...(b) the manner in which UDeCOTT interpreted the right to advance payments including advice sought and received (c) the accounting procedures employed by UDeCOTT from making advance payments and repayments and why no vouched accounts were drawn up.”

So that whole Brian Lara Stadium was a big fiasco.

“There should be a full forensic audit of all sums advanced against the value of work and materials provided by HKL and of repayments made on the Brian Lara Project...

There should be an audit of the conduct of all UDeCOTT’s senior staff and directors in the period 2004 to 2009, as to their involvement in errors and omissions concerning the Brian Lara Stadium Project in respect of which no action was taken by senior staff or by the board.”

Mr. Speaker, the Uff Commission of Enquiry findings said money assigned for public construction projects must not be allowed to be corruptly diverted, and thereby stolen from the public. The Uff Commission of Enquiry is telling the people of Trinidad and Tobago from their findings, they have come to a determination and stated for the attainment of value for money on their recommendations; money assigned for public construction projects must not be allowed to be corruptly diverted and thereby stolen from the public.

Mr. Speaker, that last point epitomizes the misspending, the widespread corruption, the mismanagement and the profligate spending without transparency, accountability and probity by the last administration.

7.00 p.m.

And therefore, as I repeat, they have no moral authority no matter what they say here this evening. They have no moral authority to question our ability to ensure that this Government—which the Minister of Finance has already been exercising restraint because of the onerous responsibility placed on him, because of what we have met as the state of sadness of the financial situation in which we took power.

Mr. Speaker, I support my colleague, the hon. Minister of Finance, in saying that we must ensure that he gets the support to increase the limit from \$9 billion to \$25 billion. Thank you very much, Mr. Speaker. [*Desk thumping*]

Miss Alicia Hospedales (*Arouca/Maloney*): Mr. Speaker, I want to thank you for the opportunity to contribute to this debate on the Motion that is before this House this evening. Mr. Speaker, the Government is seeking to increase its borrowing limit from \$9 billion to \$25 billion. The Member for Caroni East is saying that the Opposition has no moral authority to ask the Government pertinent questions as to why they want to increase this borrowing limit. The Member for Caroni East said it is very unfortunate that the three Bills that the Government wanted to debate today, the three Motions actually, were not debated as one.

Mr. Speaker, he said the Opposition is trying to frustrate the efforts of the Government, and this is far from the truth. The Opposition has the right to ask the Government pertinent questions. We need to ensure that they are accountable not only to this House but to the people of Trinidad and Tobago. Mr. Speaker, we have seen here this evening a display of someone who is not in touch with reality—the reality of what is taking place in this country. Could the Member for Caroni East tell us what they did with the \$49 billion that was passed in the budget in September of last year? What have they done with that money? Could he tell us that?

Mr. Speaker, I thought we were listening to a pre-budget debate, not just one but actually two pre-budget debates or statements that were made: one by the Member for Caroni East and the other from the Prime Minister. All they have done is deflected from the truth regarding why they want to increase the borrowing limit; they have not answered. The Member for Caroni East talked about sanctimonious hypocrisy.

Mr. Speaker, the Government told us in their campaign and even during the budget presentation last year the Member for Tunapuna stood here and he read out a list of pillars that the Government ascribes to, and he said that the first pillar is to foster people-centered development; the second one is to ensure national and personal security; the third is to entrench good governance; the fourth is to steer the country towards a diversified knowledge intensive economy; the fifth is to move towards eradicating poverty and promoting greater social justice; the sixth is to present an accommodating foreign policy; and the seventh is to expand the use and availability of information and communication technology. But, Mr. Speaker, what we have seen over the last 16 months was the total opposite of these pillars that this Government said that they are standing on.

What we have seen is: one, rather than fostering people-centered development, we have seen them fostering self-centered development. [*Desk thumping*] We have also seen them seek to ensure only the personal security of themselves and their family members, Mr. Speaker. We have seen them entrench bad governance—bad governance in this country. I mean, they have a history. They go down in the history books as the worst Government that has ever been established or ever been voted in, in this country.

The other thing is that they steer the country away from a diversified, knowledge intensive economy—they have steered this country away from a diversified, knowledge intensive economy. So they stand and they declare things and they boast and rant and rave, saying that they have done this and done that, but they have really done the opposite. They undid all the things that were done under the People's National Movement to steer the country towards developed nation status by 2020.

Mr. Speaker, the other thing they said is that—what we have found is that they have moved towards increasing poverty and promoting less social justice. We have seen thousands of people been unemployed from May 24 right up to this present time. Our political leader and Member the Opposition made reference to the fact that people from the RHAs—their employment was terminated today, so thousands of persons have been unemployed. So the poverty levels have increased over a period of time.

The other thing is that they said that they present an accommodating foreign policy. Mr. Speaker, foreign investors are not coming to Trinidad and Tobago. So when the Member for Caroni East talked—[*Interruption*—Mr. Speaker, I beg your protection from the Member for Lopinot/Bon Air West, please.

Mr. Speaker: Lopinot—but I did not hear—he is disturbing you? All right, you have my full protection. Please.

Miss A. Hospedales: Thank you, Mr. Speaker. Mr. Speaker, when they say that foreign investors are running to the shores of Trinidad and Tobago, that is far from the truth, and they need to come in tune with the reality of what is happening. They said that they will expand the use and availability of information and communication technology. We are yet to see this occur.

Mr. Speaker, you know the Member again re-emphasized—he said sanctimonious hypocrisy more than once, and on Monday I had to intervene in a situation in a school located in the Arouca/Maloney constituency in the community where I actually reside, the Bon Air Government Primary School,

where the school was open, there was no media coverage with respect to issuing to the parents—the Member for Caroni East is leaving because he knows this one will embarrass him—Mr. Speaker, they did not issue a media release telling the parents not to bring the children to school because the school was not going to be ready.

Parents brought their children to school on a construction site. Heavy construction work was still occurring, the odour of paint fumes was extremely high, the concrete—it was bare concrete, you know, concrete dust, Mr. Speaker. The children’s skin was white. By the time they walked up and down and sat on the stairs and intermingled with each other, their skin was white. In some parts of the school the paint was wet—they got paint on their clothing. You would imagine how those classrooms were. The furniture was in disarray—heavy, heavy, heavy dust on the furniture—if you pass your hand—I mean, you could imagine the state your hand would have been in. That is the kind of situation that the parents, the children and the staff had to face on Monday. And the Member wants to come here and talk about sanctimonious hypocrisy.

Mr. Speaker, not only that, when I spoke out about it, he said, “Oh, do not criticize the educational facilities limited. But if something is wrong you cannot say that it is right, and I hope the Member learns from this experience and tries his best to ensure that the school, if it is not ready, they post advertisements in the newspaper letting parents know: “Do not bring your children to school because the school is not ready”, rather than making a public declaration that 98 per cent of the schools were ready, when in truth and in fact that was not the reality.

Mr. Speaker, on Wednesday, September 08, 2010, the Government came here and debated their budget indicating that they were desirous of spending \$49 billion with a deficit of \$7.7 billion. Despite all the criticisms that were made about deficit financing when they were in Opposition, they came here and debated, indicating that they were justified in spending this amount of money, justified in entering a deficit financing. They were justified in spending \$135 million per day. They were justified in spending approximately \$56 million an hour, and most of this money has already been spent as we have heard by the other Members on this side. Most of the money has already been spent, but the thing is, we do not know what it has been spent on. The Government did not come here to give a proper account of their spending. The Member for Tunapuna has not justified why they want to increase the borrowing limit from \$9 billion to \$25 billion.

Mr. Speaker, they remind me of a group of children going on a shopping spree, where they are given a certain amount of money and they are told: “Go and spend the money”, and they would spend every single cent because that is how children are, and this is how the Government, to me, is. They go out and they spend the money and they are unable to state why they spent the money or even show or give a proper account of the areas that they spend the money.

Mr. Speaker, they have not told us about the repercussions of their robust spending measures. I thought the Member for Tunapuna would have told us—Members of the Opposition, members of the national community—“This is how we spend the money and this is what we intend to do in the future.” They have not come and told us any of those things. They have come to this House today to ask us to increase their borrowing limit. Mr. Speaker, such an increase in their borrowing limit is likely to cause an increase in government and public sector debt. The Member for Tunapuna has not told us how they are going to reduce that debt. They have not really provided a strong argument for causing that increase.

What we heard from the Prime Minister today as part of their justification for increasing the borrowing limit was that they had entered into some massive paving programmes, they are going to build a hospital in the Chancery Lane building, and they are going to convert that building into a hospital. And you know the Member for Diego Martin North/East stated the reasons why that building cannot be converted because it is not designed to be a hospital. The Member for Siparia came and she said that is going to be done by December and, as you know, the Member for Diego Martin North/East said, you cannot just wave a wand; it cannot happen—the person is not yet born. So it just will not happen by that time.

The Member for Caroni East also did not tell us how the Government intends to cause a turnaround of the economy. I remember the Member for Tunapuna, said in his budget statement that the Government is facing the issues and turning the economy around, and I can surely say that, yes, the economy has turned around—in the wrong direction—in the wrong direction. He said they are going to grow the economy, but today the evidences proves otherwise.

Where is the evidence to show—where is that positive growth of the economy? Where is that positive growth? What we have seen is a contraction of the economy, a decrease by 7 per cent for the first quarter of 2011. Not only that, the economy has destabilized and they have deterred investors from this country, both local and international investors. What we have seen is evidence of the fact that nothing they put their hands to do prospers. Nothing they put their hands to

do—especially when it comes to the economy—nothing they put their hands to do progresses.

7.15 p.m.

How could a Minister of Finance come to this House and simply state that they want to borrow all this money, they want to increase the borrowing limit for all this money, and not give us a proper account? I do not think that is responsible behaviour.

We are talking about the economy, about the positive growth that the Minister said we were actually going to achieve. Could you tell us how the country benefited economically from the Government's failure to proceed with the Alutrint project? Tell us. We want to hear. I am sure the whole nation is waiting to hear. The Member for La Brea is certainly waiting to hear how the country benefited economically by the failure to proceed with that particular project. How much would it cost taxpayers to get out of this particular project? We have not heard anything.

They came last year and made a big, grand announcement and stated that they were going to pull back from that project, but we have not heard how much it has cost this country to get out of it. We need to know before you proceed on increasing your borrowing limit. How did the cancellation of the offshore patrol vessels and the eventual arbitration contribute to economic growth? Could the Minister of Finance tell us whether or not the arbitration has been finalized, how much it has cost this Government to hire its lawyers and to go through the arbitration process and how much it would cost this country to get out of that particular cancellation?

Mr. Speaker, they said in the budget statement that they were going to reprioritize spending to better serve the people. As a result of the reprioritization of the spending in order to better serve the people, we have seen that the unemployment rate went up significantly. I saw a report by the International Monetary Fund today which stated that at the end of 2010 the unemployment rate in Trinidad and Tobago was 7.8 per cent. It increased from 5.1 per cent in 2009 to 7.8 per cent in 2010, but we do not hear about these things. The Government is not very open, transparent and accountable to the people of this country. We have actually seen them trying to hide exactly by how much the unemployment rate has gone up.

We are also aware that once the unemployment rate goes up, the poverty levels also go up. We need to know exactly what the rate is today; how many

persons in Trinidad and Tobago are living a little above the poverty line, how many are living on the poverty line and how many are living below the poverty line. We need to know these things. Thousands of workers have been unemployed, even with the state of emergency.

I am going back to the Member for Caroni East. I really hope that at the end of this, the Member is reconnected with reality. Today in the *Business Express* there is a headline that states:

“Economic impact of curfew until November, a state of paralysis”

We are in a state of paralysis. The economy, Member for Tunapuna, is in a state of paralysis. This is what the other expert had to say. They said that the state of emergency was damaging the economy. An expert in the field of economics stated that:

“An extended curfew during the state of emergency in Trinidad and Tobago will damage economic growth and the country’s prospects for growth this year.

It will bite into revenues of companies, small businesses, restaurants and factories and could even hurt Christmas sales in the country...”

This is what an economic expert suggested. You can find the article on page 4 in today’s *Business Express*, Member for Tunapuna. If you do not know, there are significant effects to the economy.

Mr. Roberts: What did the *Punch* say?

Miss A. Hospedales: I thought the Minister of Finance would have told us how they intended to improve the social safety net. We have seen over the last 16 months some of the most horrendous acts, with respect to the way in which the Government manages the social safety net. Let me give you an example.

I remember that prior to May 2004 in the Ministry of Social Development, the Targeted Conditional Cash Transfer Programme, also known as the debit card or food card programme, there would have an extensive sterilization programme that resulted in the cleansing of the list and the removal of approximately 3,000 persons. But what we saw happen after May 24 was the most amazing thing; people were given cards without an assessment. We saw accounts where persons were going to specific communities and just giving out cards where groups of persons were gathered. That has weakened and disabled our social safety net.

What about poverty? How does the Government intend to alleviate poverty in Trinidad and Tobago? They have no plan, no vision, no strategy. We have not

seen anything concrete. All we have seen them do is distribute temporary handouts. The old people often say you could give a man a fish, you would feed him for a day, but if you teach him to fish, you feed him for a lifetime. What we have seen the Government do is give people fish for a day; they have not done anything sustainable. They have not really effectively injected ideas and strategies into ensuring that the social safety net in Trinidad and Tobago becomes even stronger.

Dr. Ramadhar Singh: Mr. Speaker, Standing Order 36(5).

Mr. Speaker: I have allowed a lot of flexibility. Just connect your contribution to the Motion. We are dealing with the Guarantee of Loans Act.

Hon. Members: Mr. Speaker, he said 36(5), imputing improper motives.

Mr. Speaker: No, no.

Miss A. Hospedales: Mr. Speaker, I never called a name and I never intended to impute any improper motives. I am just speaking the truth. [*Desk thumping*]

Mr. Roberts: Mr. Speaker, Standing Order 36(1).

Mr. Speaker: Hon. Member, could you, again, kindly connect your points, please?

Miss A. Hospedales: I also want to talk about the issue of trust and confidence as factors that are key to economic development and management. Trust and confidence are very important to any financial institution. We know that, for example, if someone wants to put money in a bank, most times they do not put all their money, and if someone wants to take out money, in one day they do not take out all their money. This occurs because of the level of trust and confidence they have in the banking institution. If for some reason they were to lose trust and confidence in that particular institution, you would find that they would rush to take out all their money and, as a result, the banking institution would collapse.

The reason I am talking about trust and confidence is because of the lack of trust and confidence, because of the things that would have been said in the past, particularly by the Member for Tunapuna with respect to the economy being in a bad state and the debt to GDP ratio. There were three instances where he said, one, it was 51 per cent, another instance where he said it was 49.9 per cent and another instance where he said it was 38 percent. The wavering in the Member's projection of figures would have caused a lack of confidence with respect to persons desirous of investing and even entering into business, borrowing and that

kind of thing. He also declared that no deposits were made into the Heritage and Stabilisation Fund from 2009—2010 by the PNM administration. That is far from the truth.

Mr. Dookeran: That is true.

Miss A. Hospedales: You know the Member is watching me in my face and telling me that is not true. That is far from the truth. A total of US \$8.5 billion was left in foreign reserves; TT \$5.1 was left in the Infrastructure Development Fund and US \$2.4 billion in the Heritage and Stabilisation Fund, but these figures were manipulated; so one minute you hear it is 58 per cent in GDP and another instance it is 49.9. So many of the figures were manipulated just to suit the Government's political agenda and to misinform the population as well.

There are citizens who listen, who pay close attention to what the Government is saying. They are listening now. [*Interruption*] That is right, Member for Chaguanas East; they are listening. There are some of them who pay close attention to what is discussed on the radio and what is read or what is printed by the newspapers. You have misinformed the country over and over again, by the way in which you manipulate the figures to suit your own political agenda.

Mr. Speaker, I just want to go back to one point. They said that they made a choice to build a new momentum for our economy's growth and expansion. If that is the way they are building a new momentum, well I have to ask: what is going to be the outcome of not building a new momentum? What is going to be the outcome? If we are already seeing a negative impact on the economy, because they are building a new momentum for our economy's growth and expansion, far less if they do the reverse. This only causes local and foreign investors to shy away.

Business leaders—they said that another choice they have made is for business leaders to be bold and confident, to take the risk of investment and sacrifice immediate profits with lower incomes for their executives. Which business executive or business person would be willing to enter into any agreement or take any particular risk when the Minister of Finance, who is supposed to be injecting confidence in people, because of the things he said, is causing people to lose confidence?

One of the things they said was that they were going to revive or cause small businesses to—they were going to cause a revolution in entrepreneurship. This does not exist, because there are a lot of small businesses, as we saw in the *Business Express*, that have been affected prior to the state of emergency. Right

now during the state of emergency many small businesses have actually closed down.

The other thing they said was that the revolution in entrepreneurship was meant to integrate the economy so they could basically experience the expansion and all of that. No young person or adult, in this current state that we are in, would want to take the risk to invest their money at this particular point in time. Actually what the Government has done is build momentum for the slow death of the economy. That is what they have done over the last 16 months; they built momentum for the slow death of the economy. It is really a shame on the Government to actually have met a stable economy and bring it to where it is right now.

The Government is asking us to increase the borrowing limit to \$25 billion, but they have not justified the reason. Why? Why? Why? That is all we want to know. Why do you want to do it? What are the reasons? What do you intend to do? Paying debts is one thing, but what exactly do you have? What plan, what programme, what clear strategy do you have regarding the work that you intend to do? We need to know. We need to know.

7.30 p.m.

Mr. Speaker, I thought that the Minister of Finance would have presented their strategy to reduce the non-energy fiscal deficit—I thought he would have presented strategy to state how they intend to expand the energy sector. I remembered just glancing through again the *Business Express* and seeing there an article on the energy sector and one of the persons was saying, that the Government takes too long to issue Certificates of Environmental Clearance. Mr. Speaker, that is another area the Minister needs to look at in terms of issuing certificates of environmental clearance for persons who want to drill and stuff like that.

Additionally, could the Government tell us what strategies they have implemented to ensure long-term sustainability by increasing revenue from non-energy sources. What will be done to further diversify the economy or the energy sector? Could you all tell us, we need hear what your plans are, what you intend to do? The money that you are intending to borrow, where is that money going?

Mr. Speaker, what have they done to increase oil and gas exploration? We do not know, right, and we need to hear. The Government needs to tell how they intend to repay the loans. That is something I heard both my colleagues, the Member of Diego Martin North/East as well as our Opposition Leader, the

Member for Diego Martin West ask, how are they going to repay the loans considering there is a significant decline in the Government's ability to effectively generate revenue? We have seen where they axed the tax, so there is no revenue being generated as a result of the taxation.

So, this is a clear manifestation of the Government's inability to manage the economy fiscally, and, to be wise and to be prudent in terms of how they manage. Mr. Speaker, what we have seen over the last 16 months was incompetence upon incompetence, and as I have always called them, the "coalition of the incompetent".

Mr. Speaker, I hope that at the end of this debate the Member for Tunapuna would answer the questions that we have asked, be accountable, transparent and truthful to the people of this country. Mr. Speaker, I thank you.

The Minister of Works (Hon. Jack Warner): Mr. Speaker, I thank you. I really had no intention of talking in this debate, but I found myself drawn in to do so when I listened first, to the Member for Diego Martin West, Leader of the Opposition, and secondly, the Member for Diego Martin North/East and I really heard but did not listen to the Member for Arouca/Maloney.

Mr. Speaker, it is said that there are four things that do not come back; one is the spoken word, the second one is the spent arrow, the third is the past life and, last of all, the neglected opportunity. Mr. Speaker, I do not want any of those four things to haunt me this evening, and therefore—[*Interruption*] I am not asking for any protection. You could rant and rave whole evening, but I would not ask for any protection. You believe that you alone, of course, need protection—not this evening. So you could rant and rave. You go ahead. "I would tell you who looking for you just now".

So, first of all I want to deal with the Leader of the Opposition, the Member for Diego Martin West. The Member, in his submission, in his contribution, gave the impression that there is some kind of impropriety in the award of the contract for the Golconda/Point Fortin highway. In the past, Mr. Speaker, contracts that have been awarded in this country, in a previous administration, were riddled with all kinds of improprieties, and therefore, the belief is that we on this side will merely follow or adopt the pattern that was set by the previous administration.

Mr. Speaker, first of all I want to make the point that we are told that the land for the landowners moved from \$835 million to \$2.5 billion. Mr. Speaker, this was the estimate made in 2007 by last Minister of Works and Transport and NIDCO. As I was saying, in fact, Mr. Speaker, the records showed that the estimate

was inconclusive; 2007. Mr. Speaker, just to fast-track the estimate for lands for the landowners in Mamoral—for the Momoral dam—five years ago was \$49 million.

Mr. Speaker, at this point in time it has passed \$200 million. The point I am making is simply that over a period of time the land has appreciated, and therefore, you would want to give people a fair price. The history on that side has been a history where for 10, 15, 20 years they have taken people's lands and have not paid them a cent for it, to this day. But that apart, Mr. Speaker, they talked also about MPs being appointed to form a committee, as if that is a new thing.

Mr. Speaker, again, the records will show that there were over 10 similar committees appointed during the era of the past administration to do the very thing, including a committee appointed to look after the Caroni lands. The only difference is that all the committees which were appointed by them, in their time, were headed by one man—Lenny Saith. In our time, Mr. Speaker, it is different. That is the only difference, and therefore what this committee has to do is act as an oversight—no big thing. There is no secret in this.

Mr. Speaker, but the point, I want to go further, the elections were held—before I say that, a committee was appointed by the Minister of Works and Transport and NIDCO to evaluate the proposals which were submitted by the last Minister of Works and Transport. Mr. Speaker, the three companies that were shortlisted were OAS, GLF and China Railway Construction. OAS, their bid price was \$5.28 million, GLF was \$3.37 million and China Railway was \$6.366 million.

A committee was appointed by the last Minister and NIDCO to evaluate the proposals and that committee comprised the following:

- (a) Mr. Jaggernauth Soom, Deputy Permanent Secretary, Ministry of Works and Transport (Chairman: (non-voting));
- (b) Mr. Rossini Castro (Programme Director, Project Monitoring Unit, Ministry of Works and Transport);
- (c) Mr. Steve Garib Singh (Vice President, Engineering and Programme Management, NIDCO);
- (d) Ms. Chintamani Sookoo (Senior Business Analyst, Ministry of Finance);
- (e) Mr. Roger Anthony (Chief Construction Engineer (Roads), Ministry of Works and Transport);

- (f) Miss Leslie-Ann Browne (Legal Officer I)—Ministry of the Attorney General);
- (g) Mr. Nirad Samnadda-Ramrekersingh (Vice President, Legal, NIDCO);
- (h) Mr. Mike Donnelly (Independent advisor to NIDCO);
- (i) Mr. Raymond Ellis (Strategic Delivery Solutions Executive, AECOM);
- (j) Mr. Frank Hayden (Director of Procurement, AECOM);
- (k) Ms. Leslie Robinson-Cooper, (Senior Research Analyst, National Strategic Management Group, Office of the Prime Minister); and
- (l) Mr. Scott Chalmers (White & Case, external counsel to NIDCO).

This was the committee, Mr. Speaker, and this committee met and sat down to review the three proposals which were submitted.

Mr. Speaker, the election was called on May 24. On May 25—I want to read the letter after the election.

Mr. Roberts: Shame, shame!

Mr. Speaker: Please, Minister—hon. Minister of Works. Member for Diego North/East, do not engage in crosstalk whilst the Member is on his legs. If you want notes, take notes. I have noted that tendency on your part. When you are speaking, you seek my full protection, but whilst others are speaking you are interrupting them, so, I will not permit it. I will not permit it. Continue, hon. Minister of Works.

Hon. J. Warner: Some people believe that they could come here and believe that they could be wrong and strong. Some people believe that they could come here and posture and bring the usual histrionics and so on and run from the facts, but I want to repeat, on May 25—the day after the election, Mr. Speaker, an election which they lost 29/12—and would easily have been 29/11 because we could have won Diego Martin North/East if we had gotten three maxi taxis. Three maxi taxis more and you were history, but “bambye we go see”.

Mr. Speaker, here is the letter sent, of course, to the Director General of the OAS, and I want to say again, as the Minister of Works and Transport I was sworn in on May 28. On May 24 there were elections and the Minister of Works and Transport had no locus standi after the election. Yet for all, a letter on May 25 goes to the OAS and reads as follows:

We are pleased to inform you that NIDCO has concluded the evaluation of package 3 for the National Network of Highways Project submitted in May 2010 and submitted on May 06, and has chosen Constructora OAS Limited as the preferred respondent for the contract for package 3. Any subsequent award is subject to a satisfactory conclusion of negotiations of all open issues, and notwithstanding any such satisfactory conclusion, a decision by NIDCO in its sole discretion to make such an award.

OAS is invited to undertake final negotiations on the contract for package 3 on this basis. The items to be resolved during the final negotiation include the following, “—...and they list of course, [*Inaudible*] and then—”...NIDCO anticipates commencing final negotiations in the week commencing June 07.

What authority you had to talk about June 07 and commencing June 07, in Port of Spain.

“We will write to you shortly with a proposed schedule for concluding the contract for package 3.”

Mr. Speaker: Hon. Member for Diego Martin North/East, if you continue to disregard my ruling, I will ask you to withdraw from the Chamber and take two hours to recover in the lounge. If I hear you once more intervene and you disregard my ruling, I will order you to withdraw from the Chamber and retire to the lounge, and within two hours you can return. That is my final warning for you. Continue, hon. Member for Chaguanas West.

Mr. Imbert: Standing Order 36(5), Mr. Speaker. The Member has imputed—36(5)—after the General Election, when I was no longer the Minister, that I was responsible for that piece of correspondence, when the UNC was in power.

Mr. Speaker: Well remember you have experience. If you want to rise on a point of order because your character is being negatively imputed, rise, but what I cannot deal with is the crosstalk, and I am simply saying, use your Standing Order and I will rule accordingly. That is all I am saying.

Mr. Imbert: Mr. Speaker, Standing Order 36(5), the Member is imputing improper motives. He is alleging that I somehow influenced that letter which was published and sent after I demitted office and after the UNC came into office. That is improper, Mr. Speaker.

7.45 p.m.

Mr. Speaker: All right, hon. Member for Chaguanas West and Minister of Works, if you are imputing or giving the impression that the former Minister of Works and Transport and Member for Diego Martin North/East had any part to

play with that piece of correspondence, he is claiming that is not so, and therefore I would like you to desist from that course. You could read the letter, put it on the record, but do not attribute it to him because he is denying it.

Hon. J. Warner: Thank you, Mr. Speaker. Just let me say that before I came into office this document was sent out. I came in on May 28, four days after the election and this was sent out. I impute no motive. I want to go further and say that, of course, I made a threat to the Minister of Finance and said that “if I ain’t get no money I gone.” The Member for Diego Martin West seems to have a consistent streak of either misquoting, misrepresenting or forgetting.

Mr. Speaker, on August 14, I flew into Point Fortin by helicopter to meet some people in Guapo who were blocking the road. I went to Guapo, I spoke with the people and I told them that the road will be fixed in two weeks’ time. They surrounded me and they asked me, “Are you sure? You know all yuh politicians would do so and so and so.” I said, “I give you my word; in fact, if I don’t get the money for it I would step down from my office.” I said so to them, Mr. Speaker. That had nothing to do with the Golconda/ Point Fortin highway. But the Member for Diego Martin West comes here and makes reference to me—*[Interruption]* well I would not want to say blackmail, but me threatening the Minister of Finance. One would expect that one of the calibre of the Member for Diego Martin West would at least come close to the truth, if you cannot speak the whole truth. *[Interruption]* Therefore, again, Mr. Speaker, that was misrepresentation.

Mr. Speaker, he was imputing that I told the barman at the O’Meara highway that I would adjudicate on the matter and so on. What is happening now? Mr. Speaker, what are the facts? The man in O’Meara, who refused to move, we went there, we talked with him, we pleaded and we begged. The Member for La Horquetta/Talparo was there. I told him in the court nobody, of course, will win. *[Interruption]*

Mr. Speaker: Please! Please! Please, Member for Diego Martin North/East.

Hon. J. Warner: Mr. Speaker, I said so, and then he gave a price which I would not say here in the House, which for us was ridiculous, so we said we shall go to the court to decide. The matter is before the court. What did I do but adjudicate on the land and on the price? He, however, comes here again, in his normal behavior, and tells the national community and the House that I adjudicated on the price. The matter is in the court at this moment and the court is deciding. That has nothing to do with me!

Furthermore, Mr. Speaker, he said that I go all over the country making promises to people and giving people some hope. I make no apologies for that. I

have gone and my colleagues have gone in parts of this country where they have never gone, where they have never seen. Yesterday I was in Indian Trail. [Interruption] That same day I was in Tamana and Cumuto and so on.

Miss Mc Donald: I have land there.

Hon. J. Warner: Thanks for your land, and keep it.

Mr. Speaker, after Indian Trail we went to Forres Park and so on. And at the end of the day I will go all about. That is how I know Cucharan Trace and you do not. That is how I know Pluck Road and Gopie Trace and you do not. In Indian Trail yesterday the people said that the last government person who came to see them there was George Chambers, so I make no apologies for that. If I go all over the country to see people and make promises and give them hope, I will tell you something, Mr. Speaker, the only way you would reach—

Mrs. Gopee-Scoon: You only have—[Inaudible]

Mr. Speaker : Please! Hon. Member for Point Fortin, please!

PROCEDURAL MOTION

The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal): Mr. Speaker, in accordance with Standing Order 10(11), I beg to move that this House continue to sit until the completion of the business at hand—the debate on Motion Nos. 1, 2 and 3.

Question put and agreed to.

GUARANTEE OF LOANS (COMPANIES) ACT (INCREASE IN BORROWING)

Hon. J. Warner: Thank you, Mr. Speaker. Before I forget, I want to just make one point about that letter on May 25. That letter on May 25 went out I am advised, at 10.00 a.m. [Interruption] Mr. Speaker, the Attorney General and the Prime Minister were sworn in the afternoon of May 25, so, therefore, when it went out on May 25, we had no Prime Minister or Attorney General as yet. That is all I wanted to say for the time being. [Interruption]

Mr. Speaker, I make the point that if I have to go all over the country giving people hope and making promises. That is good because that is why we are on this side here. [Points to Government Benches] All of us do that. All of us give them hope; hope at a time when they were hopeless; when hopelessness pervaded in the land, when they saw nobody; when they knew that government favours and

service ended by Caroni bridge. That has changed and that is why we can go today all over the country. They cannot! And I want to say again; that is why we can go Toolisar Trace—I want to say again—and “Gopie Trace and Pluck Road and School Hill, Papoorie Road, Cucharan Trace and Marching and Endeavour and Cacandee Road and Joyce Road. “You know any ah dem roads?” You know any of those roads at all? No, they do not.

Mr. Roberts: All he knows is Maraval Road.

Hon. J. Warner: They do not, and telling me about, of course, going to them.

Mr. Speaker, we have come here today to approve the borrowing limits for the Government and we have come here to do this because of the neglected opportunities of the past PNM regime; in fact, two past PNM regimes. Life cannot come back. We cannot turn back the hands of the clock. We cannot turn back the hands of time and undo the recklessness of the PNM administration. I wish we could have.

We cannot turn back the clock and prevent or undo the reckless and squandermania of the PNM—both PNMs, both terms. All we can do is be thankful that the PNM are in the past and shall be forever in the past. [*Desk thumping*] They can do what they want. They can come here every Monday morning or Wednesday evening and try to discredit us with some false statements and so on. They are in the past and will stay there permanently. [*Desk thumping*]

Mr. Speaker, in fact, I want to just remind them of what Percy Villafana had done to show that they are not welcome and that will remain a permanent sign, a permanent indictment on the PNM. We are here to discuss Government borrowing, because for a period in the last decade this country saw a boom in energy and construction, and at the hands of the PNM this boom went “kaboom”. Over! Finished! That is their claim to fame. They frittered away our resources and that is the same thing that happened in the ’70s when Manley said that the money that comes through our hands will pass through like a dose of salts. History was repeated almost exactly as in the ’70s. A dose of salts, Mr. Speaker. What do we have to show for it? Of the last boom, what do we have to show for it? How did the lives of the citizens improve? How were their lives improved?

We found several sectors of the society in total disrepair and we, when we entered office in May 2010, were forced to repair it. So, when the Prime Minister asked, how did we reach this far, that is what she was saying, till the Member for Diego Martin North/East said that she was off the point or words to that effect. She was asking the question: how did we reach this far? She was asking the

question: how did the Minister of Finance find himself having to come here to raise the borrowing limit? She was saying that that had nothing to do with his fiscal prudence. In fact, if anything at all, it shows it even more clearly—his fiscal prudence. That is what she was saying.

You heard the Prime Minister, she gave a mountain of debt which we inherited, \$60 billion, \$70 billion and as I heard my colleague from Caroni East saying, if we lose the cases with Petrotrin then “crapaud” smoke our pipe—\$12 billion more. What the Prime Minister said is that our economy, our agenda were threatened. She was making the point that we have difficulty to deliver, and she was asking the question, how did we reach this far? But now there is high expectation. Now, of course, we have hope, and I repeat, despair has given way to hope. What we have to do and what we are doing is managing our cash flows.

You will recall, Mr. Speaker, that the US government just mere weeks ago found itself in that predicament and because of the prudent management of the economy we have been spared that. [*Desk thumping*] We have been spared that. And I want to say again, as I am here, that heaven help this country if this Government had not changed. Heaven help this country!

Mr. Speaker, it is said that a penny saved is a penny earned, but I want to say that every dollar that was wasted by the past administration or lost to corruption would have been a dollar less for us to borrow. If we had not wasted money it would have been a dollar less for us to borrow and the ceiling might not have had to go up so high. It would have been one dollar more if we had not squandered away our resources; it would have been one dollar more to increase public servants’ salaries, to build roads, bridges and drains to alleviate flooding. If they had not squandered the money we could have built more schools; we could have applied more social programmes to the needy; we could have put more police officers on the streets and outfitted them with modern technology. We could have fixed the health care more quickly; we could have helped our farmers with access roads and the list goes on and on, if they had not squandered the money.

They behaved as if it is “cockset” money they were playing with. [*Laughter*] They were playing “ludo” with the money; snakes and ladders, Chinese Checkers with the money and today we are where we are because of their squandermania. So the boom money is gone. Certain contractors’ pockets are fat. Most of them are outside, of course, and we are saddled with debts and the Prime Minister was saying that is why we are here where we are now. We, on this side, now face the challenges of governing this country and you could run high or low, we shall

govern the country and bring it back to some degree of sanity. We shall do that. We shall turn it around from the state they left it in 2010.

8.00 p.m.

So instead of coming here and using baseless rhetoric, it would be nice, Mr. Speaker, if just once, just once, just once, the PNM would accept responsibility for their actions, just once. Just once, come here and accept responsibility for your actions. We came into government with a \$7 billion deficit from the PNM, Mr. Speaker, \$7 billion deficit. We met a bottomless hole, a bottomless hole of debt at Clico. You heard the hon. Prime Minister read a letter out a while ago and referring to and saying that of course the DPP is now becoming involved with the Minister of Finance.

In the history of this country, has any Minister of Finance had been referred to the DPP by the Integrity Commission? Never before! I will tell you one thing though, this one never will. This one never will. [*Desk thumping*] I want to repeat, the history will show that no Minister of Finance before in this country has ever been referred to the DPP by the Integrity Commission and I want to repeat, this one never will. You could say what you want. You could run from that but you cannot hide from it. That is the fact. That is the fact.

When we came here, Mr. Speaker, we met a bottomless hole, a hole of debt at Clico. We met, of course, an uninhabited concrete jungle in downtown Port of Spain. After 16 months, Mr. Speaker, the Legal Affairs Tower next to the Ministry of Works cannot be occupied. Sixteen months all over Port of Spain a concrete jungle that is what we found, when we came here, and that is what the Prime Minister said, that we are not looking to improve the people's lives, schools, hospitals, police stations, box drains and so on, roads, bridges or fire stations. When we came here, thousands of HDC houses were unsafe and unfit for occupancy. Fancy paint, that is all they had. And it cost millions of dollars to repair. That is what we found. And you are asking about the ceiling.

Mr. Speaker, even NAPA, that cost close to a billion dollars, had to be repaired when we came here. Do not let them forget such megaprojects as the Scarborough Hospital. That too is there to fix, Mr. Speaker. The Brian Lara Stadium, is that a stadium? No, it should not be called Brian Lara. The National Oncology Centre, Mr. Speaker, all of these for a country, a government that had a boom. And then the problem that we are facing now with the arrears to public servants and so on, are arrears for the period 2007—2010. They did not even pay the people.

This morning I sat with the MTS in my office, 2007—2010, they did not even pay the workers. Two summits in one year. When I was talking to the Prime

Minister of England, hon. Gordon Brown, at the British Embassy, he told me, Mr. Speaker, that England could not host two summits. “How you all could do it boy?” “How you all could do it?” England cannot host two summits, but we did it here.

Therefore, I am saying it would be nice if they would declare that this is the condition they left the country in. I listened to the Member for Arouca/Maloney when I was coming here; I turned off my radio in the car. “I turn it off” because it was making no sense whatsoever. So therefore, I said “look, you see me, I do not want to damage my ears. I turn off the radio.”

Dr. Moonilal: Who was that?

Hon. J. Warner: The Member for Arouca/Maloney.

Dr. Moonilal: Oh yeah, yeah we know.

Hon. J. Warner: And therefore I am saying, Mr. Speaker, let the PNM own up and stop behaving as if they are blameless. We can move past the issue of blame and then say how we shall fix this? That is what he was doing earlier on. How we shall fix this? That is why we are here, Mr. Speaker. Because the PNM had led us and this country onto a precipice.

In *Newsday* August 10, 2010, in an article headlined: “WE’RE IN CRISIS” the President of Contractors Association, Mikey Joseph said between September 2008 and August 2010, the then government failed to pay contractors \$7 billion for work done. *Newsday* August 10, 2010, “WE’RE IN CRISIS”. I want to say again, Mikey Joseph at the time was the President of Contractors Association. He was saying that the PNM government that was swimming in cash, that was so fiscally prudent, had not paid the contractors’ \$7 billion debt for work done between September 2008 and August 2010. That is what they left for us to do and coming here of course as some saint, somebody who is sanctimonious to posture and talk about ceiling. What ceiling?

The *MV Su*—“or, he gone.” Well, all right. The *MV Su*, Mr. Speaker, are boats they bought for \$25 million and spent \$27 million to repair it. It has not left the dock as yet.

Hon. Sharma: Who is it named after?

Hon. J. Warner: I am advised it was named after the wife of the last Minister of Works and Transport.

Dr. Moonilal: What!

Hon. J. Warner: That is what I am advised.

Dr. Moonilal: What kind of madness is this!

Hon. J. Warner: Suzanne and it is called MV Sue.

Hon. Sharma: I heard that.

Hon. J. Warner: You heard that too? So at the end of the day, how could we come here and pretend? How can we, Mr. Speaker? And why they did not pay the local contractors? They paid the foreign ones \$1.5 billion. So horses for crosses.

Mr. Speaker, I want to read just one paragraph from an extract of that same report I spoke about. Mikey: “under the last administration payment of contractual sums due to local contractors dried up, amidst that administration's policy of choosing foreign contractors for not only large, but also small projects. Joseph explained that.

The Government has just not been paying its bills on time for the last three years.”

That is what we inherited, Mr. Speaker. Three years; and he said that the industry was on the brink of collapse.

Mr. Speaker, as you heard the Prime Minister, some of the biggest debts they had were for people like UDeCott, Nipdec and so on. At the end of the day I do not want to bring up an issue because I think we have made the point on this side and I only rose to try to correct some misinformation on that side. But, Mr. Speaker, I would like to just end by saying that on the eve of the general election the PNM government displayed the most horrendous act of immorality. I have to say so, Mr. Speaker, because on the eve of the election they signed contracts for hundreds of millions of dollars and I am saying if ever a hatchet job was done on the people of this country, that was one.

Mr. Speaker, let me give you one example, on May 12 —they called the election in April. On May 12, 2010, just 12 days before the election, just five weeks after the government fired the entire UDeCott board, a contract was signed between UDeCott and Shanghai Construction Group for \$180 million to build five police stations. Twelve days before election, 12 days, \$180 million and “you coming to talk to us here?” I heard my colleague, the Member for Caroni East, telling you, you should hang your head in shame. I want to add one thing, hang your head in shame permanently.

Mr. Speaker, I want you to look at the time line. On March 6, 2010, Calder Hart resigns as chairman of UDeCott and from four other state boards and he flees the country with his wife. Mr. Speaker, on March 19, 2010, Shanghai receives a

letter of award for the contract, March 19, no board. April 6, after the board was fired, the AG at the time hon. John Jeremy, tells the Senate a new board will be appointed. On April 16, Prime Minister Patrick Manning writes the President to dissolve Parliament and to fix election for May 24.

On May 12—April 16, the Prime Minister writes the President to dissolve Parliament and call the election. On May 12, Mr. Speaker, they sign the contract for \$180 million. If nothing is more pathetic, tell me what is. No board, Mr. Speaker, no board Parliament dissolved, no board Parliament dissolved. In 12 days time you have general election and the PNM Government signed a contract with Shanghai for \$180 million and coming to talk to us here. Minister, you know, sometimes I do not know. I will not say it. I will not say it. What we, of course, have been advised is that officials of the Ministry of National Security were pressured to sign the contract. And of course I should tell you, Shanghai was linked with the building of the church up in Guanapo.

Mr. Speaker, what other contracts were signed? Billions were given to Shanghai, hand-picked by UDeCott to work on the \$244 million Prime Minister's residence. Shanghai got that contract. NAPA—\$900 million, Education tower—\$460 million, South terminal—\$150 million, Police station contracts—\$180 million, so Shanghai, Mr. Speaker, got billions and that is why we are here. One firm got \$2 billion in contracts from Shanghai, one firm. That is why we are here.

As I end I want to make two quick points, Mr. Speaker. You recall that there were several cost overruns which I would not go into detail, as I said before, including NAPA where the first price was \$252 million and from \$252 million then it went to \$320 million and then to \$460 million and so on. Mr. Speaker, you also saw cost overruns in the Brian Lara Stadium. You saw cost overruns with the Chancery Lane complex and that was the order of the day.

So therefore, I am saying not only “they had corruption”, but you also had mismanagement and wastage and that is why we are here, Mr. Speaker. That is why so many of our roads, drains, bridges, rivers are all in a mess, because the priorities of the last government were wrong. Money was wasted, there was squandermania, there was mismanagement and that is why we are here. Mr. Speaker, the bottom line is, that is why this Government have to raise the borrowing limit to fulfill our duty to our citizens.

Before I conclude, I am sure the Minister of Sport would also like me to mention another squandermania, the \$2 million flag; Mr. Speaker. Do not forget those things. All these things happened under their watch and to come here today

when we ask you to take three Motions at the same time, “No! Do them separately.” They do not want to take it at the same time, to come here, Mr. Speaker. For me that is the limit. So therefore, for me it is a matter of trust, because while we seek to increase the borrowing limit for the Government, it is clear, where these funds will go. We have commitments to meet. There are projects which are underway, which have to continue.

Mr. Speaker, you heard the Prime Minister, a development plan is unfolding throughout the country and I am saying also, Mr. Speaker, that this Government’s track record of delivery over the past 16 months is there for all to see. We do not hide it under a bush, you know. Our track record for the past 16 months is there for all to see and we come here today to raise the borrowing limit in full view of the public because we know that the public have given us their trust and confidence and we shall not let them down.

Mr. Speaker, I thank you.

8.15 p.m.

Mr. Speaker: Before the Member for La Brea speaks, I would like to inform hon. Members that dinner has arrived, so when Members are ready they can stream out and have a bite and return.

Mr. Fitzgerald Jeffrey (La Brea): Thank you very much, Mr. Speaker. Before I commence my contribution I would like to correct a wrong impression that I heard tonight. The People’s National Movement is a very organized and disciplined political party. [*Desk thumping*] We allow freedom of expression and one is never prevented from expressing one’s opinion. [*Desk thumping*] Unlike those opposite, we do not have blind loyalty on this side. [*Laughter*] Our Political Leader, who is also the Leader of the Opposition, was unanimously voted in to lead this great party and to lead these Opposition Benches. I want to say here now, he enjoys our full support and I want to warn those opposite, start getting accustomed, because he is the next Prime Minister of Trinidad and Tobago. [*Desk thumping*]

Tonight, I hear about hope with this UNC-led People’s Partnership, and I wonder when we are talking about hope, how serious are we? Let me just use three examples, because I believe this is serious business we are here on tonight. I would like to ask those opposite to name one person in the La Brea constituency who got an HDC unit under the UNC-led People’s Partnership administration—one person.

I say this tonight because I have read in the newspapers, we have seen on the television, where people who illegally were occupying riverbanks, you have a

little flood and they give them new houses. In my constituency I know people who own their houses that got destroyed by fire, and, in one case in Rancho Quemado, a tree fell on someone's house. We wrote the relevant Minister and there was nothing for that person. Mr. Speaker, we are talking about hope—

Mr. Roberts: Mr. Speaker, 36(1), please. I am trying.

Mr. Speaker: I am giving the Member for La Brea the opportunity to connect his points. I know you are going to come, but try to connect your points, because we do not want irrelevance. Right? So continue, but just connect your points.

Mr. F. Jeffrey: Mr. Speaker, I was merely replying to the Member for Chaguanas West who was talking about hope, and I am making the point that, if we are talking about hope, we have to deal with the whole thing. I am saying, as well, we have another situation in La Brea—I mentioned it the last time—about the CEPEP contracts. Somebody from Debe got a CEPEP contract in La Brea, but I know for sure that nobody from La Brea got a CEPEP contract elsewhere.

Mr. Roberts: Mr. Speaker, 36(1), please. CEPEP in La Brea?

Mr. Speaker: I am allowing the Member to continue. He has raised a point of order, 36(1) and I am saying I am allowing you to continue because you are connecting your points and you are responding to the point of hope. So continue.

Mr. F. Jeffrey: Mr. Speaker, I heard the Minister of Finance state his case for the \$16 billion increase and I sat in my seat and I wondered. Fifteen months ago the Minister painted a very gloomy picture of Trinidad and Tobago: the country has no money; the economy of Trinidad and Tobago was in bad shape. Fifteen months have gone. We saw no new signs of foreign investment, no economic plan to build capacity to secure our revenue stream, but yet we saw massive expenditure in foreign travel by Ministers of Government. It is possibly a record in Trinidad and Tobago for any 15-month period in governance when we are talking about foreign travel by Government Ministers. We have a Prime Minister who travels mainly by aeroplanes and helicopters and, again, possibly a record in Trinidad and Tobago in terms of expenditure.

To spend more money than you are earning for 15 months, you had to get into your reserves if you are not going to borrow. Therefore, it seems that it is thanks to the People's National Movement that prudently managed the economy so that they had money with which they could buy laptops, they could engage in foreign travels, et cetera. If, on the other hand, you have to keep on utilizing your resources, you will have to borrow and, again, I say thanks to the People's

National Movement government that we are able to borrow on generous terms, because of a sound, financial platform laid by the People's National Movement government.

The real challenge is: how are we going to be able to finance this \$25 billion? How are we going to repay that? We have falling oil production; we have declining oil reserves; falling gas reserves. It is projected that we will have falling oil prices and falling gas prices. There is the Eurozone crisis that is leading to a banking crisis in Europe. Indeed, the legendary investor, George Soros, said: "This crisis has the potential to be a lot worse than the Lehman Brothers."

Then we have another article by Mr. George Osborne, the Chancellor, writing in the *Financial Times*. He urged Eurozone leaders to get a grip on the sovereign debt crisis at their summit, warning that failure to do so could unleash an economic crisis as serious as the recession that followed the banking crash of 2008. That has implications for us in Trinidad and Tobago. How are we going to get foreign investors when the world economy is as it is? We have a Minister of Finance who has a good relationship with the IMF and it is looking as though he is leading us into the crocodile mouth of the IMF, because what we have is increased expenditure and falling revenues. We are bound to find ourselves in problems.

So I have great concern about the \$16 billion, and, on behalf of my constituents in La Brea, which extends from Aripero Village to Salazar Trace and from Quarry Village to Erin, I have to ask these questions in light of that \$16 billion. Will any of that \$16 billion be beneficial to my constituents? Will we experience more employment for the people in La Brea? Will we see any housing development for the people in La Brea? Are we going to see any tertiary institutions being established in La Brea? Are we going to see any more recreational facilities improved in the constituency of La Brea? Are we going to see an expansion of the Water Taxi service to La Brea and Point Fortin, because that water taxi is associated with Nidco, which is a company that is going to benefit from that \$16 billion?

What about the desalination plant that was supposed to be completed in Point Fortin to improve the supply of water for the people of the south-western peninsula? Will they use part of that \$16 billion to improve the water supply for people in the south-western peninsula? Or will we see that they use the \$16 billion to build the tunnel from Tunapuna to Maracas? Will we see the industrial estate that is geared for Debe in Penal? Or will we see the airport in Couva? These are questions that deserve an answer in terms of that \$16 billion. We have to understand that in Trinidad and Tobago we have to be very careful.

Dr. Rambachan: Why did your government not do that for you when you were there?

Mr. F. Jeffrey: We heard from the Minister of Finance that he is seeing blue skies, and, yes, I am seeing blue skies as well. My colleagues on the Opposition Benches, we are seeing blue skies. All patriotic citizens with moral and spiritual values are seeing it too. They are seeing the certain end of another one-term People's Partnership Government and the return to the loving and caring arms of a People's National Movement government. [*Desk thumping*]

Mr. Speaker, they accuse the People's National Movement government of overheating the economy. We had full employment; we had free tertiary education and the widespread availability of Tech/Voc programmes, the MuST and the HYPE, et cetera. But now that we have this People's Partnership Government, we have increased unemployment, growing by leaps and bounds, more poverty and the economy is at a standstill. The economy is frozen at this point in time, and it is extremely important for the return of the People's National Movement to lead this country once more.

The Minister of Finance in his 2011 budget speech said, and I want to quote. The Alutrint smelter: "...project shall cease and an alternative strategy will be put into place for the south-west peninsula."

Mr. Speaker, 15 months has gone. This alternative strategy, will it involve part of that \$16 billion? From what we are seeing here, there is nothing in terms of an alternative strategy in place. They strangled the construction of the Alutrint smelter for vindictive reasons. The smelter would have been completed by now, generating much needed foreign exchange and helping us to repay some of that said \$16 billion. But you see, that would have created employment for the people of La Brea and a certain quality of life, so that is not something that the People's Partnership Government would want to see happen in La Brea. The Minister of Finance also mentioned in his speech that the second pole will focus on developing the south-western peninsula of Trinidad, but hear the curious part:

"The area already has a power generation plant and port facilities."

So cool yourself. You have a power plant and you have a port, so "doh look for nothing else." But do you know what happens? That generation plant will only create employment for 35 persons. So my thousands of brothers and sisters who are unemployed, we must scratch. That cannot be right.

8.30 p.m.

But hear what is the very distasteful one.

Building on these advantages, we will construct a new industrial estate which would create jobs in the area. Mr. Speaker, we have the Union Industrial Estate with a lot of space still. [*Interruption*] All right, but he is not bothering with that. You went to Penal or Debe and put down a new industrial estate. I have nothing against Debe getting anything, right.

As a matter of fact, as principal of the Palo Seco Secondary School, I taught a number of students from Debe, I met their parents; we had a good relationship. So I am glad if Debe gets what they have to get, but I am saying that the people of La Brea deserve to get equal treatment. That is all I am asking for. We have to be careful and ensure that there is parity. You see, they have to understand that, yes, Debe is part of Trinidad and Tobago, but so too is La Brea. All I am saying is, let us try and give everybody a fair share of the pie.

The former Minister of Energy in a reply to a question raised by the Member for Diego Martin West, and I am saying it against the background of that same \$16 billion we are talking about, said and I quote:

“The projects that replace the smelter will not provide a promise of jobs—”
Mr. Speaker, good news—“it will provide actual jobs; permanent jobs; well paying jobs and actually contribute to the development, not the deterioration of the southwestern peninsula.

In the context of propylene to plastics...”Real employment opportunities are anticipated to be 5,000 jobs during... construction... 500 jobs for operations and 1,500 to 2,000 jobs created as a result of downstream activities generated from this project. In the context of integrated glass and photovoltaic cells...Real employment opportunities...:For the Silicon, 500 permanent jobs and 800 jobs in the construction...For the float glass: In excess of 1,000 permanent jobs and 500 jobs in the construction phase. For PV Wafers: 1,750 permanent jobs and 3,000 jobs in the construction...”

Mr. Speaker: Let us try to focus on the Motion. I have given a lot of liberty this evening, and I believe that we now have to tighten our contribution. You are being irrelevant, to be honest with you, and I think that you should stick to the Motion. Make reference—we are repeating ourselves. Reading a letter on Alutrint, nobody made reference to that here. This Motion is not about Alutrint. It is not about that. You have introduced that. So I am just asking you if you could probably get back to this Motion and try, even if you want to link Alutrint, show

how this thing is going to be linked. You are going all over the place. Please, come back.

Mr. F. Jeffrey: Thank you very much. Mr. Speaker, thank you. I was really trying to make the point that in terms of the \$16 billion that is supposed to go to state companies, in the case of the Union Estate the National Energy Corporation is a state company, and it was in that light I was using it, but I would be guided by your ruling, Mr. Speaker.

I want us to understand that the \$16 billion that is under consideration, we need to understand that the rate at which this present Government is operating, it is not generating revenue but increasing expenditure. We are sure to run into problems with the repayment of that \$16 billion borrowing that we are trying to organize. I thank you, Mr. Speaker. [*Desk thumping*]

The Minister of Sport (Hon. Anil Roberts): Mr. Speaker, I only rise to give you a short contribution and break a world record here today, just to deal with a few issues.

First of all the Member for Diego Martin North/East. I mean, every day I sit in this Parliament, I look forward to your brilliance and every day you disappoint me. You came here in this Parliament attacking the Member for Siparia and the hon. Prime Minister, attacking the Minister of Works and Transport, Member for Chaguanas West, and making a bold claim in *Hansard* that “I stand firm there was no contract awarded.” The Minister brings her letter dated Tuesday 25—the Monday was the 24th, right? Yes, Tuesday 25th—and you are claiming right here in this Parliament that it was as you call it, the “UNC-led coalition.” It is the People’s Partnership, I know “yuh harden” but it is the People’s Partnership, that our Government was responsible for sending out that letter from Nidco.

Anyone who understands basic politics will know that a new government does not exist until both the Prime Minister and the Attorney General have been sworn in. The records will show that the hon. Kamla Perad-Bissessar and the hon. Attorney General, the hon. Anand Ramlogan were sworn in on the afternoon of Tuesday 25. The letter went out on the 25th, it is dated the 25th; it went out—[*Interruption*]*—*awww, so it could have gone out on the 23rd, which makes your case worse, but I am saying the letter is dated the 25th, and therefore, the PNM Cabinet was still the caretaker government of Trinidad and Tobago and had not been and could not be replaced until both the Prime Minister and the Attorney General were sworn in. [*Desk thumping*]

Furthermore, there was no Minister of Works till Friday the 28th. So for you to come here and pretend, and to gallery and unbutton your jacket, and throw down your things like you normally do, please I will not use your famous phrase because the Speaker has said do not use that term that, “arrant nonsense.” I will not to use it here. I refuse to use “arrant nonsense” in this august Chamber. I will not use it. So let us move on. I am not done with you. I take a short time with you.

Now, Mr. La Brea, the hon. Member, you made a point that that hon. Minister of Housing and the Environment, and the Member of Parliament for Oropouche East was somehow giving people in Debe CEPEP contracts in La Brea, and I—hold on Sir. You will get a chance.

Mr. Jeffrey: Mr. Speaker, 36(1).

Hon. A. Roberts: I cannot hear you. You want help with the Standing Orders. *[Interruption]* I could continue? Okay. You made that—

Mr. Jeffrey: Mr. Speaker, 36(5)

Mr. Speaker: No, listen hon. Member for La Brea, if you feel at any point in time you are being misrepresented, you can draw it to my attention, and at the end of the hon. Member’s contribution I will just give you a minute to clear the air on that matter, but I do not think 36(5) is properly in order. Continue.

Hon. A. Roberts: Thank you, Mr. Speaker. I think I will help the hon. Member. Maybe it is because I said that you said the Minister—okay, not the Minister but that a CEPEP contractor from Debe is operating in La Brea. That was your position? Is that fair? Okay, well I will sit and allow you to clarify. Is it true that you called the Minister of Housing and the Environment, complained about a serious issue of dengue about the bush and so on in La Brea and the Minister immediately activated contractors from wherever, from Debe, from wherever, to come to accede to your request to clean and clear because of the dengue threat? You could clarify.

Mr. Jeffrey: That did not happen at all.

Hon. A. Roberts: It did not happen, okay. So there is no dengue in La Brea.

Dr. Moonilal: No, they complained and we sent to help them.

Hon. A. Roberts: I would like to move on quickly. The Leader of the Opposition— and I have noted with great concern that somehow the Leader of the Opposition does not seem to get support from the members of his team, whether here in the Parliament or externally, because obviously we understand

that, being a geologist, he is not really qualified in the field of economics like our Minister of Finance and so on but we would expect that a Leader of the Opposition would have economists at his beck and call, people with masters, doctorates and so on.

However, when stands in this Parliament and makes a claim that the Minister of Finance is misleading the population when he says that the People's Partnership Government came in, met all sorts of contracts without the actual contracts being laid and financial institutions put in place, that we got billions of dollars that he determined, because of his responsible nature and because of trying to protect the good name of Trinidad and Tobago as illustrated by our higher credit rating and Moody's and Standard and Poor's and so on. That he found letters of comfort aplenty and had to take his time, he used the term, "Work some magic" to ensure that we did not default on any of these irresponsible—and the Member for Chaguanas West also said when election was called money was flying left, right and centre, with letters of comfort—the Minister of Finance explained that we had to live up to our obligation.

Instead, the Leader of the Opposition stands and says that that could not possibly be true because there is 12 months' cover in the Heritage and Stabilization Fund and in our reserves and so on and therefore, why would we be in a position where we would be in any threat whatsoever of default. Clearly the Member for Diego Martin West does not understand that 12 months of cover is regarded as your recurrent expenditure, your imports— it's import cover—to mean that you can handle what is going on in order for your country to survive and thrive and your food import bill and your balance of trade payments.

It does not have anything to do with capital expenditure previously signed to by the former government. Capital expenditure and debt creation dealt with at a different line item. So for him to make that stretch of a comparison, I find it rather sad and I call upon the PNM to help your leader, work with your Leader. Do not call meetings to try and move him; help him because by helping him you help us so that we can have a debate that makes some sense.

Yes, flowing right along, the Member for Diego Martin North/East was brilliant—and Member for Caroni East, could you help me with that phrase that you coined?

Dr. Gopeesingh: Sanctimonious hypocrisy.

Hon. A. Roberts:—"Sanctimonious hypocrisy" as stated by my colleague. The Member for Diego Martin North East stood and told this Chamber and the

population that he was clear with his definition of a recession. He said two consecutive quarters of negative growth equal recession. But ladies and gentlemen, how times change. Just about a year and a half ago, let us say two years ago, every single human being who understood a bit of economics, who understood the economy and who understood the definition of recession was trying to say that at that time between late 2008 into 2009, we had had three or four consecutive periods of negative growth and we were in recession. In the budget of the September 9, 2009 these are the words from the *Hansard* of the Member for Diego Martin North/East as he responded to all the commentators who said, “But PNM we are in a recession. Why are you all afraid to say that?”

8.45 p.m.

If you recall, the Governor of the Central Bank also at that time also said he did not see a recession. He looked out of—and I quote from the *Business Guardian*:

“I look out of my window and do not see a recession”

Well, this is what was said by the Member for Diego Martin North/East who is now saying that two consecutive quarters of negative growth equal a recession. Let us listen to the former Minister of Works and Transport, Mr. Colm Imbert, Member for Diego Martin North/East. He says, and I quote:

“When you read the papers, when you listen to the radio, when you watch the television and listen to all the economists and commentators, if they have not contested elections against the PNM and lost, or campaigned against the PNM and lost, or attempted to campaign against the PNM and lost, there is nothing else. When I look at all these economists and commentators, they are all violently and bitterly opposed to the People’s National Movement, whether they are newspaper editors, journalists or so-called economists. Every single one of them has either been a defeated candidate against the PNM, has been involved in election campaigns against us, or is going to be defeated in the next election. Thank you again, Member for Oropouche East. He knows.”—that.

“I have to listen to these people. I prefer to listen to the Member for St. Augustine. At least I know”—that is former Member Vasant Bharath—“he is a politician. I know where he stands. He is an Opposition politician. I do not mind listening to him. He may talk nonsense, but I know where he stands. He does not pretend that he is not an Opposition politician. That is what he is.

I have to listen to all these pseudo wannabes, never were, have been, never will be, failed politicians and deposit losers. Someone has to tell me that I must accept what they”—are saying about recession. I do not, but now,

today—flash forward, today is what—September 07, 2011 and all of a sudden the Member for Diego Martin North/East understands the pristine definition of recession being two quarters of negative growth.

So what is the term again, Member for Caroni East? It is brilliant. Sanctimonious hypocrisy from the Member for Diego Martin North/East because the same debate in which the Member spoke after the former Minister of Finance, that was his budget debate contribution, this is the actual budget and the former Member for D’Abadie/O’Meara in her budget presentation as Minister of Finance on September 07, 2009, the PNM Minister said:

“In the last quarter of 2008, the international recession began to take its toll on the domestic economy; directly, through a reduction in both demand and the prices of our energy exports, and indirectly by dampening business confidence and consumer spending.

Economic activity started to decline in the last quarter of 2008...”

Now keep in mind, this budget presentation was when? September 07, 2009. So there was negative growth in the last quarter of 2008 and there was negative growth in the first quarter of the 2009. The second quarter—this budget was in the third quarter—and yet—the Minister for Diego Martin North/East was vociferously attacking all the economists who were saying we are in a recession, but today he comes up and says two quarters. End of story.

Mr. Imbert: The *Economist* is wrong.

Hon. A. Roberts: Final point, Mr. Speaker. It is very instructive to note also in this budget presentation made by the former Member for D’Abadie/O’Meara, there is mention of why we are here today. Because the former Member for D’Abadie/O’Meara spoke about the CL Financial situation which, at that time, the former PNM government was just beginning to deal with. Now, unfortunately, all the other Members over there, some who within Cabinet and others, like the Member for Diego Martin West who was unceremoniously kicked out of Cabinet, may not have known—not may not have known, did not know that the then Minister of Finance was actually a shareholder. She held 10,400 shares in CL Financial while she purported to negotiate on behalf of the Government and the people of Trinidad and Tobago with two other shareholders, leaving the Governor of the Central Bank—poor Governor of Central Bank—on his own; one versus three. No wonder we are here today, because our Minister of Finance has to undo that MOU and that situation that was allowed to go unregulated; and that MOU that

was negotiated by a shareholder for herself, by herself, with her fellow shareholders.

So the people of Trinidad and Tobago were not in that negotiation, yet \$13 billion extra, plus \$5 billion already sunk by the PNM, possibly \$18 billion of their money has to go to living up to an obligation negotiated by somebody who was negotiating with themselves for themselves. That is why we are here. So, please, I love to use it in the words of “the youth and them, ‘rest we’.”

So, Mr. Speaker, with those few words, I say that I am in full support of the hon. Minister of Finance and the Member for Tunapuna, and I humbly request that this House do ensure that the loan financing limit, the debt limit, is increased to allow Trinidad and Tobago to be able to buffer the double-dip recession that is taking place globally, because we have the finances to secure our people, to move towards sustainable growth, to create jobs and to ensure a higher standard of living for our people who we love and we like and do not pretend to like only when we are in Opposition.

With those few words, I thank you, Mr. Speaker. [*Desk thumping*]

Mr. Imbert: Standing Order 33(4), Mr. Speaker.

Mr. Speaker: Go ahead, Member. Just for two minutes.

Mr. Imbert: That will be more than adequate, Mr. Speaker. The Minister for D’Abadie/O’Meara in his just concluded intervention, alleged that I, in response to a statement made by the hon. Prime Minister, said that the contract for the Point Fortin highway was not awarded before the May 2010 election. The Member also insinuated that I had misled the House.

Mr. Speaker, let me reiterate, and the *Hansard* records will confirm this, that at no time did I ever say that the contract for the highway was not awarded before the 2010 election. I clearly and unambiguously said that the advice given by the Member for Chaguanas West, the hon. Minister of Works, to the Prime Minister, that the contract for the highway was signed before the 2010 election was false and untrue. I want to repeat. If Members opposite do not understand the meaning of the word “signed”, the hon. Prime Minister said the contract was signed before the election and I said that was not true.

I also want to further clarify, Mr. Speaker—

Hon. Minister: Your two minutes is up.

Mr. Imbert: My two minutes is not up—that in the very words of the Minister of Works himself, on a previous occasion in this Parliament, the contract was also not awarded before the 2010 general election. So let me make this clear. I have said it was not signed and I have said it was not awarded. Clear!

Mr. Sharma: You wasted two minutes.

Mr. Speaker: Is there anyone else on the Opposition Benches? The hon. Minister of Finance. [*Desk thumping*]

The Minister of Finance (Hon. Winston Dookeran): Thank you, Mr. Speaker. I do not know whether I should start at the end or start at the beginning, because we ended with a confession [*Laughter*] and we started with the sin of omission by the Members of the Opposition. I would attempt to just make a few points in order to correct some of the misinformation that has been put on the *Hansard* records, and since we do have two other Motions I will be brief in my conclusion because I will have to speak on four other occasions tonight thanks, courtesy of the Opposition who wanted to debate this Motion in three parts when really it was one Motion that we are dealing with. [*Desk thumping*]

There appears to be a thesis that was being developed by the Members opposite—the Member for Diego Martin West, the Member for Diego Martin North/East in particular, and some of the other speakers—that we inherited a Treasury that was full of money, that the economy was buoyant, that the nation was in a state of prosperity and that is her inheritance, and I believe it was the unfortunate remarks of the Member for Arouca/Maloney that we had brought this down to a stage of a recession and perhaps depression. We have introduced in her words, a momentum downwards.

Mr. Speaker, I do not wish to argue the case when they asked for information as to the state of our finances, as of September 30, 2010—which is three months or so after we came into office. They just have to refer to the Report of the Auditor General which was so well articulated by the hon. Prime Minister and, indeed, elaborated upon by the Member for Caroni East. This report is an indictment of the last government's management of the finances of this country and it is all there for the entire country to read. Included in that is the rationale for the need to meet the funding requirements of the present time. So for those who wish more information, I simply refer them to this public document so that they can get a full appreciation of all the facts before us.

Suffice it for me to say, in one matter that I had raised in my opening presentation, that the letters of comfort which we had to honour—and I indicated

that we have remaining to honour somewhere in the vicinity of \$4.5 billion—one year ago that figure was in the order of \$7 billion, according to this report which only explains that during the course of this year, having inherited that tremendous financial liability—and this did not include all the indebtedness of the Government—the letters of comfort only dealt with the indebtedness of the government for which there was a financing plan, but there are many areas in which there was no financing plan, for instance the contractors and others, and they will not be included in these letters of comfort. [*Interruption*]

Mr. Warner: That is true.

Hon. W. Dookeran: When I say we had to meet a commitment of \$4.5 billion, it is \$4.5 billion in which there was a financing plan. The implications of what I am saying in this one year, in spite of the difficulties, we were able to reduce that balance from \$7 billion to \$4.5 billion. [*Desk thumping*] Quietly, I was able to deal with that problem and the rest, as I indicated to you earlier, we would be dealing with.

9.00 pm.

Mr. Speaker, the state of the finances in the country was at a point of near collapse, and I believe that is what this country had intuitively felt. They understood what was happening in the nation; they understood that the expenditure had gone out of control; they sensed somehow that this country was on the brink of some kind of demise in the financial world, and that is why they collectively got together and decided to appoint new leaders in the Government of Trinidad and Tobago. [*Desk thumping*]

They knew that this was a mission that would be a difficult one, and that is why the noises of discontent may be loud but the size of those who are content is larger than the noises. I am sorry that the Opposition has taken the opportunity to join in noises of discontent in this Parliament when they should, in fact, join with us in creating the momentum to remedy the situation and move forward.

There are one or two small points but I think it is important to correct it, and I believe the Member for Diego Martin North/East was at great pains to suggest that the rating in Standard and Poor's was, in fact, downgraded. And he made reference, as is usual, to a media release but quoted the first paragraph without quoting the second and third paragraph. [*Crosstalk and interruption*] That is why he is not too sure whether that letter that was written, that the Member for Chaguanas West wrote, was written in the previous government or in the new government.

Mr. Speaker, I just want to quote what Standard and Poor's said. These are their words and I quote:

“Under the revised methodology, the gap between the local-and foreign-currency rating on most sovereigns we rate worldwide is narrowing. This is because we believe that given the increasing globalization of markets, governments are likely to have fewer incentives to differentiate between the local-and foreign-currency debt in the event of debt restructuring.”

And they added with respect to Trinidad and Tobago.

“The stable outlook reflects our expectation that the government's cautious macroeconomic policies should keep its fiscal and external debt burdens steady, which includes the expectation of no further erosion of the balance sheet because of the resolution of CL Financial Group bankruptcy.”

If ever there was a vote of confidence as to the way in which we tackled and confronted the issue, it was this statement that was made at the time of the downgrade. In any event, as I had pointed out in my earlier remarks, the downgrade kept us at an A grade, just simply one notch below.

I just wanted to correct that because the Member was saying that I was saying that it was a question of methodology. The truth is, Standard and Poor's was saying it was not a change of perception; it was a change of methodology. So our students who now have the opportunity to listen to these debates will understand that there is some value to speaking the truth in Parliament. [*Desk thumping*]

Mr. Speaker, the big question that was posed by the Member for Diego Martin West: how shall we pay for this debt? I believe the Prime Minister very well explained that what we are seeking was the permission to increase our debt ceiling, and further indicated that you do not do that on a yearly basis, and based on a record which was outlined, we do that every so many years. The last time I believe this one was done was 2003, and what you do in financial management is to provide for debt ceiling based on certain projections which I will come to in a minute.

Therefore, there is a difference between the debt ceiling and the debt you create. Each year in the annual budget, we come to the Parliament to get your permission to generate the funding for our public expenditure, and that is when the issue of the debt is actually created, and that is the time that this Parliament has the opportunity to scrutinize those decisions against whatever values they may wish to apply to it. So, that misunderstanding, be it deliberate or otherwise, of

confusing the debt ceiling with the level of the debt has taken the fundamental rationale of logic from the argument of the Member for Diego Martin West.

I tried my best to look at the message was coming out of the Opposition, and I think this is what I jotted down, Mr. Speaker. They are saying you must not change your expenditure. They are saying you must not borrow. They are saying you must have no fiscal deficits. They are saying that you must not remove subsidies and transfers from your budget. They are saying you must not ignore the inevitable consequences of the impending global recession. They are saying you must not listen to the rating agency. Those are the messages. Those are the interpretations of the economic reality that we are facing.

When we drill down into the consequences of that advice that came from this Opposition, we can only interpret as the best geological interpretation in the world of finance and economics, because it makes no sense. If you are not to do those things, it means you must sit back and stand still. You must sit back and let the economy drive itself to complete stagnation; that you must not make the right choices, and public policy is about making choices between the various competing things, and that is the message that is coming from those on the opposite side. No wonder, Mr. Speaker, that it will be a long, long time before they acquire the new knowledge that is required to manage the new economy that we are facing in Trinidad and Tobago.

Mr. Speaker, I just got a note and this will only emphasize one point, and we are talking about the issue of the indebtedness of UDeCott. It was already quoted by the Prime Minister as being at the level of somewhere in the order of \$3.2 billion in the Auditor General's report. But, a letter was written to my Ministry on the August 29, not too long ago, a few days ago, asking for consideration to be given to a further level of support. We had negotiated, and I made mention of that, Mr. Speaker, a loan arrangement for \$230 million to satisfy many of the payables due to contractors.

The information that I have is that, having utilized \$192 million of that loan, they now have a shortfall based on contractors, liabilities that are certified as of August 16, 2011—and this is certified—of a further \$157 million, and they are now requesting the officials in the Ministry of Finance to secure for them an additional \$119 million just to deal with a current problem in UDeCott. You see the kind of stress you have in this business [*Laughter*] It is not stress that we are creating. We are relieving the stress in the society because the stress has been created by those who were here before with the reckless behavior in dealing with public finance.

This same letter went on to say that for invoices received and are awaiting certification, which they did not include in their request, that amounts to \$772 million. So, as soon as I satisfy—as soon as we in the ministry can satisfy, if we can, when we look at that, the \$119 million, I will be faced with another request for some part if not all of that \$772 million. I say that if only to illustrate in very concrete terms what the state of finances was. They were reflected in the Auditor General's report, and we currently face the problem as we go along.

There was an argument that I did not provide sufficient information for the use of this debt ceiling. Well, I indicated already, we do not intend, if we can manage, to use that debt ceiling in one shot. It is a debt ceiling up to which we will now have the ability to borrow. As of now, the current debt ceiling on this particular measure is at \$9 billion, and we have arrived at \$8.5 billion in use based on previous commitments. Remember I said I did not want to provide the information and I certainly can provide him the information. I can provide it to him. It is an entire appendix with every single debt that was created that arrived at the \$8.5 billion of which I speak.

We said that the projection to deal with the additional letters of comfort has been identified here as well. But, in addition to that, what are the projections you use to determine a debt ceiling? You look at your funding requirements to see what your limits ought to be. When I said earlier that there was no medium-term focus, there was also no necessity to look beyond today, and I indicated to this honourable House that we had put into place an entirely new methodology and strategy for determining what the debt ceilings are. These are, of course, based on certain assumptions. Assumptions may not be realized.

We see, today, in the world, almost every country is changing their forecast for their route. At the beginning of the fiscal year, they forecast 2 per cent, by the end of the year, they are now forecasting in the order of 0.1 per cent, even countries like Germany, Italy—major economies have been changing their forecast because circumstances do change during the course of the year, and also the requirements will change, but you must base your decision on some element of forecasting.

9.15 p.m.

Mr. Speaker, we did a detailed analysis of the financing needs that we anticipate, based on certain assumptions. I would not go through the entire report, but just to point out that the limits that we are proposing have been based on these funding requirements that we have worked out from the years 2011 to 2015. I know in the past reckless management of our finances there was little done in

forecasting the future, but we have been trying very quietly to do that in a manner to provide information and intelligence for decision making.

The gross funding need—and I say the gross because this covers all the different aspects in the three Motions before us—for 2011 is \$20 billion; 2012, \$13 billion; 2013, \$13 billion; 2014, \$14 billion; and in 2015, \$13 billion. We do not know whether those forecasts will turn out to be right, but that is the basis on which we have arrived at the requirements for our debt ceiling. Events will change over the next four years. Circumstances will change. Revisions will take place.

Four months ago there was general optimism that the world recovery had started and everyone was looking positively to the return of sustainable growth. Four months later, even the institutions with all the capacity to do forecasting were once again caught off guard. I use these figures if only to let you know what went into our thinking, but with the proviso that these figures may change over time. But, you would notice two things, it is based on a gradual reduction over time and it is also based on a realistic assessment of our funding needs for the enterprise sector, the central government sector and the statutory bodies. [Interruption]

Mr. Imbert: I thank the Minister for giving way. The figures you just called out, \$13 billion, \$14 million, \$13 billion, et cetera, are those cumulative? In each of those years are you going to be adding or is that the total?

Hon. W. Dookeran: Those are specific to each year; funding requirements for that year. Funding requirement does not necessarily mean that you have to go into deficit. I think that is where you are thinking. You may have to fund for cash flow purposes. All governments do that; from the past and in the present. Do not confuse funding requirements with deficit creation, which is what I suspect you use in your engineering economics. [*Desk thumping and laughter*] It might make sense.

Mr. Speaker, I know that we will be very shortly having a full debate on the budgetary measures, and I have no doubt that at that time we will have the articulation of your positions. I hope that the information provided to you with the estimates of expenditure will clarify where the money will be spent, that would be supplied to you; with the estimates of revenue, where the money is coming from, that will be supplied to you, as it is always done in every budget debate; where the Public Sector Investment Programme is heading; and where the State Enterprise Sector Investment Programme is heading. These are all documents that you could

have looked at last year, which were supplied to you as they have been done in the past, which will give answers to what has been raised here; the lack of information. The lack of information, really, is the reluctance to become informed by the information that is provided to this Parliament.

Mr. Speaker, at this point I believe I have tried to address some of the issues and I know we have to continue this debate for the other two Motions, but at this stage, for Motion No. 1, I beg to move.

Question put and agreed to.

Resolved:

That the aggregate amount of all borrowings by companies that are guaranteed by the Government under the Act shall not exceed twenty-five thousand million dollars in the currency of Trinidad and Tobago.

Mr. Sharma: We can take 2 and 3 together.

Mr. Dookeran: I am waiting for a response.

**DEVELOPMENT LOANS ACT
(INCREASE IN BORROWINGS)**

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, could I propose the question that in moving Motion No. 2, this House debate Motions No. 2 and No. 3 on the Order Paper, which relate to the same subject?

Question put.

Question negatived.

Mr. Speaker: We go separately once again, hon. Minister of Finance, so Motion No. 2.

Hon. W. Dookeran: Mr. Speaker, I beg to move the following Motion standing in my name, Motion No. 2 on the Order Paper.

Whereas it is provided by section 3(1) of the Development Loans Act that the Government is authorized, for the purpose of-

- a) financing general development in Trinidad and Tobago;
- b) repayment of borrowings effected for such general development; or
- c) repayment of borrowings effected for general development-
 - i. by a statutory authority within the meaning of the Statutory Authorities Act;

- ii. by an enterprise that is controlled by or on behalf of the State; or
- iii. by the University of the West Indies,

to borrow from time to time money externally or internally in a sum or sums not exceeding in the aggregate twenty thousand million dollars in the currency of Trinidad and Tobago:

And whereas it is also provided in the said section 3(1), that thereafter such sum in such currency may from time to time be specified by resolution passed by the Senate and the House of Representatives:

And whereas it is necessary for the Government to borrow further sums of money for the purposes stated in the said section:

Be it resolved that for the purposes stated in the said section, the Government is hereby authorized to borrow money externally or internally in a further sum or in further sums not exceeding in the aggregate ten thousand million dollars in the currency of Trinidad and Tobago.

Mr. Speaker, Motion No. 2 deals with the statutory change in borrowing limits under the Development Loans Act. As I had indicated earlier on, this Act came into being in 1964, and the borrowing limits were revised in 1990; 1994; 1999; 2002; and finally 2008.

In this particular Act, Mr. Speaker, the arguments that we had put forth earlier remain cogent at this point in time, suffice it for me to say that the medium-term fiscal strategy—and this is to finance the budgetary deficits in particular—established a trajectory for fiscal aggregate that would ensure fiscal and debt sustainability over the medium term. This notwithstanding, it will be necessary to maintain pro-growth spending over the three-year period 2012 to 2014, with ensuring that fiscal balances deficits relative to GDP are kept within permissible levels.

The Ministry projects that there still will be borrowing requirements with finance on the domestic market over the medium term. The nominal value of the loans under the Development Loans Act, Chap. 71:04, as at mid-August 2011, was \$18.24 billion. The current available balance therefore amounts to \$1.76 billion. It is noteworthy that no loans have been contracted by the present administration under the Development Loans Act in the last year and the two previous loans, one for \$794 million in April 2010 and the other for \$600 million in February 2010, were to finance Government budgetary expenditure.

The details of these loans are included in a very exhaustive appendix, and I really do not think it would add to the quality of this debate, but it is possible to

share that. [*Interruption*] Do you want me to do this? This will take 20 minutes; the details of the loan of \$18 million. There have been no loans by this Government under this provision. That is right. Once again, the borrowing requirements, which I referred to earlier, and the funding requirements are what will determine the levels of the ceiling.

9.30 p.m.

When I quoted the figures earlier in the closing of the debate with respect to Motion 1, I indicated those were the figures for the total set of loans for the three different Acts which we were talking about. So those figures will remain what they were before.

It is therefore, based on the same arguments that I had put forward earlier, at that time with respect to the state enterprises, now it is with respect to budgetary support, that we are seeking an increase in the ceilings from \$20 billion to \$30 billion, based on our trajectory or what is likely to be the budgetary requirements.

Here again, the financing of the budgetary requirements has two components: one is to meet the cash flow requirements as we go along, and secondly, to be able to create the debt for any deficit financing. This is why deficit financing has to be managed carefully. This is why I believe the Member for Diego Martin West, if I recollect, mentioned the recent events in the United States and cautioned the Government to be aware of it, that deficit financing continuing over time is converted into loans; and the loans may become unsustainable against the revenues of the country.

We are very conscious of that, and the figures we have chosen are very conservative figures at this point, in order to ensure that we can maintain what is seen to be legitimate ratios between debt servicing and deficit financing. A lot depends on the terms of these loans financing, for what goes into the recurrent expenditure is not the total loans but the interest that has to be paid during the course of the year. And, therefore, the terms of those loans, whether they are five-year bonds or 10-year bonds or even 20-year bonds, as well as, of course, at the rate of interest that will be involved, what goes into your recurrent expenditure is the interest payment on these loans.

Based on the gross funding needs which I referred to earlier, the interest on the existing loan in 2011 was estimated to be \$3,542 million; 2012, \$3,286 million; 2013, \$3,040 million; 2014, \$2,804 million; 2015, \$2,576 million. That, therefore, is the level of commitment based on those gross funding requirements which are referred to which will determine our affordability to pay.

There is absolutely no doubt, based on the national balance sheet, that these figures are well within the limits for the capacity to repay, which I think was the main point made by the Member for Diego Martin West. On one hand he was arguing that you must look at the international situation, look at the events before us; that Trinidad and Tobago is not an island unto itself; that the financial contagion elsewhere could have an effect on us; and that we must, therefore, examine that.

On the other hand he is arguing that you must ensure that you are able to put this economy on a growth path, and, therefore, you are required to find the funding of the investment for that growth path. It is always recognized that the State plays a very important role in the fortunes of Trinidad and Tobago's economy and, therefore, we cannot escape the responsibility to trigger the growth process. But we do so against the figures I have pointed out to you which remain well within our capabilities.

I caution again that these figures are subject to change, as indeed every year the actual and the requirements will change. But as a basis to arrive at ceiling levels required, we had to make certain projections. And in the context of our economic strategy, it will be necessary to incorporate this interest into our expenditure stream, but certainly by any measurement it can be supported by our revenue stream. I would not discuss the revenue stream at this stage, but when we get around to the budget debate we will be able to talk about the out-turn for 2010 and the expectations for 2011.

Mr. Speaker, if ever there was information that was provided to the international community, that was provided to international investors, that was provided to all the lending bodies which have engineered confidence in how this matter has been managed, it could not have been more graphically demonstrated as to what happened in the United States and elsewhere. And if we had not followed this path of containing our expenditure and our interest on our borrowing, notwithstanding the huge borrowing which we had to undertake; we see the ramifications of that.

But one of the issues I made reference to earlier in commenting on the events in the United States, Standard & Poor's made two comments. One comment was the sustainability of the debt profile, the assumption being that they cannot reduce the expenditure enough and, therefore, there was a debate on the revenue. It was a debate on whether you spend entitlements, whether you spend your money to sustain the entitlements, or you raise taxes; that was the debate.

At the end of that debate there was little confidence that they could do either, sustain the entitlements—and you are talking here about keeping the transfers and keeping the subsidies. And subsidies we know what they are, and those are the entitlements beyond that. And you are talking about ensuring that growth takes place, and you cannot necessarily provide that with putting additional burdens on the Treasury.

So that is why I said the arithmetic of the suggestions made before by the Opposition in analyzing this debate is without any form of logic. Not only does it not add up, it does not in any way create a logic for moving forward. What it does, it tells us let us stay where we are, accept what is taking place, let us do like what the previous administration did, say that there is nothing we can do, but they continue in the path of a down spiral in economic activity.

I do not know if that is the choice that the Members of the Opposition would like us to take, when they themselves, during the latter part of their administration, went in the opposite direction, in terms of generating activity, maybe in the wrong areas, in the wrong sectors. [*Crosstalk*]—I am talking about the financial history, over the last few years [*Interruption*] So, Mr. Speaker, I am putting this into perspective, because I thought this was what came out earlier on in the debate, and when we looked at what the challenges were in countries worldwide, we have to learn from those experiences.

Yesterday there was a conference at the Central Bank which was attended by many officials from the World Bank, because they have been in a technical assistance programme to the Central Bank in managing the Heritage and Stabilization Fund. They made a courtesy visit to me and they said to me that, in spite of the problems, Trinidad and Tobago can feel secure that it is insulated more than any other Caribbean country, and more than most countries in the world, against the ramification of external thrust, notwithstanding the Clico situation, so it is working.

Therefore, to suggest any alternatives that will expose us further, either to a no growth scenario, or to a reduction in entitlement scenario, or to in any way that will put at risk what essentially—and I believe the Prime Minister said it earlier, our ultimate goal is to serve the basic needs of the people as a first priority. But the basic needs of the people must give them hope that tomorrow will be a better day than today.

It is in that context these limits have been put together for the consideration of this honourable House, and I hope in this part of the debate we will be able to—not undo the false arguments of the past, but at this stage to turn a different leaf

and move forward to support this measure, which is relatively small in terms of the level of limits which we are searching for.

Once again may I reemphasize, arriving at our borrowing limit does not mean that we are going to borrow all that money now. And we do these things every few years, not on an annual basis, so that puts the debate into perspective, so we would not have the false claims that we are putting the country into some debt problem of the future.

Mr. Speaker, I beg to move. [*Desk thumping*]

Question proposed.

9.45 p.m.

Mr. Colm Imbert (*Diego Martin North/East*): Mr. Speaker, I wonder how long it will take before the Members opposite begin to understand that the current Minister of Finance is completely lost. I have the Estimate of Recurrent Expenditure for the Financial Year 2011, a document produced by the Ministry of Finance, printed this year. I received it this year from the Minister of Finance.

On page 101, the total debt servicing for 2011 is estimated at \$7.7 billion. I am firm in my belief that the hon. Members opposite do no research; they do not read properly, total debt servicing for 2011 is estimated at \$7.7 billion. I will disaggregate it for you, hon. Member for Caroni East, if you are interested.

The total interest on local loans for 2011 will be \$880 million. The total interest on external loans, \$940 million—I am rounding off to the nearest million—Sinking Fund contributions, \$1,950 million or \$1.95 billion; principal repayments, foreign, \$712 million; notes, debentures and others, \$2,104 million, \$2.14 billion, to make a total debt service, charges on account of the public debt, of \$7.7 billion.

The Member for Tunapuna just likes to throw out figures. He told us that the interest payment would be \$3.5 billion, \$3.2 billion, \$3 billion, \$2.8; just throwing out random numbers. The fact is, in this fiscal year, our debt service obligations are almost \$8 billion, out of a \$40 billion or \$45 billion budget in debt service.

Mr. Dookeran: Just to seek your view that maybe you are confusing the debt stock with the debt service. Debt stock was \$7.7 billion. I do not have the figures. Debt service is something else. Maybe you are doing that.

[MR. DEPUTY SPEAKER *in the Chair*]

Mr. C. Imbert: Mr. Deputy Speaker, I can assure you that the only person confused is the Member for Tunapuna. I will repeat. [*Interruption*] Mr. Deputy Speaker, really, will you contain the Member for Caroni East?

The Minister of Finance is woefully misinformed. Page 101; I will read it again. Head 19: Charges on account of the public debt; that is where you have to pay. So let me repeat: the interest that we will have to pay on local loans in 2011, \$879 million. The interest on external loans will be \$939 million; sinking fund contributions, \$1.95 billion; principal repayments, foreign, \$712 million; interest, local notes, debentures and others carried forward on page 113, \$1.5 billion, carrying forward to a grand total of \$2,104 million.

The interest that we have to pay in 2011, if you take out the principal repayment, you are looking at almost \$7 billion. At this time, our charges on account of the public debt are already close to \$8 billion per year; not our debt stock or anything like that; what we have to pay, \$8 billion a year out of \$40 billion or \$45 billion in debt service.

The Minister says he has done projections and there will be an additional—I have to assume he means additional \$3.5 billion in 2011—an additional \$3.2 billion in 2012, an additional \$3 billion in 2013 and so on. When one listens carefully to what the Minister is saying, it is very hard to follow him.

He says that we need to manage the new economy and goes on to say that that means borrow, borrow, borrow, until we bankrupt the Treasury. That is how he is saying “manage the new economy”. He alleges that the previous administration did nothing; we just left it. Interpret that doublespeak, Mr. Deputy Speaker, what does he mean? He means that the previous administration did not engage in the reckless borrowing that they intend to engage in over the next four years.

He said there is a new methodology for determining the debt ceiling. What does that mean? Borrow, borrow, borrow, until you bankrupt the Treasury. We already had a debate here tonight where the Government has come and received—voted for itself, for increased borrowing for state enterprises under the Companies Guarantee Act, in the amount of \$16 billion.

Now they are adding another \$10 billion, \$26 billion, and the Minister of Finance says it with a smile on his face. This is how this brilliant UNC coalition will manage this country. They will run deficit budgets for the next four years, and he alleges it is necessary to maintain pro-growth spending over the next three years using deficit financing.

What is the deficit for this year? I go back to the *Economic Bulletin* from the Central Bank, July 2011. The deficit for this year is \$8.5 billion so that the difference between revenue and expenditure for this year is \$8.5 billion. We are

short \$8.5 billion and the Minister has signalled that that is how this country is going to be run for the next three years. So next year, we may look forward to another \$7 billion or \$8 billion deficit; the year after that, another \$7 billion or \$8 billion; the year after that year, another \$7 billion or \$8 billion.

That is why they have come here and they want permission to borrow an additional \$26 billion. These are large sums of money. That is not a “lil” money we are talking about here. They are giving themselves the authority to increase the public debt from its current level of about \$70 billion to well over \$100 billion. That is the albatross that they intend to put around the necks of the next government, which will not be them.

Let us look at the contradictory statements of the—*[Interruption]*—Mr. Deputy Speaker, could you quieten the Member for D’Abadie/O’Meara?

Mr. Deputy Speaker: Member for D’Abadie/O’Meara, please.

Mr. C. Imbert: The purpose of this Motion tonight—again the Minister has given us no information and he deliberately confuses the issues. We want to know what are your projected borrowings going forward from today. The Minister, for the second time, has deliberately confused the issue and pretended that we want to know about existing debt stock. We do not want to know about that. There are numerous publications in the Central Bank and at the Ministry of Finance where we can find past loans. That is not what we want to know.

We are here tonight to increase the borrowing limit by \$26 billion, when you add the one before, and we have asked the Minister—you are calling upon the Parliament, and by extension the national community, to agree to allow you to increase our public debt by up to \$26 billion and we want to know what you are going to spend it on and you would not tell us. This is the ultimate blank cheque.

When you listen to the—*[Interruption]*—Mr. Deputy Speaker, will you quieten the Member for D’Abadie/O’Meara? I am going to ask you again.

Mr. Deputy Speaker: Members, let us adhere to Standing Order 40(a), (b) and (c) please. Continue!

Mr. C. Imbert: They are not taking you on, Mr. Deputy Speaker. We had the Minister of Finance telling us that when they took over, the state of finances in this country was at the point of near collapse. When you go to the budget statement of the Minister of Finance—public servants wrote this; probably you did not read it—he tells us in September 2010 that we have benefited from higher energy prices—he has to find a reason—than expected in 2010 and we will be

registering positive economic growth of 2.5 per cent that year, fiscal year 2010, which is the year of the PNM administration.

So under the PNM, the economy registered positive economic growth of 2.5 per cent. Let us go into the figures. The Minister of Finance just throws out random numbers. You inherited a growing economy at the rate of 2.5 per cent per annum. Your Minister of Finance said so. [*Interruption*] That is a lie?

Let me go to the actual tables in that same document, the budget documents of 2010 and let us take a look at the growth in GDP for 2010. It is recorded at 2.5 per cent in the very document the Minister of Finance tabled in this Parliament in September 2010.

The UNC coalition inherited a growing economy, growing at the rate of 2.5 per cent per annum. What is happening now? Let us go to the *Economic Bulletin*, July 2011. When I went to school, a growing economy was not an economy in a state of collapse, but the Minister of Finance conveniently throws out these works of fiction that the economy was in a state of collapse.

Let us move on to what happened after the UNC coalition came into power. I go to page 11 of the *Economic Bulletin*, July 2011 and I repeat: latest data point to a contraction of real GDP in Trinidad and Tobago during the first quarter of 2011. Preliminary estimates from the Central Bank's quarterly gross domestic product index indicated that on a year-on-year basis the Trinidad and Tobago economy registered negative growth of 1.7 per cent following a contraction of 3.5 per cent in the fourth quarter of 2010.

So we handed over a growing economy to them. The Minister comes in September 2010 and admits that up to the end of fiscal 2010, September 30, 2010, the economy of Trinidad and Tobago recorded positive economic growth of 2.5 per cent. What happens from October 2010 to December 2010? Negative, decline, contraction of 3.6 per cent. What happens between January and March 2011? Negative, decline, contraction of 1.7 per cent.

When I went to school, a growing economy was something positive; a declining economy was something negative; but we have to come here and hear that they inherited an economy in collapse. They inherited a growing economy and they have crashed the economy of the country in accordance with the statement made here by the Central Bank. Those are not my figures; those are the figures of the Central Bank and you have put the final nail in the coffin with this arbitrary state of emergency, which will further depress the economy in fiscal 2011. As I said, the Minister of Finance is fond of throwing out random figures with a grin and all of them laugh, "kee, kee, kee."

10.00 p.m.

Mr. Deputy Speaker, let us look at what the Central Bank is telling us in *The Economic Bulletin* of July 2011. Mr. Deputy Speaker, the Minister of Finance came and told us an economy in shambles. What is the Central Bank telling us? The actual out turn between October 2009—get the dates—under a PNM administration and June 2010 under a PNM administration, what was the situation in terms of a surplus or a deficit. The overall surplus in that period was \$2.85 billion. The economy recorded a surplus in the last year of the PNM administration, \$2.85 billion. The economy recorded positive economic growth, 2.5 per cent, in the last year of the PNM administration. “Not me saying this, Central Bank saying that”. The economy is now due to enjoy a contraction, if you could call it that, a cumulative contraction 3.6 per cent, then 1.7 per cent contraction under the UNC. The economy is due to enjoy a deficit and negative downward deficit of 8.5 billion in 2011.

So which mad person would describe an economy that grows by 2.5 per cent with a fiscal surplus of nearly \$3 billion as an economy in collapse, and an economy that is contracting at the rate of 1 and 2 and 3 per cent and a deficit of almost \$10 billion as an economy booming and an economy put on a growth path? Only a mad person will do that. You see, they could convince themselves. You see, when you start to believe your own propaganda, that is when things become very, very dangerous.

Mr. Deputy Speaker, I am being constantly interrupted by the Member for D’Abadie/O’Meara. I am asking for your protection, Mr. Deputy Speaker.

Mr. Deputy Speaker: You have my protection, Member. Continue.

Mr. C. Imbert: I am not sure. Mr. Deputy Speaker, what is this Motion all about. The Government wants to increase the loan limit under the Development Loans Act from \$20 billion to \$30 billion. “You know when they increasing borrowing it is not one billion or two billion you know, it is 10, 20, 30, 40, 50, billion at a time—not million but \$30, \$40 and \$50, billion. That is government UNC style.

Now, look at what they are telling us. They want to increase the limit under the Development Loans Act from \$20 billion to \$30 billion. They have just increased the limit under the Guarantee of Loans (Companies) Act from 9 to 25. So this is an aggregate increase of \$26 billion. What is it for, general development in Trinidad and Tobago, repayment of borrowings effected for such general

development, repayment of borrowings effected for general development by a statutory authority, by an enterprise controlled by the State Enterprise or by the University of the West Indies? So this extra \$10 billion that they want us to agree to is to allow them to borrow money for projects. That is what it is for, Mr. Deputy Speaker.

Now tonight we have had a situation, as I said, where the hon. Prime Minister, “taking basket” from the hon. Member for Chaguanas West, came into this parliament and put on the parliamentary record that she, the hon. Prime Minister, was advised that the contract for the Point Fortin highway was signed before the 2010 election, Mr. Deputy Speaker. [*Crosstalk*] Now, Mr. Deputy Speaker, you know the written word is a strange thing. We have the Member for Chaguanas West realizing that he has misled and deceived the Prime Minister, trying to rehabilitate himself. [*Crosstalk*]

So let us look at the facts, Mr. Deputy Speaker. You see, the written word is a strange thing. You cannot take away the written word. So I go to the *Hansard* of January 28, 2011. On January 28, 2011 I brought a matter on the Motion for the Adjournment with respect to the Point Fortin highway and the whole purpose and intent of that matter on the adjournment with respect to the decision making of the Government with respect to the Point Fortin highway, Mr. Speaker. At that time I informed the Parliament that the then Minister of Works and Transport, Member for Chaguanas West, made a public statement shortly after the general election, shortly after he was appointed Minister, that the UNC coalition Government would not be proceeding with the highway projects that were being implemented by the former PNM administration.

The contract of the consultants AECOM was terminated, AECOM was sent a letter of termination and the entire program, the national highway development programme, fell into abeyance. Sometime after that, this would have been around June or so, the Minister being appointed towards the end of May, in June started to go out in the public and make all sorts of wild utterances. He said: “We are not building the highways that the PNM were going to build. We done with that. Scrap that, stop that”, and terminated the consultants. A letter of termination was sent to the consultants.

Sometime after that, as I said, the Member for Chaguanas West went to South Africa, to the World Cup, and sometime after that, the highways programme was mysteriously revived. In December 2010, the entire process was reactivated, all of this coming from public statements made by the Minister of Works himself. The

negotiations for the Point Fortin contract were then hustled through in January 2010, Mr. Deputy Speaker; all of this into the *Hansard* record in January 2011.

Mr. Deputy Speaker, what did the Minister of Works have to say? The Minister of Works “who come in this House and carry on and beat up and read out some letter dated May 25”, conveniently forgetting that May 25 is after May 24, and that the election was May 24. What did the Minister of Works have to say? This is what he said:

Mr. Speaker, the Motion from the Member for Diego Martin North/East speaks to poor decision making on the part of the Government in the award of the contract for an execution of the Point Fortin highway project.

And he starts to scream in his usual way, a very emotional fellow sometimes:

How can you award a contract that has not even been signed?

You want me repeat what the hon. Member said? This is the Member for Chaguanas West talking, you know.

How can you award a contract that has not been signed? How can you award a contract for which money has not been firmed up? How can you award a contract far more execute if it has not been signed? It has to go to Cabinet where it is right now. In the meantime...”

Are you not listening? He is full of theatrics, you know; does not think that his words will come back to bite him. So he is shouting at me in January 2011, telling me: How yuh could order a contract when it has not been signed? You have wood in yuh ears or what? You have stick in your ears? The contract still has to go to Cabinet where it is right now. The money we have found—you are so previous, you are so anxious. You are asking me to talk about the award of a contract that has not been awarded yet.”

What you have to say to that, Member for D’Abadie/O’Meara? This is your Minister of Works screaming at me in January 2011, telling me—Mr. Deputy Speaker you are asking me to tell you about the award of a contract that has not yet been awarded. [*Crosstalk*]

Mr. Deputy Speaker, the Member for D’Abadie/O’Meara has a problem with the English language. I will go back.

“How can you award a contract that has not been signed? How can you award a contract for which the money has been firmed up? How can you award a contract if it has not been signed? It is in Cabinet. You are asking me to talk to you about the award of a contract that has not been awarded yet.

That is English, you know.

“And to tell you about the execution but it has not been awarded yet.”

Mr. Speaker, I want to end by saying—this is the Minister of Works, Member for Chaguanas that at this point in time negotiations with the preferred firm; “OAS” have been substantially completed. The next step is for the document to go to Cabinet to get final approval on cost and funding. Mr. Speaker, I am saying that the final award will be made then and then your Motion will make sense.”

So he is telling me—the Minister of Works is telling me—[*Interruption*]—January 28, 2011, the Minister of Works is telling me, the contract for the Point Fortin highway has not been awarded yet. The contract for the Point Fortin highway has not been signed yet, shouting and screaming in his usual way, but comes tonight and tells the Prime Minister, who gets up and repeats this fiction that the contract for the Point Fortin highway was signed before the 2010 general election. [*Crosstalk*]

“Oh, go and jump in the nearest lake.” [*Crosstalk*] So Mr. Deputy Speaker, what we have here is a Government comprised of individuals who are strangers to the truth, strangers to the truth. [*Crosstalk*]

Mr. Roberts: “Grenadians looking for you.”

Mr. C. Imbert: The other piece of fiction that the Member for Chaguanas West put into the public domain tonight—In addition to this fiction where he fools the Prime Minister into believing that contract was signed before the election when it was not awarded—it was not signed—was that the estimate of \$800 million for land acquisition for the San Fernando to Point Fortin highway was made in 2007.

Mr. Speaker, the Cabinet Note that took that estimate of land acquisition to the Cabinet was dated April 2010—and let me repeat, and I am saying this again without any fear of contradiction in the same way I could say that the Member for Chaguanas West hoodwinked the Prime Minister into putting inaccurate information on this parliamentary record when he fooled her into believing the contract was signed before the general election in the same way—this is another piece of imaginary fiction coming from the Member for Chaguanas West. The Cabinet Note informing Cabinet of the estimated cost of the land acquisition for the Point Fortin highway was dated April 2010. The point we are making on this side is, how can the cost of land acquisition go from \$800 million in April of 2010—not 2007—April 2010 to \$2.4 billion in April 2011? We wish to know this. Mr. Deputy Speaker, would you—I mean, come on! [*Interruption*]

Mr. Deputy Speaker: Member for D’Abadie/O’Meara, please adhere to the Standing Order. Continue, Member.

Mr. C. Imbert: Mr. Deputy Speaker, I also have the Member for Lopinot/Bon Air West in the back muttering away every 5 minutes. [*Crosstalk*]

Dr. Douglas: That is not true. I have not said a solitary word since I am here.

Mr. C. Imbert: So the question they are coming to us and asking us to agree to increase the borrowing limit for general development from \$20 billion to \$30 billion, Mr. Deputy Speaker. They are asking us to do that, but just in this debate tonight we are hearing all sorts of arbitrary information. We have been told that the estimate for land acquisition is 2007 when it really 2010. There is no rational explanation for the land acquisition estimate going from \$800 million to \$2.4 billion, Mr. Deputy Speaker. No explanation given none whatsoever. I do not know why this Government is so touchy about the truth. Nobody is fussing because you awarded the contract for the Point Fortin highway. [*Interruption*]

Mr. Roberts: Mr. Deputy Speaker, 36 (1). I mean, relevance, please, please. We have been going on, he has been linking two debates, they want to debate things separately, different Motions. I do not know if the Member for Tunapuna spoke anything about any highway to Point Fortin. It is totally irrelevant. [*Crosstalk*]

Hon. Member: Preach, man!

Mr. Roberts: “You doh worry with that, nah.” [*Crosstalk*]

10.15 p.m.

Mr. Deputy Speaker: I have been giving a lot of leeway in the debate, especially with respect to the fact of the highway and so on. I hope that at some time they would be jelling together and coming back to the Motion. Continue, Member.

Mr. C. Imbert: Mr. Deputy Speaker, I think I have to read the Motion.

Whereas it is provided by section 3(1) of the Development Loans Act that the Government is authorized, for the purpose of—

- (a) financing general development in Trinidad and Tobago;
- (b) repayment of borrowings effected for such general development; or
- (c) repayment of borrowings effected for general development—

- i. by a statutory authority within the meaning of the Statutory Authorities Act;
- ii by an enterprise that is controlled by or on behalf of the State; or
- iii by the University of the West Indies to borrow from time to time money externally or internally in a sum or sums not exceeding in the aggregate twenty thousand million dollars in the currency of Trinidad and Tobago:

And it goes on to ask for an increase of \$10,000 million.

Mr. Speaker, by no stretch of the imagination could a highway project, executed by the National Infrastructure Development Company, using loan funds guaranteed by the Government of Trinidad and Tobago, that would form part of our sovereign debt be construed to be outside of the ambit of general development in Trinidad and Tobago financed by an enterprise controlled by or on behalf of the State.

For the information of hon. Members opposite, an enterprise that is controlled by or on behalf of the State is a state enterprise. For the information of general Members opposite, the National Infrastructure Development Company is a state enterprise. For the general information of Members opposite, the construction of the Point Fortin highway is for the development of Trinidad and Tobago. Mr. Speaker, it appears in our Public Sector Investment Programme; it appears in our Capital Development Programme. [*Interruption*] Mr. Deputy Speaker, I do not know. What am I dealing with?

Mr. Deputy Speaker: Members, Members, Standing Order 40(b), Members shall maintain silence at all times when another Member is speaking. Do not let me exercise the two-hour break that I can use. So Member for D'Abadie/O'Meara, let the Member speak, please.

Mr. C. Imbert: Thank you very much, Mr. Deputy Speaker. Mr. Deputy Speaker, this Motion we are debating now is about every single construction project in Trinidad and Tobago; whether it is done by the central government; whether it is done by a statutory authority, or whether it is done by a state enterprise.

Mr. Roberts: No!

Mr. C. Imbert: Mr. Deputy Speaker, you know, the individual is confused. The Minister of Finance came in and said, this increase of \$10 billion is for budgetary support. The Members opposite do not even know what a budget is.

The budget is comprised both of recurrent expenditure and capital expenditure, and contained within the 2011 budget, contained within the budget statement of the Minister of Finance, is a host of projects which have to be financed by borrowing. How on earth does the hon. Member for D'Abadie/O'Meara think that the highway to Point Fortin is going to be financed? With jumbie beads? Of course it is going to be financed by borrowing using the Development Loans Act. What are you going to do? Are you going to use "smarties"; that is M&Ms? That is how you are going to finance the construction of the highway? So, do not let me waste any more time with this foolishness from Members opposite.

The fact of the matter is, we are being asked here to agree to an increase in the borrowing limit for general development from \$20 billion to \$30 billion, yet, in this Parliament tonight, we heard all sorts of inaccurate information with respect to capital projects, and I have used just one particular capital project as an example. *[Interruption]* Whatever! Mr. Deputy Speaker, this is getting ridiculous. Who is this James person?

Mr. Deputy Speaker: You have my protection, Member.

Mr. C. Imbert: Who is "Kerany James"? *[Interruption]*

Mr. Roberts: Your Grenadian brother. *[Interruption]*

Mr. C. Imbert: Mr. Deputy Speaker, really—

Mr. Deputy Speaker: Members, Members, especially the Member for D'Abadie/O'Meara, if you continue interrupting the Member for Diego Martin North/East then I would have no choice but to rule. Continue, Member.

Mr. C. Imbert: Thank you, Mr. Deputy Speaker; thank you very much. Now, Mr. Deputy Speaker, it is intriguing that the Minister of Finance can tell us that they have mapped out what their projections of funding are going to be for the next three years, but when we asked him what are the projects they are going to borrow for, he cannot tell us. So, how did the Minister of Finance work out what his funding requirement will be for the next three years? I took notes, Mr. Deputy Speaker. The Minister of Finance says to us, additional interest payments on loans, obviously for projects, \$3.5 billion; \$3.2 billion; and \$2.8 billion. What modelling did they use to come up with these figures? Are you just guessing? "You just figure yuh go spend \$8 billion, \$9 million, \$10 billion or \$13 billion, on what? What is the development programme of this Government over the next three to four years? What are you going to spend this money on?"

I heard the Prime Minister tonight talk and say, “No more megaprojects; no more squandermania; and no more grandiose projects, but this Government intends to spend, over the next three to four years, \$26 billion on projects.” Is a \$26 billion capital programme a mini project programme? Is that what it is? It is not a megaproject, so what is it? How do you accumulate debt of \$26 billion in a mini project? They are taking the entire country for a pack of fools.

You know, the Minister says, “We are asking you for the limit, but we do not intend to use it.” So, what are you asking for it for? Why have you come to this Parliament to increase the limit on borrowing for state companies from \$9 billion to \$25 billion and for general development from \$20 million to \$30 million, increasing in aggregate \$26 billion, and there is more to come, but they do not intend to use it? So, what are you doing it for? When a Government, as I said, begins to believe its own propaganda, when the Minister says, “We found the economy in collapse, but it had positive growth and it had a fiscal surplus, but it, in collapse, now they have gone into negative growth deficit, but we are not in collapse”, when a Government begins to believe its own propaganda, when it says that the last Government was irresponsible, reckless, profligate, borrowed to the hilt—

Dr. Moonilal: Mr. Deputy Speaker, Standing Order 36(3).

Mr. Deputy Speaker: Hon. Member, it has been a long day, and we expect it to be a long night. Let us keep the debate and concentrate on the Motion at hand, and keep it, concise as possible and on the Motion at hand. Continue, Member.

Mr. C. Imbert: Mr. Deputy Speaker, the Minister of Finance in this debate was telling us about fiscal projections going forward for the next three to four years. I do not know if the Member for Oropouche is confused. We have three separate Motions on the Order Paper tonight. Each one of those Motions deals with borrowing. On each one of those Motions, we on this side are entitled to examine the debt profile of the Government. *[Interruption]* Nobody is reviving anything. The Minister of Finance put new information into the debate on this Motion.

The Minister of Finance told us—and I took notes and this has nothing to do with the previous debate—that there will be \$3.5 billion in additional interest in 2011; \$3.2 billion in 2012; \$3 billion in 2013; \$2.8 billion in 2014 and \$2.5 billion in 2015. He spoke about funding requirements going forward: \$13 billion in 2011; \$13 billion in 2012; \$14 billion in 2014; and \$13 billion in 2015. He told us in this debate that the Government intends to maintain pro-growth spending over the three year period going forward using deficit financing. He told

us that the balance on the existing Development Loans Act was \$18.3 billion, leaving a balance of \$1.7 billion. He told us he could not give any details.

He gave us no reason for the \$10 billion increase except to say—and I took notes—based on his trajectory of what is likely to be required to create debt over the next three to four years, this is why they require an increase in the debt ceiling. Who is reviving anything? It is the Minister that has told us now, in this debate, that this Government’s strategy to run this country over the next three to four years is essentially—I shall now paraphrase what he said. This is what he said—based on their trajectory of what is likely to be required to maintain pro-growth spending. They need to create debt over the next three to four years. That is what he said.

I am entitled to examine the debt profile of Trinidad and Tobago, because the Minister has now signalled that they are going to borrow and borrow for the next four years. And the Government has come to us and said that they want \$16 billion. I am not reviving anything. That is a fact of life. I am referring to a fact that we have already debated a Motion in this House to increase—

Mr. Deputy Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made: That the hon. Member’s speaking time be extended by 30 minutes. [*Hon. A. Roberts*]

Question put and agreed to.

Mr. C. Imbert: Mr. Deputy Speaker, how does one—

Mr. Roberts: Well say, “thank you, nah”?

Mr. C. Imbert: Thank you very much. [*Laughter*] I wish to thank all these Members opposite and on this side who supported the Motion to extend my speaking time. I particularly wish to thank the person who moved the Motion, the hon. Member for D’Abadie/O’Meara. Thank you very much.

Mr. Deputy Speaker, how does one mesh this statement to what the Minister is telling us tonight? I am reading from the Budget Statement, 2011. This is the hon. Minister of Finance. In the context of this Motion, not any one before:

“The past regime’s borrowing to satisfy its profligate spending saw the Net Public Sector Debt Stock increase from 34 per cent of GDP in 2008 to 49 per cent of GDP by September 2010.

We must return to balanced budgets, growing our cash balances while lessening our borrowing, in order to consolidate our fiscal position.”

How does one square that? Full of sound and fury! I could just see him, you know, shaking and so on. I could just see him.

10.30 p.m.

Mr. Roberts: And everybody was laughing.

Mr. C. Imbert: No! No! No! Nobody was laughing. I could just see the hon. Minister of Finance saying this that:

“We must return to balanced budgets...” and: “The past regime’s...profligate spending saw the Net Public Sector Debt Stock”—go to—“49 per cent of GDP...”

Now, Mr. Deputy Speaker, what is the outlook for GDP at constant prices for 2011? Based on what the Central Bank is telling us it does appear that, as I said, we are either going to have a flat economy for 2011 or minimal economic growth, but it is more than likely we may have some recession in 2011.

And therefore, if we have a contraction in real GDP in 2011, it makes it so much more difficult for us to increase our total debt stock, because all of these things that the Minister is talking about, that he is going to fuel the pro-growth spending using deficit financing, that they are going to create debt in order to kick start the economy; that is what he is saying—that is what he is telling us here tonight, you know. Maybe the hon. Members opposite do not understand, but what the Minister of Finance is telling us is that the Government is going to borrow substantial sums of money over the next three to four years in order to maintain pro-growth spending.

Now what happened in fiscal 2011, Mr. Deputy Speaker? A fiscal deficit of \$8.5 billion, an estimated debt service of \$7.7 billion which is probably going to go up to \$8 billion or more, so that the debt servicing for fiscal 2011, about \$8 billion—so they borrow. They did exactly in 2011 what the hon. Minister of Finance says he is going to do in 2012, 2013, 2014, 2015. They have borrowed—they have borrowed. They have borrowed somewhere between \$7 billion and \$8 billion or they intend to borrow somewhere between \$7 billion and \$8 billion.

What has happened? This is supposed to be a strategy to fuel economic growth. But what has happened to the economy in 2011? With all this borrowing that this Government has done, with this deficit budget that they have run for

2011, what has been the outcome of all of this borrowing this Government has done or intends to do for 2011?

Economic: Mr. Deputy Speaker, with all of this borrowing the Government has done for 2011, has the economy grown? The answer is no. So that, Mr. Deputy Speaker, what is going to happen to our debt to GDP ratio for fiscal—*[Interruption]*—Mr. Deputy Speaker, please?

Mr. Deputy Speaker: Members, please let us adhere to Standing Order 40, while the Member is on his legs.

Mr. C. Imbert: Yes, Mr. Deputy Speaker. Your strategy—your strategy, hon. Members, is a disaster, because your strategy of borrowing and engaging in deficit spending has resulted in negative economic growth for fiscal 2011 and it is quite likely that it will result in negative growth in 2012, 2013, 2014 and 2015. It is quite likely that this failed, flawed, thatcherism, reaganomics, borrow your way out of the recession, spend your way out of the recession—You think if the PNM government had engaged in this kind of reckless approach to fiscal management—*[Desk thumping and laughter]* we would have heard all the Members opposite screaming about how irresponsibly the PNM was. We would have heard them.

The Minister of Finance, unfortunately, is from the old school. He is from the Reagan and the Thatcher era. He is a student of the IMF and because of this old-world approach that he has, this approach to economics that is going to crash this economy, that is going to create a debt burden for Trinidadians and Tobagonians in excess of \$100 billion, that is going to send our debt to GDP ratio in excess of 70 per cent that will retard economic growth in this country for generations to come. That is it! You are going to retard economic growth in this country for generations to come, when you send our public debt from \$71 billion to over \$100 billion, which is what you are signaling, when you send our debt to GDP ratio from 49 per cent to 69 per cent, which is what you are signalling.

As the rating agency Standard and Poor's and Moody's, et cetera, take a good examination of what this reckless government is doing and continuously begins to downgrade Trinidad and Tobago debt, continuously begins to downgrade local rating, foreign ratings and so on, and the cost of borrowing for Trinidad and Tobago becomes higher and higher, our interest payments continue to increase, what the new government coming in, in 2015, will have to do is to completely reconstruct this economy.

But I can tell you, Mr. Deputy Speaker, we have done it twice before. We inherited a crashed economy from the NAR in 1991. We took all of the decisions required to kick start this economy, we liberalized the manufacturing sector, we floated the currency, we did a number of things required to put the economy of Trinidad and Tobago back on a growth path. That is what we did in 1991. In 2002, we had to rescue a crashed economy again, and in 2015, I can assure you we will rescue this crashed economy again. I thank you, Mr. Deputy Speaker. [*Desk thumping*]

The Minister of Local Government (Hon. Chandresh Sharma): Thank you very much, Mr. Deputy Speaker. Mr. Deputy Speaker, it is instructive that we quickly reflect on what has happened in this Parliament in the last one hour plus. Previous to the Member for Diego Martin North/East, we had the distinguished Member for Tunapuna, the Minister of Finance, and thanks to the technology available there was a 79 per cent audience in Trinidad and Tobago looking at the Minister. [*Desk thumping*] When the Member for Diego Martin North/East started it moved from 79 per cent to 7.4 per cent. [*Laughter and desk thumping*] What did this poor 7.4 per cent hear? They heard—hear the words they heard: mad, is it a reflection of the speaker? Perhaps yes. They heard propaganda, is it a reflection of the speaker? The answer is yes. They heard collapse; very close to collapse and totally. They heard confused, they heard jumbie beads, does this Member need a bush bath? Because this is not parliamentary conduct at all.

Here is a Member saying anything he wants, misleading the national community, the level of intelligence of this Member, we have been acquainted with for 20 years, he is below 20 per cent now. It is disturbing, it is frightening—[*Interruption*]*—*he is my colleague; we all must look out for each other, you know. [*Laughter*] But this matter needs—in fact, I am also a Member of the House Committee and I think that at the next meeting I am going to insist on extensive medical care for all of us including examinations that are not normally taken care of under that health care.

Mr. Deputy Speaker, English is the language of this Parliament. We have confirmed that the last administration led us to \$80 billion; that is the amount of monies we owe at this point in time—give and take \$80 billion. And I would want to reflect very quickly how badly that was spent. The Minister is proposing a loan ceiling of \$25 billion. We have confirmed in this Parliament earlier today that the previous PNM administration moved up to 5,000 per cent in borrowing. If we are moving from \$9 billion to \$25 billion, that is less than 2,000 per cent. We are doing very well, very, very well.

Now, proposed borrowing, he cannot say we are moving it to \$100 plus billion. That is misleading the national community. That is why persons were confused when he spoke about “mad” and “jumbie beads”, because here is a proposal. It is like proposing to a young lady to get married. You cannot tell her the date of the wedding will be so and so, and we will serve curry and rice, or chicken and stew. It cannot be. It is a proposal.

Mr. Deputy Speaker, when Members speak they speak to the national community and, as a result, there is a commitment based on the oath of office to make sure that we speak the truth at all times. Now, what has obtained—and the Member has a tendency to look at notes that seem to support only his flawed arguments. He manufactures this thing oftentimes, but does not go to the relevant documents that are available. But since he spoke about construction, what did we have in construction under the PNM, which has led to us having to borrow, which has also led to the \$80 billion?

In every one, in every single construction supervised by UDeCott, for which we have lent enormous sums of the money, there has been cost overruns, and not by small percentage—enormous. In fact, Mr. Deputy Speaker, the Minister also spoke about—and then they have a tendency to hide information. In 2006, deficit was \$1.6 billion. This is the history of the PNM now—always spend more. You know why they are arguing this debate? This is the first time it has been done in three parts; every time we did it together. Because they spend money in the same way, on the same project three different times. Always increases. [*Desk Thumping*] So it goes from one month to one year to three years, from a \$100 million to \$300 million.

This PNM has a history of not being able to manage. When it comes to money, in fact, Dr. Eric Williams, I think said at one time we were the richest country in terms of revenue in this part of the world, and nothing stayed. In 2007, in excess of \$1 billion, in 2009 in excess of \$5 billion, 2010, in excess of \$2.4 billion. It did not stop there, Mr. Deputy Speaker. And information that they hid Guaranteed loans: National Insurance, infrastructure, \$60 million in the first instance.

If you look at the performance of NIDCO under the PNM, not a single project—not a single project came in under budget. Not a single project was within the time frame. And when you look at contracts awarded—in fact, this previous Minister, Member for Diego Martin North/East, caused to be awarded the water taxi contract when there was no board. You heard the purchase of the MP Su. Was it MP? MP, well they really meant MP, because it was named after a family member.

Twenty five million dollars and coming to spend \$27 million—\$52 million—it has not sailed a minute. Now, this PNM sits down there and pretends to be God’s gift to this country. It is a disaster that has been almost like a curse on this country.

UDeCott: \$497 million in the first instance—poor engineering, in fact, when you have a poor engineer supervising engineering, you see what you get. This former Member built a wall in Grenada. It collapsed; went to court—collapsed over there too. National Insurance, Nipdec \$500 million; National Insurance, again, \$360 million; Education Facilities—\$400 million. Mr. Deputy Speaker, our current Minister of Education is building schools within budget, within time frame.

10.45p.m.

Mr. Speaker, the Minister of Public Utilities has captured a global record with a project that was going to be done under the previous PNM government for \$300 million over a 24-month period. Under this People’s Partnership we were able to do it in nine months for \$117 million, using all local labour. That is performance. Performance beats the PNM every day.

Look at the Minister of Education. You see, when you have good leadership—critical in the country is leadership, which obtains on this side; our distinguished Member for Pointe-a-Pierre; our Member for Tunapuna; the Member for Chaguanas, and the list goes on—you demonstrate by results. A world record was achieved in Trinidad and Tobago under this Minister of Education, he had a school ready in 27 days, from foundation to finish; 27 days. What does that tell us? It tells us that we have the capacity, if we engage. That is why the Prime Minister said, “Let us invite the whole country to the governance of this country.” Get involved wherever you are. You are a taxi driver, there is a place for you. You are a businessman, you are a doctor, you are a lawyer, there is room for you.

We are not about wasting taxpayers’ money; that must be understood. It is a disease to do so. It is wrong to do it. Your oath of office does not allow it. Mr. Speaker, Nidco again, \$74 million, UDeCott again, \$320 million. Where was the PNM? Where was the Member for Diego Martin West when all of this was happening?

Mr. Roberts: “He get fired, poor fella.”

Hon. C. Sharma: At the end of 2010, under this Minister of Tourism, we repaid the loan of \$10 million. The Tourism Industrial Development Corporation was fully repaid at the end of 2010. “De PNM eh know about repaying, yuh know,

unless is friend and family.” We treat with institutions; we respect the institutions.

At the end of 2010 also, we repaid the money to the Export/Import Bank of Trinidad and Tobago. The National Maintenance Training and Security company, MTS, Petroleum Company, a confirmation letter from WASA shows that two Citicorp Merchant Bank loans for \$99 plus million and \$456 million plus respectively were recorded as being guaranteed by the Government of Trinidad and Tobago, however, these loans were not reflected on the statement received by the Comptroller of Accounts. You see how the PNM hides information. That is a dangerous place to be. It would in the interest of the people of Trinidad and Tobago never to elect the PNM again; never, never, never. [*Desk thumping*]

Today, in this parliamentary Chamber, a letter written by the Integrity Commission was made known to us—very interesting. Similarly, a confirmation letter from Nidco reflected a balance of US \$66.5 million; this is US; 66 by seven is \$420 million; a loan from ANZ Bank, which was not reflected on the statement. Why was this happening? This document is from the Office of the Auditor General. It is available to the PNM too, but they do not deal in truth—propaganda; jumbie beads, confused, but you cannot confuse.

Do you know what I did with this document? I made copies available to all the non-governmental organizations (NGO) and business leaders in my constituency, so they would see and have an appreciation. That is part of governance, to know what is happening.

Loan guarantee documents have been presented for loans of \$300 million, and \$682 million raised for WASA, respectively. So what does the PNM do? What is their style of governance? Raise as much money as they could and waste it; large sums of money, running after small projects. Megaprojects does not mean the size of the project for the PNM, it is the quantum of money spent, and spend it three times on the same thing. That is how they argue in the Parliament as well.

Another document that obtains for all of us is the Financial Stability Report Mid-Year Review, June 2011, printed by the Central Bank. This is also available. The Minister of Finance made sure all Members obtained a copy, but he does not read from this at all, because the arguments here are not in favour of his flawed, almost mad arguments. That is the Member for Diego Martin North/East.

What have we have achieved? Well, I am sure all Members, including the Member for Arouca/Maloney, read the *Trinidad Guardian*. The *Business Guardian*, in a publication two or three months ago, indicated that the most

houses sold in the last five years in Trinidad and Tobago was in 2011, the most cars sold as well. What does that say? The most loans in the banks for houses were also in 2011. It means to say there is confidence in the country. It means that the national community once again is having a fair opportunity to participate, to be engaged.

During 2010, the ratio of commercial banks non-performing loans reached 5.0 per cent, the first time in approximately 10 years. Again, persons are responding; the national community has confidence in the Government. During the PNM, what was happening? As many people as possible who could have converted their money to US or Canadian were moving it out of the country, because they had no confidence in the PNM.

Dr. Rowley: They are bringing it back now?

Hon. Sharma: Certainly they are bringing it back. What are they buying the houses with, jumbie beads? So the Member is correct, and he sees it is important that we debate, because he is appreciating the reality of the fact. Persons are also returning their funds, because there is confidence in the economy. There is no hardware store in this country that is complaining that sales are not up. There is no carpenter saying, "I cannot find a job", or a mason, electrician or plumber. Even the Member for Diego Martin North/East, I understand, got a little job the other day to do a washroom in Diego Martin somewhere. [*Laughter*] [*Crosstalk*]

Mr. Roberts: To collapse a wall?

Hon. C. Sharma: Mr. Speaker, concerning the other point the Member raised, in a global economy that is challenging—in fact, President Barack Obama, addressing the US recently, indicated that they were out by \$26 trillion, and they have to work together. In the United Kingdom persons' salaries have been frozen for at least three years, and people are negotiating to work fewer days to keep their jobs.

We in Trinidad and Tobago, under this Government, are expanding opportunities by making sure we manage well. If we engage the PNM style, there would be lots of money for few people. The money that is available, the money of the State, is being spread in making sure in every community—I made the point on the last day that today you have a Minister of Works and Infrastructure.

Let us make a quick comparison to show governance and to show the expenditure of the State. The Member for Diego Martin North/East in a previous manifestation, unfortunately, was the Minister of Works and Transport. I have

been the Member of Parliament for 20 years. He never visited Fyzabad. Why? Oropouche, never, because they were Opposition constituencies. Today the Member for Chaguanas West, the Minister of Works and Infrastructure, has gone to every single constituency, not one time, not two times, but a minimum of three times, every constituency in this country. Under the People's Partnership, works for which he is responsible are taking place in every single constituency. This did not obtain under the Member for Diego Martin North/East.

It is the style of governance. It is making sure that the resources of the country—but more than that, contractors, wherever they are, small, medium and large, have an opportunity to participate.

The Minister of Education, in every single community the resources of the State—[*Crosstalk*]

Mr. Deputy Speaker: Hon. Members, the Member is on his feet.

Hon. C. Sharma: I was just trying to hear if the Member for Diego Martin North/West was making any sense.

Under our current Minister of Finance, the global players who conduct work in Trinidad and Tobago, Standard & Poor's, Moody's, the IADB, the World Bank are very, very pleased with our performance; they congratulate us. All the indicators are plus. You do not only measure growth in terms of the end product only, it is what obtains in the process. You must manage your money well and you must engage as many players as possible.

I want to raise another point very quickly. The insurance industry right here is doing much better than it did in 2010. You are already seeing the growth patterns. In Chap. 1 of the *Macroeconomic Environment*, published by the Central Bank, in the early part of 2010 the economy was described as being sluggish. In came a new government in May 2010. In 2011, we started to see growth immediately. We started to see growth in construction. We started to see growth in distribution, and it continued.

Energy—in 2010 it was minus 0.6; it started the same upward movement. Construction started to see growth, moving from minus 5.8; distribution, moving from a minus to a plus. Headline inflation, 2010, 13.4, we are moving for the first time in many years. Unemployment, and not under employment—under the PNM you would have these makeshift jobs, very little return. We have been discussing making sure that our investments attract wealth, because once you attract wealth and you increase the size of the pie, then the entire community would benefit

from it. So government is not only about spending, spending. Government is also about encouraging growth, development, savings and investments, and the Government must also set the example, which we are doing. That is why we are able to bring our projects within budget, and I gave the example of the Minister of Public Utilities a short while ago.

Today we are delivering our schools at a much lower cost. With the Public Transport Service Corporation (PTSC), hundreds of buses were parked up for various reasons. Good management, more than 75 per cent of the buses are back on the roads. We are making sure they do what they are required to do, to take people from point A to point B. We are making sure these buses are also serving the rural communities.

11.00 p.m.

So, the PNM has interest in the governance of this country, really, it wants to hold power regardless, and all their arguments are how to get back there. Getting back there does not add value to the country in the least bit.

Mr. Speaker, headline inflation reached double digits during 2010 with an increase of domestic food prices. People were unable to purchase food. Today, in 2011, a year plus later, we have been able to move it and now every family in this country can face the groceries or the greengrocer. Agricultural input already is showing signs of improvement. Already our local farmers are producing more because the previous government spent very little in the agricultural sector, having destroyed Caroni, all for spite; similar to the Biche High School, all for spite.

Hon. Member: Shame.

Hon. C. Sharma: Not for good intentions.

Mr. Speaker, during 2010 there was slow down in the local stock market. In 2011, already there are signs of recovery and growth—again, good management.

So, we are making sure because one of the critical developments in any economy that you require growth is to instill confidence, and you can only instill confidence by making sure the results suggest that we can invest. And the Member for Point Fortin has a weakness for saying that the country is not attracting investments. There is not a single flight outside of New York, Toronto, London or Miami coming into Trinidad that has seats available bringing locals and bringing foreigners. Everyday our hotel occupancy increases and people are coming for what? Because there is an opportunity. As a new Government, there is

confidence because one of the main attractions for investors is the stability of the Government. Is this Government going to be here, the answer is yes, so they will come. Is this Government going to be fair? Is this Government going to be subscribing to the best practices? So that under the PNM how contracts were awarded—to friends and family—does not obtain under this Government; you go through the proper process.

Mr. Speaker, it is clear that the Government has no intention on intelligent participation in debates, it is to try to paint the most negative picture, based on information that they manufacture half of the time, that they purposely misrepresent. Everywhere you go in this country there is an element of progress, there is a desire to participate in governance, there is this good feeling that did not obtain under the PNM. So while they are trying to “jumbie” what we do, the truth makes us outstanding in terms of people wanting to be here.

I, too, want to join in lending support to this Motion moved by the Minister, and to tell him that he continues to obtain the support, at least up to now, 79. something per cent, and I am sure it is going to go to 100 per cent by the time he concludes this debate. Thank you very much.

Dr. Keith Rowley (*Diego Martin West*): Thank you very much. Mr. Deputy Speaker, on the eve of the dawn of another day I take pleasure in joining this debate on Motion No. 2, “Whereas it is provided by section 3(1) of the Development Loans Act that the Government—seeks authorization to borrow for” financing the general development in Trinidad and Tobago.”

Mr. Deputy Speaker, I have heard it said that the Government wants Opposition support for these Motions, and I verily believe that might be true. I know the Minister of Finance is an honourable man and a gentleman I quite have some time for, Mr. Deputy Speaker, I want to speak, firstly, in my capacity as the Member of Parliament for Diego Martin West representing the people of Carenage, the people of Diego Martin and other parts of the constituency.

My understanding of this Motion is that the Government of Trinidad and Tobago, being short of funds for the level of service of the country that the Government intends to service, decides to borrow money so that we can spend a bit more than—or maybe a lot more—than we earn in each fiscal year as we go forward. And that being so, Mr. Deputy Speaker, it necessarily means that money we do not have this year, if we borrow—like we are promising to borrow here, because we have the ability to borrow, because the Minister of Finance said that it would not be difficult to raise this money in the marketplace. So, once Parliament

gives the approval, the Government would go out and should have not too much difficulty in raising the sums that the Minister of Finance determines should be raised in each fiscal year, and therefore, the Government will get some money to fund general development in Trinidad and Tobago, and I am asked to support that.

And I said earlier on, contrary to what has been said—which I will come back to—we have no problem at this time with deficit funding. So, therefore, if the Government goes out and borrows, what do I tell the people in Diego Martin West who have heard the Government say that the unfinished project in Carenage, which is about 45 per cent complete, was at 45 per cent completion when the Government changed, a new Government has come into office effectively, let us say June 2010, meets an unfinished project—45 per cent complete—does absolutely nothing with respect to getting that project advanced in fiscal year 2009/2010, because this Government came into office in the latter part of fiscal 2010. A new budget was prepared and presented in this House to cover fiscal 2010—2011.

The Government said, “We cannot continue that project in Carenage until 2013, because we do not have the money to do it”, and you want the Member of Parliament for Diego Martin West—for Carenage—to agree that that will be so, in the face of an approval where you are asking the Parliament to borrow an extra \$10 billion. I do not know how much you will borrow but you will have the ability to borrow some money to do that, and I refuse to believe that the reason why that project is not being attended to is because there is no money.

I think it is because the Government has reorganized its priorities because logically, Mr. Deputy Speaker, whether you agree with the project or not, one would expect that having said that the project is not going to be abandoned and it will be done, that a new Government coming in and meeting a simple project like a fish market, in a community like Carenage where there is very little else happening with Government development—I can point to no other development happening there.

Carenage is really a residential village, most persons come and work outside of Carenage into Port of Spain and elsewhere. Fishing is the only economic activity of any consequence in Carenage, and a facility for the people which the Government of Trinidad and Tobago—albeit a PNM government—embarked upon, the project has started, in the middle of the project there has been some redesigning because between Community Development and Agriculture—Agriculture says, “We want a bit more improvement here,” and the project stopped in early 2010.

A new Government comes in, and it is now 15 months, nothing has happened on that project and I am told that nothing will happen before 2013. It means that the whole of fiscal 2011 into fiscal 2012, the Government is going to turn its back on that unfinished project. But at the same time, the Government would have found new money to start a new project in more than one area in the country.

Mr. Deputy Speaker, tonight I plead discrimination because the only way you can explain that, that the Government can turn its back on a project that is 45 per cent completed, and tell me you cannot find money from the Consolidated Fund—from the general funding of the country—even when you present a new budget I would have understood, as I did understand when the Government came in May and did not do anything between May and September when that fiscal ended, and you said, “Okay, in this fiscal year we could not find the money to do it because the money was not identified.” I understood that and I stood back, I simply asked about it. But then a new budget was prepared to cover 2010—2011. How could this Government know that it is a half-finished project there and not give that priority for completion and then to project that the next budget that will be presented here in a few weeks’ time will also not take it on board?

Tonight I appeal to the Minister of Finance, I appeal to your humanness, to your decency, to not take part in this discrimination against the people of Carenage. I know you are a decent man I know that. I have been in this Parliament with you for a long time, you do not belong to that kind of nastiness, you do not belong to that, and to tell me that you shut the people of Carenage out of the budget that is ending in a couple of weeks’ time—

Mr. Deputy Speaker: I do not think that nastiness, all these kinds of things belong in the Chamber. Please, let us keep the conversations parliamentary.

Dr. K. Rowley: I control myself, Mr. Deputy Speaker, with respect to the Standing Order, and to the best of my knowledge the word nastiness is not an unparliamentarily word. If you are now ruling—the Chair makes that ruling—it would be added to the lexicon, but until I used, it, it was not an unparliamentarily word. However, I accept your ruling and I say that behavior from this Government is unnecessary, is unwarranted and it is nakedly discriminatory.

Mr. Deputy Speaker, the people of Carenage do not deserve that, and frankly if you think you are doing the MP something, you are doing me nothing. I simply represent them. I do not fish, I simply buy fish there. *[Interruption]* Well if they do not look in my direction they would not see me. But I am saying, Mr. Deputy Speaker, how could the Government that says all kinds of wonderful things about

itself and the people of Trinidad and Tobago, how can they countenance and explain that? Shut them out in the budget from last year into September this year, a new budget is going to start on October 01, and even before it is written, before it is presented, before it is passed, you tell me they will not be attended at best across 2012—2013?

It is bad enough, Mr. Deputy Speaker, in the case of Carenage that it is economic activity which is being suppressed. Fishing in Carenage is a livelihood! The business of the fish market, that is where they sell their fish. The plan with that property is to have a fish fry arrangement, where, on a Friday evening you could come down to Carenage. The intention is to recreate in Carenage, what exists in Oistins in Barbados, where tourists can come down there, buy local food, have a steelband playing, have a beer, talk to your friend, bring your girlfriend, you come from Chaguaramas, localize it.

Mr. Roberts: I like that.

Dr. K. Rowley: That is the plan!

Hon. Member: What about the crime?

Dr. K. Rowley: The crime?

Mr. Roberts: “It coming down?”

Dr. K. Rowley: The crime is part of the neighbourhood, the part of the existence of Trinidad and Tobago and “we all fighting it”. That is why we worked with you in that joint select committee to give you that legislation that you wanted.

11.15 p.m.

I will tell you something in case you have not noticed, maybe we spoke too early. It is now late in the night. We, of this PNM, we have cooperated with this Government more than any Opposition has ever cooperated with any Government in Trinidad and Tobago, [*Desk thumping*] and that is a fact. That is a fact.

Mr. Roberts: Could be true; we would have to check.

Dr. K. Rowley: We have cooperated with you, so we are on board with you in the fight against. The difference we have on the current situation is with the choice of the approach, but the objective is the same. [*Interruption*] We have a difference on the option. We do not agree with the option you chose and that is what it is all about. We can agree to disagree. [*Interruption*] On the hanging Bill

we did not want to be hoodwinked by an Attorney General who was trying to abolish the death penalty by subterfuge. [*Desk thumping*] That is what it was, but that is not the force. That is the not the force.

I am saying, that economic development that we expect to come to Carenage, when that facility is finished, you are denying them that. They have nothing else in Carenage. There is no economic activity. Carenage is a village of houses on the hillside. There is no land to grow anything. The land next door in Tucker Valley is state land used by the State for state farming, so Carenage people cannot even grow anything there. They have no cane to plant, they cannot even plant “bigan” and tomato, there is no space, it is all houses and drains and roads, but on the waterfront they have the potential for boating and fishing, and that is why a PNM government designed that project and decided to invest in its economic infrastructure and you are denying them that for no good reason.

Minister of Finance, you want economic growth. That facility in Carenage is in fact, small as it is, an aspect of economic growth. It is part of the country’s economic infrastructure, small as it is nationally, but in Carenage it is big and important to them. I am appealing to the Minister of Finance to turn around this policy of discrimination against the poor people of Carenage. [*Desk thumping*] [*Interruption*]

Mr. Roberts: It is Arnold Piggott who stopped it.

Dr. K. Rowley: Mr. Deputy Speaker, if it was only the fishing project you could say “was accident”. We have, in Bagatelle, a community centre. [*Interruption*] The foundation has been built. The approach was—you have this foundation but you cannot build a building without a foundation. The foundation has been there for a year and a half, but for the life of this Government, a year and a half, absolutely nothing has happened. The premises has been abandoned, the fence, the grass is there, and once again, this is a small money item. It is even less than the fishing complex. [*Interruption*]

Mr. Deputy Speaker, I know it is a little late, but—

Mr. Deputy Speaker: Member for Diego Martin North/East, you have now arrived in the Chamber, allow the Member for Diego Martin West, your colleague, to speak in silence, please!

Dr. K. Rowley: Mr. Deputy Speaker, the Bagatelle Community Centre, the foundation is complete. Members of Parliament, where is your conscience? If you pass there you would see the foundation complete, you would see the PVC pipes

sticking up, waiting for a superstructure. How much does it take to finish that project? A million? Two million? Small money, but this Government says to me when I make representation here in the Parliament, “There is no money to do that and we would not look at it until 2013?” What is this magic date of 2013? While the Government has turned its back on that project which is underway with a foundation that is complete, the Government has started new projects elsewhere. What is the logic of that? What do you want me to conclude? I do not accept there is no money to do it. It is small money to complete the project. It is discrimination for no good reason. So I have two.

The third one is the North Diego Martin Sporting Complex. The North Diego Martin Sporting Complex is the only real cricket ground in Diego Martin. It is the home ground of Merry Boys Cricket Club. We gave Merry Boys the assurance that we could get that project finished and for two seasons they would play away and they would come back to a modern facility and all that. What happened? But Mr. Deputy Speaker, there are a number of ways of doing projects and I never agree with the sports company approaching that project the way they did where you separate foundation as one contract, the stands as one contract and then the playing field—bright ideas, bright ideas. [*Interruption*] My view? You feel I wanted one contractor to build the facility?

I always believe—and I am not saying this to criticize anybody—that—[*Interruption*]—for me? What I feel more comfortable with is that you fund a contractor, hold the contractor responsible for a product for which you pay. Once you start to break it up into pieces, you get into management issues and if your management is not tight and your management is not efficient you could get into problems, and that project got into problems, but it did not prevent the project from advancing to the stage where the foundation is complete.

We planted the grass. This Government failed to get grass growing in Diego Martin for no good, real reason. The Government allowed the grass to die. You want to tell me that we cannot—having paid money to plant a field we could not keep it going, at least? I am saying, Mr. Deputy Speaker, the bottom line is, I do not want to go into all those details. I simply want to ask, why is it we are going to abandon a project like that, so vital, so singular and so unique? It is the only ground here.

Mr. Roberts: Member, thank you for giving way. You are going well and you are describing the former seamstress and so on, what they did, but there is no abandoning of the project. It is coming. This is why we are here. We are trying to

get funding for projects of a community nature such as that one, which is a high priority, to get the community together, so it is no abandoning of that project whatsoever, Sir.

Dr. K. Rowley: Mr. Deputy Speaker, nothing was done during fiscal 2010, during the term of Government. Nothing has been done on that side during fiscal '10/'11, which is now ending this month. Given the fixation with 2013, which applies to the fishing complex and the community centre, I am of the view—I would not swear to it, but I think when I asked the question about that project the Minister did not make any commitment to restart that project in any immediate timing. *[Interruption]* None! I asked about that project and I got bombast, a monosyllabic no and yes. I have gotten no commitment. If he wants to give one now I would welcome it.

Mr. Roberts: First and foremost—of course *Hansard* is there for the record so we shall check it, so I will give you a commitment. You see, in this Government we make commitment. There is a commitment to complete, to not only redesign, because you know the design was too large to even fit in the Diego Martin area, but to get the community back.

So, you have a commitment that as soon as the finances are available, and I would ask for your support for this measure so that the Minister of Finance will have the necessary flexibility so we could get these projects going across Trinidad and Tobago. The commitment is there, once the money is there, especially with this increased debt ceiling that your northern recreation ground would be on the highest priority.

Dr. K. Rowley: Mr. Deputy Speaker, the only thing I would accept from that intervention, for which I hope I get some—I cannot ask for injury time, it is my fault I let him use that up. It is my fault. You use my time to make a speech. *[Interruption]* I accept from that whole intervention the phrase, “highest priority”. Now I have to see what your highest priority is in the Ministry of Sport. Because, other than that, everything he said there meshes with the fish market and the other one where it will be done when funds are available.

That reminds me of public servants replying to you and telling you the matter is being looked into. That tells me nothing. I would like a commitment that in the budget that is coming up next month, October 01, for fiscal October 01, 2011, that this project will form part of the fiscal year coming.

Mr. Roberts: You have that commitment. And do I get the commitment from you that when it starts and you break the ground you would come here and apologize?

Dr. K. Rowley: I do not know what I have to apologize for. If you do your job, I do not know what I have to apologize for, but thank you, Minister of Finance. Thank you. *[Laughter]*

Hon. Member: You are the Minister of Sport.

Dr. K. Rowley: You just gave me a commitment.

Mr. Roberts: Yes, I gave you a commitment.

Dr. K. Rowley: You are the Minister of Finance?

Mr. Roberts: No.

Dr. K. Rowley: I thank you for your support.

Mr. Deputy Speaker, so these are three projects in the community of Carenage and—*[Interruption]*—it is located in Diego Martin North/East, but the bottom line is it services the three Diego Martin constituencies. There are three constituencies that are serviced there: Diego Martin Central—*[Interruption]* Mr. Deputy Speaker, send him for an early breakfast “nah”? He has given a commitment that it form part of the budget of 2011. I would accept that commitment tonight and look to see work start as soon as possible.

There was a lot that was said about how much money is owed here and how much money is owed there, and I sat and listened to all this, how much money is owed and how much money is paid, and one gets the impression that somewhere in the government system people are just writing cheques for the air they breathe. In fact, in one case the Minister of Finance spoke about audited arrangements, law requiring payment of so and so, and I am going to make this silly assumption that that audit that now says that you owe X, Y, Z, relates to some goods or services that you received for that money, and that also applies to all the money that has been spent.

Not all expenditure would have been most efficient. I am sure there are elements of wastage, and sometimes corruption involved, because public expenditure have to face those challenges, but, by and large, Mr. Deputy Speaker, all those billions and billions that they have been dazzling you with all night, Mr. Deputy Speaker, if you examine them, they all relate to goods or services that the State provides the infrastructure somewhere in the country which have to be paid

for. So, I do not know what this story is talking about how much we spent and how much we spent. In fact, if what you are trying to imply is that that money was stolen by the individuals who managed it, then I expect to see a lot of handcuffs on people going off to jail. I am not seeing that.

Hon. Member: Do not talk too soon.

Dr. K. Rowley: “Doh talk too soon. Doh talk too soon.” Right?

So, Mr. Deputy Speaker, we have to understand that this talk about how much money was spent; it has to be related with what you spend the money on. I heard a ridiculous statement tonight saying that I am hypocritical because I criticized some aspects of UDeCott’s operations and now I am holding this Government to account. I thought that was being consistent. I am being told it is hypocritical.

Mr. Deputy Speaker, I served in the Government and in the Opposition and whether I am in Government or in Opposition, my position does not vary depending on where I am. Any position I took on UDeCott with respect to accountability, efficiency or transparency, is a matter of principle and I hold this Government to the same standards, higher, no lower, so I do not know where this story came from. Every time they get up in the Parliament to talk about UDeCott, they somehow feel, you know, I have some issue with UDeCott.

As a matter of fact, when one looks at service of the country, building of infrastructure, supplying of materials which improve the quality of life in Trinidad and Tobago, there is no other political party that could point to anything of any great significance in this country other than the People’s National Movement, the PNM. [*Crosstalk*] You point to me anything of any significance built in this country that was not built by the PNM. There was a government that served in this country for five years and you cannot point to one single thing that they built adding to the country’s infrastructure, because they came in on a platform: “We not doing this, we not doing that, we not doing this, we not doing that” because the PNM was doing it; all that they not doing, but nothing about “what we are doing”.

11.30 p.m.

I am afraid that this Government is walking that same road, same road, because they are obsessed with the PNM and not obsessed with the job they have to do which is to build on the foundation they met. [*Desk thumping*]

You know, I notice something too, Mr. Deputy Speaker, in the presentations tonight? The Government pays a lot of money to PR handlers. If you listen to the

Government Ministers, they have a habit now of ascribing statements to the Opposition that they would like to attack. So even if an Opposition person did not say it, they have been instructed by their handlers that you say it, ascribe it to them and then tear it down.

I do not know who in this Parliament on the PNM side made a case against deficit financing. As a matter of fact, the first deficit financing year in recent times, after the period of good revenues and so on—which is 2009—2010—it was a PNM Government in office. We publicly acknowledged that, given the level of expenditure that we were at, given the collapse in revenue that we were at, rather than drastically bring down the expenditure level which will affect the projects in the pipeline as well as the quality of life that we had, we will close the gap temporarily by funding through deficit financing. We accepted that. That was part of the budget statement and budget documents.

When this Government came into office and met an ongoing situation like that, we accepted that this Government should and would continue some deficit financing and that is how we voted for a budget. We voted for a budget with a \$7 billion deficit in it. A PNM Opposition voted for a budget with a \$7 billion deficit in it. So how in the Almighty's name could you come here tonight and say the PNM is opposed to deficit financing when we voted for your budget that had a deficit? If that was the case, if what you said was true, if that was the only basis on which we should have voted against that budget, then we should have voted against the existing budget. What we are saying and what you are misrepresenting: deficit financing ought to be a short term arrangement while you work getting out of that situation. You cannot borrow your way out of your difficulty indefinitely.

I read earlier on—before the Member for Diego Martin North/East spoke—the comments of the Governor of the Central Bank who pointed out, that too many years of deficit financing could cause a real problem. In fact, if I can find his exact words, I read this into my presentation when I started, so do not tell me now that you are responding to Diego Martin North/ East and misrepresent him. I stood here as Leader of the Opposition and I drew my colleagues' attention, I said I expected him to be saying this. But what is being said here by the Governor of Central Bank is really his position of an earlier time.

With your permission, Mr. Deputy Speaker, I want to repeat it, just to make sure that this PR thing about putting words in our mouth and attacking it does not take root. Central Bank's concern in its economic bulletin for 2011 said:

“Following three years of fiscal deficits ‘faster medium term growth would require fiscal consolidation in order to contain public debt and provide fiscal space for sustained infrastructural investment.’”

That is the Governor of the Central Bank’s position. So what it is saying: it is okay to use deficit financing to get out of a situation, but it cannot be the solution to go forward into an indefinite number of years, because if you do that, it points out that you will not be able to contain the public debt.

Our contribution here tonight, we said that we have no problem in supporting some increase in the borrowing limits to allow the Government to borrow and service the country, but we want to ensure that as we are doing that we are not flipping the scale too far in the other direction where we get a public debt problem. Contrary to what was said before on the way into government, because the Minister of Finance today—I am sure he will acknowledge it over a drink somewhere—that he was a harbinger of the empty treasury.

On the way into government he was a harbinger that “all fall down”, he was a harbinger that we had mismanaged our debt profile, but now he is Minister of Finance he has to acknowledge, because the documents are there, the numbers are there, “public servants writing for him”, that it was not half as bad as he was saying. That is not to say that his cautions were worthless. That is not to say that his opinion that certain things should be done differently and better, was worthless—no. But hyghperbole when you are in Opposition—hyghperbole.

I want to correct something, Mr. Deputy Speaker, with a little leeway from you. My colleague, The Member for Chaguanas West, misunderstood what I was saying when I spoke about borrowing to fund the project to Point Fortin. I was in no way imputing motives to him or his staff or whoever else with respect to the award of the contract. I must apologize if I did not make myself clear. What I was saying is that there are different arrangements for getting construction projects going. When this Government came into office it met a situation where the PNM government had advanced that project under a certain kind of approach. The approach was that you can run the whole project, the one big, long project from Golconda to Point Fortin, under an arrangement where the financial climate was different and that the government of the day did not see it fit to go using IDB funding by way of loan funding and probably could have considered using design finance construct or loan funding. But it certainly did not intend to fund that project directly out of the Treasury deposits. That was the situation.

A new government comes in and reviews the situation and proceeds to award the contract without an opportunity to use loan funding from the IDB. I do not know what the problem was with loan funding off the local market—Maybe it was too large, I do not know. But certainly, even though government’s spokespersons said for a number of months that the project will be IDB funded, we knew all along that it could not be, because if you did not tender under the IDB rules you cannot access IDB funding! And the project was hung up there for a while until the miracle of the Treasury deposits “scrape out the treasury” and provide the funds to make NIDCO to continue.

All we are saying is that on the review of this Government the option was there for the Government to start over with the invitation to tender process, using IDB rules and accessing IDB funding and make it a loan funds project, provided the IDB accepted the project as viable. And then, also, you did not have to do the whole project from Golconda to Point Fortin as one award, especially when you were not ready, because what is ready for action now is the piece from Golconda to Debe. That is the area for which the land has been acquired, the surveys have been done, payments have been made to owners and that piece of work could have been done, and again, in a climate where revenues are restricted which is quite different to 2008 when you had a vista of no revenue stricture.

So now, what would have been wrong if you had done the piece from Golconda to Debe? “Nothing wrong with that”. We built the Diego Martin Highway in phases. The last piece was done from Crystal Stream down to Diamond Vale. So you do that, what’s ready. But, no, you award the whole contract. A contractor is on site now. He is committed. Are you going to be in a position to give him the rest of the route? That is the point I was making.

These are administrative things. These are questions we are asking, because the bulk of the project after Debe, you have not yet surveyed the area. It is in the context of the absence of surveys that we are asking, if you have not survey the area you do not know what land you are taking, and if you do not know what land you are taking how do you know the value? And if you do not know the value, on what basis did the Minister of Works and Infrastructure tell the country that the estimate has moved in one year from \$800 million to \$2.5 billion. These, we believe, are questions that are legitimate.

In April 2010, the estimation —and we are not guessing here, because payments have been made in the piece, from Golconda to Debe, so we actually have knowledge of what the land values are. And if you do the arithmetic you will

see that there is significant increase per unit value from Debe to Point Fortin and we are asking why. I am not aware that land values are rising in Trinidad and Tobago at this point in time.

Mr. Roberts: Thank you, Member, for giving way. Would you not also agree that while there are estimates and the Cabinet may approve a blanket or umbrella figure, an estimated value, that eventually, when those exact evaluations are done, that must come back to Cabinet for verification?

Dr. K. Rowley: Estimates are first that: an understanding of what it might cost, but they have not arrived at that willy nilly. Valuators are involved in determining the estimates. One just does not pull an arbitrary number. There is a big difference between an estimate that is based on some factual information and an arbitrary figure. Do not, Mr. Deputy Speaker, interpret estimate in my discourse as arbitrary figure. The estimates for the section between Golconda and Debe have gone beyond the estimate. Actuals are involved, payments had been made, because under the Land Acquisition Act of 1994 you have to pay 80 per cent on publication of section 4 when you enter the land. So you know now, you gone beyond estimate this is reality and between then and now if anything, property values are going down, especially on developed land.

I heard a very worrisome thing here today. I heard the Minister of Works and Infrastructure, who is in charge of this road project, say that a piece of land for the Mamoral Dam was \$49 million four years ago and is now \$200 million. It bothers me because I do not know how that could happen. Because land values across Trinidad and Tobago, property values, have not been going up and if it has been going up it has not been quadrupling, but you see, Mr. Deputy Speaker, under land acquisition, there are two approaches that are allowable: One, is compulsory acquisition where the government valuator sets the price, the government publishes section 4 and you take the property, or, you can have a negotiation where you agree to pay something. I want to believe that there was an error in the statement that was made by the Minister of Works and Infrastructure because under no arrangement could it be justified that \$2.4 billion is a logical increase above an estimate a year ago, a proper estimate of \$800 million.

Mr. Roberts: Thank you for giving way. Would the Member not also agree that in his estimation, his experience, the government valuation, especially under compulsory acquisition, is terribly low—sometimes a thousand per cent, 2,000 per cent lower than an independent or two independent valuers would do? If the Member would give way to that, do you not think that it is fair that people—for

example, there are people in Tobago now who are still waiting for 30 years for money that does not represent the value of their land at all so that we give people who we are taking their land a fair valuation based on an independent or a combination of valuation?

Dr. K. Rowley: I do not know that that is the issue. The issue —as a matter of fact in negotiating through private treaty, it automatically brings into play two valuations. The government valuator which may not even be a public servant, sometimes the government uses private valuers to do valuation for the government and the landowner will have their own valuator and say, listen my valuator say X yours say Y maybe we can meet in the middle. That is how it normally goes by private treaty. My concern is the huge difference between \$800 million and \$2.5 billion, and I rest it there for the moment.

11.45 p.m.

Mr. Deputy Speaker, I am glad to hear tonight something I did not hear from the Minister of Finance before, and it is that deficit financing is something you use to get growth going, because I know the Minister of Finance from an earlier era, and the Minister of Finance was not an advocate of that approach.

Mr. Warner: He “change”.

Dr. K. Rowley: I am glad to hear that. All right, let us go to the next point. So we are going to use deficit financing. We need some comfort from the Minister of Finance that there is some projected turnaround point. There has to be a target when growth will return to the economy and it is when that growth begins to return that deficit financing begins to be seen as the option to go. We have not heard that, especially in the context of the potential—

Mr. Deputy Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made: That the hon. Member’s speaking time be extended by 30 minutes. [Mr. A. Roberts]

Question put and agreed to.

Dr. K. Rowley: [*Desk thumping*] Mr. Deputy Speaker, I want to thank my colleagues for the extension, particularly my colleague, the Member for Chaguanas West.

I was saying, in a scenario where the Minister of Finance finds himself having to use deficit financing in an environment of very low confidence in the economy

and in the Government, in particular, it would do us all well if the Minister of Finance was able to point out—and I would not belabour the point tonight because I am sure in the budget debate which is coming in a few weeks' time, as I am told—that in the budget debate we expect to get some projection, at least some target from the Minister of Finance of the turnaround.

What we do not accept and will not accept is “bramble talk” about growth when, in fact, it is declining; about blue skies when, in fact, it is storm clouds. That is not going to be acceptable. But we are looking forward, and we are putting the Minister of Finance on notice now, that in the budget debate we will expect him to hold up some projection, sometime in the not too distant future, when the work that we are doing now, the foundation that he is building on now, that that foundation, given what we know inside and outside of Trinidad and Tobago, that we should be working towards a turnaround of our economy. Do not tell us it is turning around when, in fact, everything else says it is not. We are not going to be fooled by public relations gimmickry. We want upfront information; we want the people to be told what the situation is in the country and I think the quicker the country is told the real thing, the quicker confidence will return to this country.

In the absence of confidence, it is quite likely that we may have to do deficit financing longer, because when confidence does not show itself as present in copious supply, the private sector does not get involved in the way that it should, and right now the private sector is not involved as it should in Trinidad and Tobago.

If we make some time to go to the numbers, which I will not do now, you will see one of the problems we are having in the economy of Trinidad and Tobago is that the private sector is not borrowing to invest, and that is a problem for the Minister of Finance and, by extension, for all of us, and that has a lot to do with a lack of confidence in the future as projected by the Minister of Finance, and the quicker the Minister of Finance could project a future for a turnaround, for growth, which can have everybody on board, and have confidence to borrow and invest, the better for all of us in Trinidad and Tobago. Ol' talk, misleading talk, public relations gimmickry, is not what we want. We want straight-up statements. Tell the country the facts and let us work towards that.

I know what I am talking about. I was in a Cabinet in 1991 when we had IMF payments to make, because the previous government had taken this country to the IMF and I do not hold the Minister of Finance wholly responsible for that; he was only partly responsible for that. But we had IMF commitments and the new

government took the decision to pay off the IMF and told the country upfront, for a period of a year or, at most, two years, we will tighten our belts, pay off the IMF and then proceed to move forward with growth.

That was told to the country upfront by a government of which I was a part, and that is where the tightening of the belt came from, under the PNM. I heard it said tonight that we told the country, and the Minister of Finance said that too. Again the PR anglers tell them, say things that are not true and then belabour it—slacken belts. Who in the PNM ever told anybody to slacken their belts? Where did that come from? That is an untruthful statement.

Mr. Roberts: Not slacken, tighten.

Dr. K. Rowley: No, we did tell this country at the appropriate time, “tighten your belts. Let us pay off the IMF.” And that worked wonderfully well, because after we paid off the IMF, instead of paying IMF interest, we were using that interest to fund national development, and we did wonderfully well. [*Desk thumping*]

We were not afraid to tell the country what we were going to do. When we floated the currency, all the gurus in this country said: “Trouble”, “End”, “Unemployment”. No. It turned out to be one of the best decisions taken in Trinidad and Tobago by a government that came upfront and took a decision that calls for courage. So I am calling on the Minister of Finance now to not resort to misrepresentations, no matter how he is encouraged.

On the matter of refinancing, I was hoping to hear—somebody mentioned it; one of my colleagues. I think it was the Member for Caroni East—that the borrowing is taking place at a time when interest rates are low, probably at record lows. That is true. But I would have preferred to hear from the Minister of Finance a bit more on that, that because interest rates are so low now, and that our ability to borrow is so good, contrary to what is being said about PNM behaviour and misbehaviour, that there was a structured arrangement to refinance some of our debt, because that was done before and it can be done now.

At the interest rates now, we can borrow and use that borrowing of the low interest variety to retire debt of a higher interest. I would like to hear from the Minister of Finance. I am sure maybe in the budget he might do that, so I am not going to press that point, but I just raise it that that was something that we would look forward to in a debate on borrowing.

Dr. Gopeesingh: You are recommending that.

Dr. K. Rowley: Of course, I recommend that. That is good management, and this country did that before. When we started getting good cash inflow from the LNG earnings, the interest rates were lower than when we borrowed Japanese money and other moneys before, and we retired a substantial amount of our foreign debt. That is why our foreign debt stock is so low now. You borrow low interest, you pay it off. Good management.

There is one last point I want to raise before we go into tomorrow, and it has to do with Item (c)(iii), the University of the West Indies. We have three universities in this country. We have the University of the West Indies, to which many of us in here owe a lot. We are alma maters or otherwise; it is our alma mater. We also have the University of Trinidad and Tobago, which is new, and we have the University of the Southern Caribbean. In this borrowing, it talks only about the University of the West Indies.

The University of the Southern Caribbean is a private institution that gets some government help, so that is not in the argument, but certainly the University of Trinidad and Tobago is in the fray. And while I see here that we are being positioned to borrow to spend on UWI, I have no problem with that, but I want to know the policy. Is it that, knowing what we know is happening at UTT, the Government will be expanding its investment in UWI while at the same time it is smothering UTT?

For example, if this borrowing is spent on engineering at UWI, good for UWI, but how does one measure that and accept that in the face of the Government shutting down the pre-engineering programme at UTT? UTT has a different flavor to UWI. UWI is a regional institution. A lot of it does not focus on the needs of the Trinidad and Tobago economy.

On the contrary, with the coming into being of UTT, it is specifically geared towards serving the needs of the economy that we are trying to build, an economy of the future, and there are thousands of young people who see UTT as their opportunity if they do not manage to get into UWI, and some of those persons are just barely below matriculation level, but with a little help—and my colleague, the Member for Caroni East, would know that, because we have been around the university environment for a long time. With a little help in a pre-programme, they can matriculate and enter the degree programme.

When I went to university in Jamaica—when my colleague, the Member for Caroni East, we spent some time in the Jamaican environment—there were a lot of Jamaican students who did not matriculate in the first year. There was a pre-med programme; there was a pre-in-one programme, where the first year those

students were prepared and they were finished—it was like a finishing school—and then, after that preparation, they now enter the mainstream university.

In UTT, the pre-engineering programme is meant to do that.

Dr. Gopeesingh: Thank you for giving way. As far as I understand, there is an associate degree programme at UTT which allows for an easier entry into the associate degree programme and what you are talking about, the matriculation, this is possibly facilitated with the easier entry from O levels into the associate degree programme. Because, remember when we discussed in Parliament when you were here and we were there, we spoke about why UTT has so many O level students at a university, but we have come to realize that that is a stepping stone towards the associate degree, which will eventually allow for the final BSc degree programme. So the matriculation you are speaking about is possibly in the associate degree programme.

Dr. K. Rowley: Thank you for the intervention, but I would have been more comforted if the Minister was a little more confident. The Minister keeps saying “possible”. My information is, I do not think it is exactly the same, because if the university had said, “Listen, we are not going this way; we are going to have an associate degree”, and you entered an associate degree, fine. I am talking about a pre-engineering programme which are those students who would like to choose engineering as their vocation. And this pre-engineering programme is meant to accept them and prepare them with a short introduction—I do not know how long the introduction is—and the staffing and the structure were there, and that has just been shut down. It is not a replacement by an associate degree.

So I would like the Minister to look into that and be a little more confident about it, and I am sure that when you look into it, you will see the need of a Trinidad and Tobago economy, the need for young people who have identified that vocation, to get that help. And this thing about shutting down this and shutting down that without understanding what it is meant to do, this Government may want to revisit that kind of approach.

I have to say that I have no confidence that the Government would limit its borrowing to any minimum level. On the contrary, I am fearful that with this ceiling that the Government is asking for, which is quite substantial, that given the fact that the revenue streams or growth in the revenue streams is not in sight, I am fearful that, in the absence of identifiable growth drivers, this Government could hold us in a situation for too long on deficit financing, using the opening of a high ceiling which permits borrowing, to borrow to the limit of these approvals and

place us in a situation where our debt arrangement is uncomfortable or onerous. The Government is giving assurances. Only time will tell.

I thank you, Mr. Deputy Speaker.

The Minister of the People and Social Development (Hon. Dr. Glenn Ramadharsingh): Thank you very much, Mr. Deputy Speaker, for the privilege to contribute to this debate that actually concerns the development of Trinidad and Tobago and giving the Government the ability to finance general development in Trinidad and Tobago by adjusting the borrowings.

12.00 Midnight

I must indicate that it has been a very interesting debate while from time to time certain points were made by the Opposition, by certain Members soon after, on the heels of those comments, we find other Members contradicting the views of that particular Member. And we ask the question: is Trinidad and Tobago developing? Have we ensured that we begin fiscal sanity, that there is proper management of the economy?

Certainly we can see that while a year and half ago this country was on the brink of disaster and had reached the point where they had lost contact with the people—and I find it very interesting that the Member for Diego Martin West started off his contribution by saying that at first as a Member of Parliament he would like to bring his views to the House as to the neglect of his constituency. I find it very amazing that Members who have spent eight years in government come to the House a year and a half after they have lost office and complain bitterly about discrimination, and the actual word was used. So what in fact did you do over the last eight years for you constituency? Did you do nothing? And now you are complaining?

So therefore, it is a very, very sad situation. In fact, I believe some Members on that side are in fact happy that the People's Partnership is in power, so that we can now deliver to their constituencies for what they were unable to do for eight long years, while the people of this country suffered for infrastructure, water and electricity. I think the Member for Fyzabad is right. They seemed to be contaminated for those eight years and could not—

Mr. Sharma: And constipated too.

Hon. Dr. G. Ramadharsingh:—have thought properly, and so were not able to see what was important to do for the people of Trinidad and Tobago. As I said many of the statements were at variance with each other.

For example, the Member for Diego Martin North/ East while most of what he said he only convinced himself of about 80 per cent of that because certainly nobody takes him seriously—

Dr. Moonilal: Nobody does!

Hon. Dr. G. Ramadharsingh:—when he talks about gloom and doom and when he tries to justify some of the measures that they took that were anti-people, anti-labour and were not in the best interest of the masses of Trinidad and Tobago.

When the Member for Diego Martin North/East was quoted as saying that the debit service of Trinidad and Tobago was 7 billion, this includes interest, principal and debentures the Minister of Finance said that interest was about \$3 billion, so in fact, the Member for Diego Martin North/East was given misinformation and confusing debt servicing with interest. The Member for Caroni East is in total agreement Trinidad and Tobago has been run under the last five years with a deficit financing of about 2 billion per year. So therefore, the Member for Diego Martin North/East, as in his usual style, was creating confusion, hysteria and misinformation in the House and trying to misguide the House on some of these matters that he spoke to.

You know, Mr. Deputy Speaker, another piece of misinformation that was fed to the House, was the fact that the Member for Diego Martin North/East criticized deficit financing for the entire evening. He went to town and his own Leader of the Opposition now says he has no difficulty. In fact, he agrees with deficit financing and he wants the Minister of Finance to concur that this is the way to go. So they are really going at cross purposes with each other in the debate—pure confusion they have little to contribute to the debate. The debate has collapsed but they are just here to irritate and to just waste the time of the House because the points have been made but they are carrying on just to be obstructionist in their agenda.

In fact, the Member for Diego Martin West says deficit financing should be short term, but the PNM ran deficits for five years. For example, from 2006 to 2010: in 2006 the total revenue was \$37.613 billion dollars. The total expenditure was \$39.295 billion, a deficit of \$1.681 billion. In 2007 the revenue was \$40.466 billion: the expenditure, \$41.538, a deficit of \$1.072 billion. In 2008: the total revenue, \$55.554; total expenditure \$55.459, again a deficit. In 2009: the deficit was \$5.165 billion and in 2010: \$2.441 billion.

So on one hand you say that you believe in deficit financing, but it should be short term, but you run it for a period of five years. Mr. Speaker, it was totally disappointing at how contradictory they were with each other. But as you know, the People's Partnership Government came in to ensure that there was fiscal sanity; and so the Minister of Finance clearly articulated the policy agenda that he was pursuing, and tried to bring some sanity to the debate and some direction, so that they could understand that there is a method to what may be perceived as madness, and so the economy of Trinidad and Tobago continues to be in good hands with the Minister of Finance at the helm.

In fact, if I could just point out, the Minister of Finance has amended the fiscal regime governing the oil and gas industry to promote a more investment friendly environment for new exploration activity. These changes were made effective by the Finance Act of 2010. He has approved a US \$2 billion ammonia urea melamine project, which will see Trinidad and Tobago taking the lead in this area. We have ensured that a national transformation unit has been set up. The Ministry of Planning has appointed an economic development board led by Mr. Kenneth Gordon, and so these initiatives that have taken place have been to stabilize the economy and ensure sound economic management.

Now, even as the Member for Diego Martin North/East continued to confuse himself, mainly, as he was disregarded in the main by his audience, he kept plowing away that the GDP kept rising, which in fact was not so. The GDP in 2008 was \$170 billion. The GDP in 2010, in three years was \$130 billion. This is a \$40-billion drop in GDP in three years. In its totally contradictory to what he was presenting to the House today, thinking that people do not have their documents. In fact, I have the Moody's Investor's Services credit analysis document, that is what I am reading, and he has totally misled the House on this matter.

In fact, three of the quarters in 2009 had negative growth due to the recession. And the Member for Diego Martin North/East said that GDP was rising every year by about 2.5 per cent, totally untrue, false and misleading in a debate of this nature and taking up precious time at this hour of the night. But what really concerns me is the careless statements by the Member for Arouca/Maloney who is now legend for—she is now joining a sad crowd of people of who say things that are meaningless, and things that just are repetitive. They are repetitive to the point that you can predict her speech for the next 10 minutes, and then she makes another point that you can predict again.

You know, I was so sad to hear her say that people were getting food cards without assessment. You know, the food card area is not an area the Opposition

should glibly speak about, because “food card” was a very fleeting illusion under your governance. People do not even know what a food card looks like in rural parts of Trinidad and Tobago. They are amazed. They are stupefied when they receive the envelope. They cannot believe it is like Christmas in parts of this country because you kept that for a very secret network. Do you know what is the tragedy about it? I cannot even begin to accuse the Opposition of giving the food card in a political way, because I have met on many occasions with their party supporters who hug me and say, “Even under the PNM we could not have even gotten this facility.” So the next question is: who got the food cards? Certainly it seemed to be a network of people who were very close to the seat of power and the powers that be and therefore I want to challenge you to tell me which person or when someone was given a food card and was not assessed. We follow very strict regulations in the public service—

Mr. Sharma: “How many food cards you have?”

Hon. Dr. G. Ramadharsingh:—and the permanent secretary and senior administrative staff and administrators of these programmes are highly qualified and follow strict regulations. The Member continued—as if that was not enough, she said “and who wants these temporary grants anyway?” “What do these temporary grants do?” Well, by the way, the Ministry of Social Development is a Ministry that has an ambulatory outreach programme to seek out those who are suffering and in need, and tend to them. And therefore, very much the products that we carry would obviously be short term in nature, because for a while the Government would provide that nurturing and support and care in a time of crisis. What they will not say is that under the People’s Partnership Government not only did we go throughout the country and expose the availability of these grants to the masses and to the grassroots from Toco to Icacos to Guayaguayare to Carenage and back in Central Trinidad, we would have gone in the campaign with direct impact and direct effect to have seen more than 20 to 30,000 people in Trinidad and Tobago.

We would have had more than 12,000 people in one year apply for facilities that would make their lives better. And I would tell you that for one year, for an entire year under the Opposition when they were in power, all the offices in Trinidad and Tobago just saw 3,200 persons. So we were able to do four times as much with our outreach programmes.

The Members fails to say that we have increased all the grants, we have made them more relevant. The housing grant was \$10,000, it is now \$15,000. That is not the same facility that was offered by the previous Government. In fact, all the

grants: the household items grant went from \$4,500 to \$6,000. We took that brave move, we took that decision as a Cabinet under the caring Prime Minister, the hon. Kamla Perad-Bissessar, because we knew that the people were suffering.

12.15 a.m.

So we did two things: we went out there and will continue to go out despite all the obstructions that they throw in our way. If they throw a concrete block at us, we will take that and we will begin to build a house. Therefore, we will not be distracted by these careless remarks. We will continue the programmed approach to seeking out the needy throughout Trinidad and Tobago. I will tell you that in this time of crisis, where we know that the PNM had failed to deal with crime, I will also outline a measure that we will implement with immediate effect to assist in those high crime hot spot areas.

[Mr. Speaker in the Chair]

Trinidad and Tobago is now becoming an enviable place to live under this Government. You are hearing about sport tourism; we are hearing about the oil and gas industry developing and attracting investment. We are seeing civil works in local government, councillors being empowered and being given offices. We are seeing the Minister of Works in all parts of the country seeking out infrastructural works to be done. The Minister of Education is going guns with housing.

When you discriminated against one of the most rural parts of Trinidad and Tobago, a place—you know people came from the United Nations and other foreign countries to do a study on the wetlands in Biche and in that part of the country and they ended up changing the focus of the study and did in fact a study on poverty because they saw the poverty of the people in that rural community and they changed the entire focus of the study. When they saw the people they had to hire walking in the swamp without proper facilities and saw the homes of the people in that area, they decided to assist in the area of poverty reduction and eradication, and you denied those children in Biche a school for so many years.

Hon. Member: Shame!

Hon. Dr. G. Ramadharsingh: Every day you denied that, you created suffering in a family where they had to find extra funds to take the children to a school far away.

Dr. Gopeesingh: Twenty-four miles.

Hon. Dr. G. Ramadharsingh: Twenty-four miles away for that. You should not see government for a very long time in Trinidad and Tobago. On the heels of that, the Government of Trinidad and Tobago will take pride to stand in the schoolyard, embrace the children and say, “Here is your school. Learn and empower yourself in this area and lift this community to the sky.” You must not do that to the young children. Our children are the future. Trinidad and Tobago is currently ranked in the top 25 per cent of countries in terms of GDP per capita.

The IFM estimates that local GDP per capita in 2010 was US \$20,137. This translates into the 43rd highest per capita income in the world out of 182 countries. The World Bank ranked Trinidad and Tobago as having the 28th highest income in 2009 out of 162 countries. GDP per capita was estimated at US \$25,000. With such positive indicators, the legacy of the PNM has created a high level of poverty in Trinidad, especially rural Trinidad and Tobago.

You see it everywhere you go and, therefore, we have mounted a programme even before the state of emergency to have visited all the at-risk and vulnerable communities in Trinidad and Tobago and, therefore, we would have gone to Sea Lots East, Sea Lots West, Bagatelle, Diego Martin, Basilon Street, Soogrim Lands, St. Barb’s, Febeau Village, Beetham Estate, La Pastora, Santa Cruz, Maloney Gardens, Carlsen Field, the Train Line in Marabella and La Brea, just to name a few.

We intend to take a programme while this state of emergency is ongoing, so as to carry support to these communities especially to the families who now would have a single mother and would have extra needs and responsibilities. Therefore, it would be a special social services support initiative which we will spell out on Friday to the country and launch within a week’s time where we will carry all the services of the Ministry into certain areas which we had visited before and ensure that we provide the support that is needed in these communities as they are now challenged in many ways.

So, Mr. Speaker, I am very confident that the people of Trinidad and Tobago appreciate the measure that the Minister of Finance has brought to the House. The MORI poll that came out has shown a 23 per cent swing for the Government in terms of whether you think Trinidad and Tobago is going in the right direction. The people of Trinidad and Tobago are very happy with infrastructure and road development. The fact that the Government is performing and trying its best—assistance to the poor and social welfare; the fact that promises are being kept and that there is an impact on crime and that they are seeing educational improvements—we are on the move. These measures will help us to develop Trinidad and Tobago like never before.

The Minister of Finance—after we saw gross nepotisms and we saw people using their influence to safeguard their own financial interests, who are holding the keys to the Treasury, securing their own financial interest at a time when the country was going into crisis, when we could have had a melt with the Clico matter; we saw that kind of behaviour replaced by a man who steadied the economy, who ensured that the social services obligation were met, that infrastructural work was taking place, contracts that were not properly awarded were treated that way and their payments were held back until proper certification was given, that the Clico matter was stabilized so that our economy today would be saved; these measures will now fix the cynical financial problem that this country has been experiencing because governments in the past did not have the courage neither vision or the foresight to take these pre-emptive and proactive financial measures that have taken place today. So I say hats off to the Minister of Finance and support this measure, wholeheartedly.

Thank you. [*Desk thumping*]

Mrs. Paula Gopee-Scoon (*Point Fortin*): Thank you, Mr. Speaker. I rise at this hour to contribute to this Motion, which is to increase the debt ceiling of the Government in this particular regard from, I believe, \$20 billion to \$30 billion by \$10 billion and, this figure of \$10 billion sits between two other Motions; one seeking to increase the debt ceiling by \$16 billion and the other by \$6 billion, bringing a total today that the Government is discussing an amount of \$31 billion. Mr. Speaker, I have spent a great deal of my years in banking at a senior level as well, so I am quite familiar with businesses that have grown by leaps and bounds into very successful businesses and this is through bank borrowing. Of course, at that time the banker is your friend because you are borrowing and they are happy to lend to you once they think that you are able to repay. But, of course, all of these businesses are subject to the vagaries of whatever is happening throughout the world. So there are times when perhaps it is an act of God or so, but there are things that happen, perhaps a double recession as it happened in the 1980s in Trinidad and Tobago, the businesses begin to falter and when that happens, of course, the banker is no longer your friend. The point about it is that these businesses that were once so successful can come to naught and, apart from come to naught, some of them even get into negative situations.

So the lesson from all of that is that, yes, you may have borrowing capacity, things working in your favour, but moderation is the key, and that is what I take from all of my years of banking. So I know we have come here and the Minister

has taken time to speak of how good the economy is and the fact that the Government does, in fact, have good capacity to borrow, but I think that the amounts that we have come here to ask for are way over and beyond.

I would have expected differently from the Member for Tunapuna whom I know to be a very conservative economist. History has shown us that this is the way he thinks. So, when I first read the Motions, I said to myself, this is not the Minister speaking, this is some other people in this Government pointing him in that direction to raise the debt ceiling and so on. He has given an explanation that the ceiling is there, but it is not going to be used. The point is, once it is there, it could be used and that is the reason they are so on guard, and I guess we on this side are on guard as well that it will be used by the Government as it sees fit. I have a concern that we are allowing this and this is why we are discontented on this side.

So, I still think that, yes, I am prone to spending and I am an advocate for spending to keep the business environment going, even though the business cannot altogether be very profitable. At least keeping it turning means that you keep jobs going, your debts are paid and so on, but I still have a concern as to what road we are going down with the excessive bank ceiling and where we could be enticed to go. Therefore, I feel that it is prone to risky business. Going with his debt ceiling is saying to the Government, go ahead and I see a risky road down the road for Trinidad and Tobago. I believe that the Government's debt should be constrained to a reasonable limit, especially as measured against the country's GDP.

Mr. Speaker, when I look at the GDP of some countries around the world, particularly through this global economic crisis, I really do feel good about our situation here in Trinidad and Tobago. Barbados, I believe, has gone close to 100 per cent. Japan has gone close to 200 per cent; the United Kingdom is at 68 per cent; Jamaica and St. Kitts are way over 100, in the 130s, around there, and Trinidad is in the enviable position, just shy of 50 per cent or around there.

I feel good about this, but the Minister seems to want to take the credit for it, and I am saying no. The credit must be given to the PNM. [*Desk thumping*] To endorse that, in 2010 when we handed the government to the current government, I want to say at a glance the economy was in a situation where there was a very low unemployment rate, very low and manageable public debt, current account surpluses, high levels of foreign exchange reserves, declining inflationary

pressures and a GDP per capita of then, I believe, US \$16,184; but it differs a little with the figures given by Caroni Central, so I am a little concerned about that.

Some of the figures that I have are different, but I want to highlight the state of the economy as it was when we handed it over to you all, because the Minister seems to think that he is responsible for the current position and it is not so. It is that we handed over the economy in a good state when unemployment, for instance, in June 2010, was at 5.3 per cent and in June 2011 the figure is 5.5 percent.

The inflation rate in June 2010 was 7.2 per cent; in June 2011, 10.5 per cent. The GDP, as I have it in June 2010, is 16,184; in June 2011, it dropped to 15,511. The international rating of Standard and Poor's, contrary to what the Minister would like us to believe, that it is now at a comfortable position on account of your Government, that is not so. In fact, we handed it over to you with an A rating. [*Desk thumping*] For a fact, in 2005 the rating through Standard and Poor's was A- —2006, A-; and we were able to turn that around—in 2007, A- as well.

12.30 a.m.

In 2008, when the world was facing a most stringent global recession, Trinidad and Tobago reflected an international rating from Standards and Poor's of A which you are able to retain now. So Minister, I think it is safe to say that we handed over the economy to you in a pretty good shape; I am satisfied about that. So the downward spiral in economic activity which someone on that side spoke about is totally, totally incorrect; it is a falsification of the highest order.

Miss Hospedales: Incorrect.

Mrs. P. Gopee-Scoon: So notwithstanding the borrowing capacity, I am still saying that I am concerned about the limits, and I am trusting that it is not for the payment of any recurrent expenditure. I want to be satisfied it is not that, but I want to know that if you are on a development agenda that we will, in fact, have some good capital assets that we could see at the end of this and some capital assets which will endure over a period of time.

In other words, we must see some very tangible benefits. Because, to tell you the truth, we are coming to the end of this fiscal period, and the Government would have spent anything shy of \$50 billion, and I cannot see very many projects done by you at all, and if there are, I would like the person who comes after me to detail them. I cannot think of five projects done by you during this fiscal term that are visible. So really, even when you came to us, even though I know this is

simply to raise the debt ceiling, I still would have wanted you to, at least, say what we had spent, give us some sort of confidence and so on, because this is a rather huge figure that you are coming to us with.

When your predecessor was in office—Prime Minister Basdeo Panday—he worked with a budget of \$12 billion, and when Prime Minister Manning came in, it went up, but we saw very tangible benefits from it: the OJT programme and the Education reform, just to mention two items. And here you are, at \$50 billion, wanting to raise the ceiling further by another \$31 billion, and I have a concern for what we are going to have to show for that. So, Minister, as I said, \$50 billion spent in this fiscal period, I want you to show us the money; point to us the projects that have been completed, because certainly business people continue to complain and absolutely nothing has happened. The economy has been stagnant; there has been poor business performance and no money has trickled down at all.

Again, I think my colleagues may have expressed similar concerns about the areas of expenditure, so I am just going to run through that. The bake and shark tunnel, we think, is unthinkable; the airport in Couva is impractical, and I hope to God that those projects are not put on the front burner at all—in fact, they must be off completely. Instead, when you are thinking development, I still want to know that we put something behind energy. It still remains a priority because we still have tremendous reserves that are untapped, so that we are looking at exploration, exploration, exploration.

Another area that we continue to look for in the development of Trinidad and Tobago is in the area of diversification as well. Yes, we have reserves—energy reserves—but the point is that oil and gas are still finite, and therefore diversification is the key, and we would want to see projects along those lines as well. But more than ever as well, we have to admit that there has been some level of collapse in the social system over time, and therefore we are looking at capital social programmes and those are the kinds of things that we would want to see.

Generally, Minister, I still remain a little concerned coming on the heels of a state of emergency where, you know, that is going to cause a downward slide in terms of the economy; we have to accept that. The commentaries are there in the papers but coming again now with this limit to increase the debt capacity thereby giving you more power to spend, I am saying there is this kind of push pull scenario, and I am not sure, therefore, that there is enough coherent thinking on the part of the Government—so I am a little concerned about that.

So, as I said, yes, spend but in moderation. We have the ability to repay—but I suppose, not excessively. We must always remain in a position to be able to weather any storms that come our way. Things can happen, acts of God—earthquakes as have happened in other countries throughout the world—we have to be careful because it is in those situations then that we will need to have our borrowing capacity intact.

But, generally, the request at hand I think is quite excessive and that is why we will not be able to support it. Coming again with the request to increase our borrowing capacity, I mean, notwithstanding this is not a budget debate, I still would have expected that you would say something to us about revenue reform, expenditure reform, subsidies reform and taxation reform. This thing must be contextualized and even if you would spend a few minutes on it, I think we need a background to even give this request any thinking or any merit or so.

Subsidies reform, very, very important at this time because here we are carrying a \$21 billion subsidy. So when you come to us and you ask us to increase our borrowing limits, it can be argued that we are, in fact, increasing our borrowing limits to pay these subsidies and you are really digging one hole and filling another. So you need to come to us and explain something—what you are thinking in terms of subsidies reform. At some stage you will have to bite the bullet and act responsibly to do something about the subsidies.

There are areas that will have to remain, particularly education. We know that the subsidy figure for GATE is \$625 million but education is crucial to development so that I expect that subsidy to remain. But the fuel subsidy, Minister, that hardly can be justified, it is simply exorbitant, and it is just something that the Government is going to have to find its backbone and deal with at some stage. So any discussion about spending and so on, we will have to have some kind of background of subsidy reform—what you are thinking about it—because \$21 billion is simply not sustainable. So I wanted to hear something about that as well.

Also, because gas is probably our biggest contributor—certainly the petroleum sector—our biggest contributor to the country's revenue and gas, of course, more than petroleum at this time, the Minister of Energy made a statement and left a question in open air at a function recently, so he can be quoted as raising the question: "Has the LNG story in Trinidad and Tobago come to an end with train 4", which is a very serious question to drop on us and not give any

answers, and certainly it is a question that needs to be answered having regard to the fact that gas is in fact finite.

I am optimistic that there are considerable reserves there so I am excited about the recently awarded blocs, and I am looking for some positive results but notwithstanding, it is finite. When he makes a statement like that, you really have to consider: what the Government is thinking in terms of revenue and revenue reform. Because saying that it ends at train 4 has considerable consequences for our revenue in the future. Minister of Finance, perhaps you can tell us what maybe your thinking was on that.

At the same time, given the seriousness of that question, I would like to find out what is the latest in terms of the monetization with Venezuela which the last Minister of Energy said to us was in full discussion, full flight, and therefore, we should have had some answers on that, especially when you are talking about borrowing capacity and having the capacity to repay and so on. It is important that we discuss revenue and revenue reform especially in light of the question that was raised by the Minister and left unanswered at that public forum.

Again, taxation reform; we got to look at that because in the last budget, there was a waiver of the land and building taxes—the property tax—which I found was a very highly irresponsible move on your part but then again it was an election promise, and really, again, you need to find the backbone to deal with this. You gave a promise that in January 2011 you would have introduced the legislation once again, we saw an attempt but it did not come. So, here we are in this country, no land and building taxes or property tax—whatever the name you want to call it—over the last two years, and really, you need to be ethical in your approach. Every country has it and it is about time you reintroduce it. It matters not if it hurts your reputation as a Government as you promised that but we expect that it will come back.

So, generally, some taxation reforms we need to hear—not that I am looking for any reduction in personal taxation or anything like that but certainly your property tax needs to come back. We need to hear about the customs reform as well, which seems to have dropped dead. No one has spoken about it either.

Again, with regard to expenses, on the one hand, you spoke about belt tightening and you are conservative as well, but tell us about the expenses, whether or not you intend to do any reforms within the Ministry of Finance. But if you are going to spend at all, one good way, I think, would be infrastructure, and

in that regard, I hope that the contracts for repaving roads and improving the infrastructure and so on, the jobs are kept to the people of the relative constituencies, and I am very, very concerned about that.

Jobs, jobs, jobs; we need them. Because even though we talk about a single-digit unemployment rate, the fact is, it is not so in many of the rural areas, and I am sure that in Point Fortin it is probably 20 per cent or upward of that. So I am concerned that, whatever you do in terms of development, it translates to jobs. So that I am looking for a revival of the construction industry because persons at a certain level, they are skilled and those are the areas that they can fit into well.

So, I expect a resurgence of the MuST programme to improve skills again for the construction industry, and I look forward to the continuation of many of the projects for community centres and schools and that kind of thing as well. I hope there is going to be a focus on education. I have a concern and since we were allowed to lay our concerns on the table tonight and some people got some reassurances for their projects, Minister, I am putting it on the table that I am concerned that the UTT campus in Point Fortin was cancelled, and instead, the sod turning ceremony took place for the UWI campus in Debe. Now, the UTT campus in—[*Interruption*—no, we are talking development.

Dr. Douglas: We are talking relevance.

Mrs. P. Gopee-Scoon: We are talking development here and development is pertinent to this Motion. The UTT campus in Point Fortin, lands were approved for it and made available, funding was also approved so that it was going to be a public sector/private sector arrangement, so at best the cost to the State was going to be reasonable. So, I really would like an answer as to why that UTT campus for Point Fortin is off the table.

The proposal for the UTT campus in Point Fortin was also to be seen alongside the south-western industrialization plan which has gone aside as well. So, I am really concerned about those two areas, Minister, and if you are talking development, we are thinking education and preparation for industrialization—and I wanted to hear about attention in those two areas.

I saw the debate widen to persons talking about their constituency as well and what may have been needed. I want to speak in particular to the areas of Cedros and Iacos and the environs and so on, where we need some kind of revolutionary programme to revitalize the area. The point about it is we need to accept that there is some sort of underground economy in that area and in other areas as well.

12.45 a.m.

Mr. Deputy Speaker, as much as we are into a state of emergency and we are hoping to wipe out any sort of nefarious activities in those areas that keep the sub-economy going, it means that you have to do replacement development programmes in those areas.

I am hoping, now that the coconut industry is no more there, that the Government will make lands available to the people for animal husbandry. I am looking at improvements for the fishing industry, the commercialization of it as well and beach improvements so that we can look at domestic tourism opportunities as well. If you are talking development, Minister, I also want to put on the table once again the hospital for Point Fortin.

I am being very quick, Minister, but the Member for Fyzabad raised the question of governance and therefore I feel I must—I jotted a few points about governance since he introduced that into the debate. I want to leave on the table that when we speak development and when we speak about improving the economic status of Trinidad and Tobago, we talk about positioning Trinidad and Tobago as a model country. The approach by this Government, I want to say, thus far, has been ad hoc. I cannot say that you are known for any particular approach to proper policy and that kind of thing.

My feeling is, thus far it has been ad hoc and I think there is much work to be done in the area of adherence to best practices. I think, I said it in the last debate, we have seen a diminution of our reputation worldwide. I have a concern for the reputation of some of our Ministers and some of our people in senior public office as well. The world is looking at our governance, how we manage our affairs and it has not been coming across altogether very well.

I expect some focus on transparency. You know you have had several incidents, the Gopaul affair, which smells and the Resmi affair as well, which, I do not want to use the word “stinks”, but the point about it is that you have come across as not really having a very good approach to governance under your jurisdiction. We just have not seen coming through sound consistent policies and I must say your transition has not been entirely smooth. I think you have the capacity. I hope so, but really hope to see the formulation and the implementation of sound practices during the next fiscal period.

I look—as we speak of governance, especially coming on the heels of the state of emergency—for the promotion of democracy and human rights as well and

your support for gender rights. I look forward to you promoting equity and equality in everything that you do, especially with the distribution of this country's resources. There must be fairness. You must operate by the rule of law. I expect you to, at the beginning of this fiscal period, focus on the environment which has been sadly lacking in the last year. We have heard very little from the Member for Oropouche East on the question of environmental management. Generally, we are hoping that you come across with a little more respect and trust.

Mr. Speaker, at this time I would not detain us any longer and, therefore, I thank you.

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, I wish to thank all Members for their contribution to this debate on Motion No. 2 and I beg to move. [*Desk thumping*]

Question put and agreed to.

Resolved:

That for the purposes stated in the said section, the Government is hereby authorized to borrow money externally or internally in a further sum or in further sums not exceeding in the aggregate ten thousand million dollars in the currency of Trinidad and Tobago.

**EXTERNAL LOANS ACT
(INCREASE IN BORROWINGS)**

The Minister of Finance (Hon. Winston Dookeran): Mr. Speaker, I beg to move Motion No. 3 standing in my name:

Whereas it is provided by section 3(1) of the External Loans Act, Chap. 71:05 that for the purpose of financing general development in Trinidad and Tobago or of repaying borrowings effected for the general development, the Minister of Finance on behalf of the Government may borrow money externally in such sum or sums not exceeding in the aggregate fifty million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency and thereafter he may borrow such further sum or sums as may from time to time be specified by resolution passed in the Senate and the House of Representatives:

And whereas by resolution passed in the House of Representatives on the 21st January, 1972, and in the Senate on the 25th January, 1972, the Minister on behalf of the Government was authorized to borrow externally in further

sums not exceeding in the aggregate the equivalent of twenty-five million Trinidad and Tobago dollars in any foreign currency:

And whereas by resolution passed in the House of Representatives on the 19th January, 1973, and in the Senate on the 23rd January, 1973, the Minister on behalf of the Government was authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of fifty million Trinidad and Tobago dollars in any foreign currency:

And whereas by resolution passed in the House of Representatives on the 13th May, 1977, and in the Senate on the 17th May, 1977, the Minister on behalf of the Government was authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of eight hundred and seventy-five million Trinidad and Tobago dollars in any foreign currency:

And whereas by resolution passed in the House of Representatives on the 20th July, 1979, and in the Senate on the 7th August, 1979, the Minister on behalf of the Government was authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of four billion Trinidad and Tobago dollars in any foreign currency:

And whereas by resolution passed in the House of Representatives on the 5th June, 1989, and in the Senate on the 6th June, 1989, the Minister on behalf of the Government was authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of one thousand million Trinidad and Tobago dollars in any foreign currency:

And whereas by resolution passed in the House of Representatives on the 12th July, 1993, and in the Senate on the 13th July, 1993, the Minister on behalf of the Government was authorized to borrow money externally in further sums not exceeding the equivalent of three billion Trinidad and Tobago dollars in any foreign currency:

And whereas it is necessary to borrow further sums of money for the purpose of financing general development in Trinidad and Tobago:

Be it resolved that for the purpose of financing general development in Trinidad and Tobago, the Minister of Finance on behalf of the Government is hereby authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of six thousand million Trinidad and Tobago dollars in any foreign currency.

In moving this Motion, Mr. Speaker, I would just like to add a few new pieces of information pertaining to the External Loans Act. As you will note from the resolution as indicated, the last occasion on which there was an increase in the borrowing limits was in 1993 and at that time the borrowing limits in the External Loans Act was set at \$9 billion. The purpose of such borrowing is to finance general development in Trinidad and Tobago or for repaying borrowings effected for general development.

It is significant to note that with respect to external loans borrowing, an important component of such borrowing has to deal with the issue of foreign exchange and as such it adds foreign exchange to the reserves of Trinidad and Tobago. The initial limit set in the Act of 1967 has gradually increased in a conservative manner over the many years in which this particular Act has been in operation.

The Ministry of Finance estimates that as of mid-August 2011, the total outstanding balance of loans raised under the External Loans Act amounted to TT \$6.6 billion. This includes the recently executed loans from the Export/ Import Bank of China in the amount of TT \$208 million to finance additional works for the National Academy for the Performing Arts.

May I just elaborate for one moment on that particular loan? Additional works on the north campus have been estimated to cost RMB \$138 million and RMB \$69 million at the south campus. The estimated construction period for additional works at the north campus was April 2007 to November 2009, and the period for the south campus is April 2011 to October 2011.

The main additional works of the north campus involved external work, grading and demolishing works; furniture and additional generator; appliances; draperies; sheeting, equipment; T&TEC substation; additional roofing works, performing lighting system; performing sound systems; multi-play equipment; musical fountain and landscaping.

The main additional works of the south campus entail external works; furniture; additional generator; appliances; performance lighting; performance sound system; draperies; claims for delayed suspension and remobilization by relocation of sewer lines; design and construction of retaining wall, demolition works and landscaping.

I outlined that in some detail because that was essentially the only external loan that was signed during the period of this Government's stay in office, but it represented the continuation of works that had commenced long before that time

and, in order to facilitate the completion, it was necessary to go into some additional funding, which was negotiated by the Chinese Export/Import Bank at a concessional rate of 2 per cent, following upon what was done previously.

1.00 a.m.

Mr. Speaker, it is also noteworthy to recognize that the Government intends to partner with the Inter-American Development Bank, to undertake major transformation initiatives in the public sector. This year, and this happened in the first four months of the fiscal years, a US \$140 million loan facility was accessed from the Inter-American Development Bank to support major reform initiatives by the Government of Trinidad and Tobago geared towards enhancing effectiveness, transparencies and accountability in the use of public resources, with three areas of principal focus, public investment, public procurement and public financial management, in addition to a neighbourhood upgrade programme to be implemented under the purview of the Minister in the Ministry of Housing and the Environment.

Mr. Speaker, the current available balance under the External Loans Act amounts to TT \$2.4 million. In the context of our funding requirements for the future, of which I have already spoken in this debate on two occasions, recently Cabinet authorized the Minister of Finance to raise an international bond issue of up to US \$1 billion. This has not yet commenced in terms of processing, but will be done during the upcoming fiscal year.

It is expected that the Government will pursue additional loans of a concessional nature from the People's Republic of China, other government bodies and the Inter-American Development Bank. Accordingly, to ensure that there is sufficient borrowing capacity to meet Government's external borrowing requirements over the medium term, the Government proposes to raise the statutory limit under the External Loans Act from TT \$9 billion to TT \$15 billion.

Mr. Speaker, the arguments in support of this are no different from the arguments which have been made in the House on the two Motions before us. But in the context of the fact that these are external loans, we are also very conscious about ensuring that there is financial integrity in the financial system.

Members are aware of the fact that the Financial Intelligence Unit has been given some additional powers and have been put into place, to add yet another arsenal to the institutions which will aim at financial integrity in the system. In

addition, Mr. Speaker, Cabinet has already approved a completely revised insurance policy paper and a Bill for submission to this Cabinet during the next fiscal year.

That Bill is aimed largely at closing the loopholes that allow the events which had taken place with respect to Clico to be closed, but it goes further, it adds additional measures to protect the integrity of the insurance system in Trinidad and Tobago. As a further step in this direction, the issue of the Securities and Exchange Commission, which is the guardian of securities investment in Trinidad and Tobago, has also been subject to major reviews to meet international standards.

Here too we have found that there is a gap between what exists and what ought to exist. And, therefore, in the same way that we had to rectify those gaps with respect to the Financial Intelligence Unit, we have in our proposal, that will come before this honourable House, measures to reduce that gap.

I am raising this if only to give the assurance that in addition to the macromeasures of which we have had a lot of discussion here today, there are some institutional changes to improve the financial integrity of our institutions dealing with financial matters, including investment, borrowing and equity listing in the stock market in Trinidad and Tobago. This is all based on a very concerted effort on the part of the Government to put into place a solid institutional framework which will protect the interest and the financial integrity of Trinidad and Tobago.

May I take the opportunity to just briefly indicate some of the events or activities which have taken place under the FIU during last nine months. In this very Parliament, it was pointed out on one occasion that perhaps the FIU may not be functioning. Indeed, between 2005 and 2010, it was effectively not functioning, and we had, of course, to take remedial measures to put that in place. We continue to take further remedial measures.

I am advised that the FIU has the responsibility to receive suspicious transaction and suspicious activity reports from the financial institutions and certain specified businesses and professionals. Under the current law which was amended by this Parliament, it has the powers to request financial information and other relevant information from various sources, such as, from financial institutions, listed businesses, companies, property ownership and information. It submits reports to law enforcement authorities, such as the Financial Investigation Bureau, TTPS, the Board of Inland Revenue, the Chief Immigration Officer and the Comptroller of Customs.

These reports are submitted when the FIU is of the view that the circumstances warrant investigation by law enforcement to determine whether a money laundering offence, terrorist financing offence or that the proceeds of crime are located in Trinidad and Tobago or elsewhere. It ensures that businesses which are required to submit suspicious activity reports are registered with it, are made aware of their obligations, submit written compliance programmes, which guides them in preventing and detecting money laundering and terrorist financing activity, supervises and monitors the implementation of anti-money laundering and anti-terrorist financing.

During the period January 01, 2011 to July 31, 2011, when the FIU became much more operationally effective than it had been in the past, the FIU received 171 suspicious activity reports (STRs) which it analyzed. These reports of suspicious activity were received from different reporting entities. From the bank, 86; from insurance companies, 2; from investment companies, 18; from mortgage companies, 6; from remittance companies, 50; from credit unions, 3; from attorneys-at-law, 2; from motor vehicles sales, 1 and from real estate, 3.

This has been the result of the works since January 01, 2011 to July 31, 2011. It is important to note that certain businesses reported suspicious activity for the first time since the Proceeds of Crime Act became law. These businesses are: Attorneys-at-law, 2 disclosures; motor vehicle sales, 1 disclosure; real estate business, 3 disclosures. These disclosures are related only to the money laundering offences.

With respect to reports to the FIB for investigation, the FIU, for this year 2011, has submitted nine reports to the FIB for investigation. The FIU is considering its analysis and report of eight more disclosures for submission to the FIB and to the BIR shortly. The Financial Intelligence Unit has began a compliance and outreach programme. It depends on financial institutions and listed businesses reporting suspected money laundering and terrorist financing activities for the FIU. Without these disclosures of suspicious activities, the FIU would be severely handicapped in assisting and combating these crimes.

It is has, therefore, proceeded on a very aggressive programme of registration of listed businesses under the Act. During the period January to August 11, 2011, they have now listed businesses in the following categories: accountants, 118; art dealers, 7; attorneys-at-law, 714; building society, 2; cooperative society, 162; gaming house, 4; independent legal professionals, 0; jewellers, 93; money or value transfer services, 3; motor vehicles sales, 85; national lotteries on-line

betting games, 12; pool betting, 8; postal services, 8; private members club, 35; real estate agencies, 322; trust and company service providers, 90; resulting in a total during the year 2011 from January to August 11 of 1,592 companies which have been listed as requiring to meet the compliance measures in the Financial Institutions Act.

In addition, the FIU has conducted 24 training and outreach programmes to ensure that the entities which are required to report suspicious activities in the FIU are aware of their obligations. And thirdly, a commenced supervision and monitoring of businesses which have to report to the FIU. They will ensure that businesses have procedures in place to identify suspicious trading acts and report these to the FIU. It was in this Parliament, in May 2011, that the FIU was given this additional power.

And finally, with respect to the work of the FIU during the course of this year, the FIU has cooperated with other law enforcement in the fight against money laundering and terrorist financing.

1.15 a.m.

The Financial Intelligence Unit (FIU) has satisfied 14 requests for information and for intelligence from local law enforcement and 19 requests from foreign law enforcement to this day.

This report of the activities of the FIU complements the activities that have been outlined in this House with respect to the provision for fighting and combating crime and, therefore, adds information to the hon. Members of the Parliament of the country of the work that has been undertaken in earnest.

While I was not involved in the activities of the past, it is clear to me that, for the first time, the FIU has begun to take positive action to discharge its responsibilities according to the Act and so protect the financial integrity of Trinidad and Tobago. Obviously, this work will continue and a lot has already been done.

Just to add: there are still compliance measures to be met to satisfy our international obligations. We are taking steps to do so and, hopefully, we will be able to comply with all the regulations within the not too distant future for international compliance.

It is one of the older institutions that have been given a new lease of responsibility and I thought it might be appropriate at this point, as we deal with

external borrowings, external financial transactions, external activities, that we put into the record of this Parliament the work of our financial institutions in trying to protect the financial integrity of Trinidad and Tobago.

In the same way that we have said that the issue of safety is a high priority for the State and perhaps the first and primary responsibility of the State, we have taken the policy position reflected by our actions that the financial integrity of our financial system is a number one priority.

This is laying the foundation for the future. Building institutions are not overnight matters, as we are all aware, but the fact that we have been on a path of development without building appropriate institutions has been one of the causes for the collapse of our institutional framework in Trinidad and Tobago.

This, Members opposite are well aware of and, to some extent, have had some responsibility in the past to prevent. I raise that so that when we deal with the external borrowings of this country, we are at the same time trying to ensure that the reputational risk of this country is reduced.

It was somewhat disheartening to hear a Member opposite commenting that the international image of Trinidad and Tobago has been deteriorating for some time. To the contrary, steps are being taken, as we promote the need for this external borrowing to support the development of Trinidad and Tobago at the level of development, that we also put into place those institutions.

This is what development is all about and I hope that the Members opposite—and I sense they are giving support to the measures before us today, on the two previous occasions. I thank them for that support which I have seen and heard, and, in the context of the External Loans Act, I hope we will get the continued support in moving this country one step further towards real development and real change in the institutions of our country.

I beg to move.

Question proposed.

Dr. Keith Rowley (*Diego Martin West*): Thank you, Mr. Speaker and a very good morning to Members. Having had a very long evening into night into morning, it was my intention to be as brief as possible on this third Motion. [*Desk thumping*] It was my intention so to do, but if only for the record, I am duty-bound not to allow the record to go unchallenged or incomplete.

I begin with the last comment of the Minister of Finance who, obviously, is not as sleepy as his colleagues. I have to restrain my Members from invoking the relevant Standing Orders because I really wanted to hear what the Minister of Finance had to say on the matter he chose to speak about. Motion No. 3, which he read quite clearly and in great detail—it is the longest of all the Motions, I think—I look at all the recitals and:

“Be it resolved that for the purpose of financing general development in Trinidad and Tobago, the Minister of Finance on behalf of the Government is hereby authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of six thousand million Trinidad and Tobago dollars in any foreign currency.”

I thought that was the substance of the Motion. I do not know what it is about the FIU that causes this Government to get its knickers twisted in this Chamber. I do not know what the Minister was doing converting this Motion, authorizing the Government into a debate on the work of the FIU and, therefore, I will have to engage that.

Before I do that, Mr. Speaker, the Member goes on to say that this matter of the collapse—I think he was referring to—if I am wrong, correct me, Member—the challenge of the Clico collapse, for which Members on the other side should take some responsibility.

While the Minister of Finance is gratuitously throwing out identification as to who would be responsible, I wonder if he is taking any responsibility even at the personal level. If we are talking about the Clico situation, the one person in this House who could say *mea culpa, mea culpa, mea maxima culpa*, is the Member for Tunapuna. The real problem with Clico, as I understand it, at its root, if I listen to those who talk loudly about it, is that the State failed to supervise this institution effectively. That supervision should have been done; not by the Ministry of Health; not by the Ministry of Labour and Small and Micro Enterprise Development or the Ministry of Education or the Ministry of Tobago Development or the Ministry of Energy and Energy Affairs. It was to have been done by the Ministry of Finance, by the independent Central Bank, where the Member for Tunapuna sat as Governor of the Central Bank for a number of years.

In fact, as he is trying to pass blame on to us for the Clico matter, I was here when a member of the grouping, the party of which he served as leader and is now a member of the Government, Minister of Finance, it was the Attorney

General, Ramesh Lawrence Maharaj of the UNC government that came to this Parliament and, on this Parliament floor, in this building made the startling disclosure that Clico was insolvent. I think, if my memory serves me right, that the Member for Tunapuna was not in the House at that time. He was in the bank. Here he was, the Governor at the bank, who was supposed to oversee this agency. People are now saying that the agency was not properly supervised by the Central Bank.

When it was first drawn to our attention in the House, and in the country by extension, I remember members of the UNC government went for Ramesh Maharaj's throat when he made that disclosure. They said he was simply getting back at individuals in Clico with whom he had a personal problem. It was done in the context of some state enterprise being moved from the public sector toward Clico's interest.

So how, this morning, after we stayed here all night, I must sit here and allow the Minister of Finance to walk out of the Central Bank, walk into the Ministry of Finance and we are now saddled with a collapse which had its origin way back in his tenure, to come and tell me that I must take responsibility for Clico's collapse?

Of all 41 of us in this House; in fact, of all 42—because I am including you, too, Mr. Speaker—none of us should be so identified as the Member for Tunapuna, Minister of Finance. I put that on the record. He was the Governor of the Central Bank when the country failed to supervise Clico. He must tell us what he did. As a matter of fact, he told us he was writing the UNC manifesto at Central Bank. Maybe while he was writing the manifesto, Clico's problems went unattended? That might have been so. Let us put that straight. If we are apportioning responsibility, history and the record will show where it really lies.

Mr. Speaker, I also want to find out what it is about this FIU that causes this Government to lose its way. The first time the FIU came to this House under this Government was to tell us that they had made an appointment to the office of director of the FIU. It was in this House that we told them that the appointment was illegal and wrong and they gave us all kinds of responses; legal mumbo-jumbo, bombast and dotishness; all in one.

At the end of the day, it turned out that they had to admit that they were wrong. So, today we are hearing the startling disclosure. I do not know, Mr. Speaker, if you were startled, but having challenged the Prime Minister on the justification of her veto, the Prime Minister tells us today that the veto was not

really her idea; it was really that of the Minister of Finance who indicated to her what he wanted at the FIU and, based on an attempt to please the Minister of Finance, the Prime Minister exercised a veto over an exercise of the Public Service Commission.

1.30 a.m.

In fact, what this really said, Mr. Speaker, when we heard the justification from the Prime Minister, which was all based on an attempt to assess the performance of Miss Francois, I wondered if it was the Minister of Finance who interviewed Miss Francois for the job or the Public Service Commission.

Everything that the Minister of Finance and the Prime Minister took into account would have, in fact, been the subject of the interview of Miss Francois before the commission. My colleague, the Member for Point-a-Pierre, would appreciate what I am saying, because if the only legal attempt to fill the post was that action of the commission—because you must remember, the Government had to accept that Miss Francois' presence in the post was improper. Contrary to what the Attorney General told the Parliament, and contrary to what they had done as a correct action, it turned out that the Cabinet, the Government, the Attorney General and the Prime Minister had no authority to make that appointment.

But then they pleaded she is in the post, let her hold on for a while otherwise disaster, black, grey, blue list. The bottom line is, the situation—and I hope my colleague, the Member for Point-a-Pierre, understands and accepts that that post was, in fact, vacant. [*Crosstalk*] [*Inaudible*] “Yuh sleeping. Okay, I will wake yuh up on dat”. The bottom line is this: the Public Service Commission set about to interview persons for the job, including Miss Francois, and she would have put forward in her application her position, including her acting arrangements in there, and the commission took that into account, I assume, and having taken that into account, the Commission chose another citizen as the number one person qualified for the job, as per the Commission's invitation criteria.

Now we hear that the feelings of the Minister of Finance, the assessment of the Minister of Finance has trumped the assessment of the Commission. And based on the Minister of Finance's assessment of his staff member the Public Service Commission has been deemed irrelevant to the process, and the person who was improperly put there in the beginning, is accepted as the best choice by the Minister of Finance and, by extension, the Prime Minister. Mr. Speaker, that has to be wrong, it cannot be fair and it is quite surprising. An independent

commission, making the only attempt as proper to fill the post is deemed irrelevant by the political directorate.

Then we hear this totally unexpected detail tonight about the work of the FIU, all that was done, as if to say, had a substantive director been in the post, all of these details which were put out tonight would not have been available to us, because only an acting director could have done that. That is what he is saying! How many reports they received, how many meetings they attended, how many suspicious transactions they reported! And that could only have been done by this particular acting director. So I am to accept that if a substantive director was in the post, appointed by the competent authority, which is the Public Service Commission, that list which we got there could not have happened. And it went to become even more ridiculous, talking about money laundering in the context of Government borrowing.

Is the Minister of Finance implying that in external handling transactions of Government borrowing that the FIU is looking for money laundering as the Government borrows money externally?

Hon. Member: Noooooooo!

Dr. K. Rowley: I should hope not. So what is the point he was making? Why is money laundering arriving in this discussion about Government borrowing and talking about our external integrity? This is Government borrowing, this is Government going on the market outside and either borrowing through bonds or otherwise. What are you talking about?

Having again attempted to tell us about suspicious transactions, I suspect he was trying to respond, Mr. Speaker, to something which was not in this debate, which is, what role did the FIU play in the current arrangements of trying to seek and weed out financiers of the drug deal—suspicious transactions? Is the Minister of Finance prepared to tell us tonight that suspicious transactions have led to any person in the current state of emergency being identified as a money launderer? Is that what he was trying to tell us in the debate on Government borrowing?

What is this reference to suspicious transactions about six or nine? They are trying to give us comfort in a situation where they really do not have any information on any real contribution. And the same way I would say that the appointment of the director, if it is allowed to stand, is bogus, I would say that this attempt to tell us that, well, do not think that nothing is happening there; that something is happening there, unless you can tell me specifically what that

something is, I think it is a bogus attempt to mislead. I cannot understand exactly what the Minister of Finance is getting at. I cannot understand.

Mr. Speaker—

Hon. Member: [*Inaudible*]

Dr. K. Rowley: You want to ask me a question? If that will keep you quiet I will give way. [*Crosstalk*] [*Inaudible*]

Mr. Roberts: Thank you. Thank you, at 1.34 a.m. As you said that the Public Service Commission and the acting appointment you do not take the argument that it was so critical that there would have been a delay in a critical situation that could lead to the country being dark grey listed and moving towards black listed. Do you also agree, or did the Public Service Commission appoint David West, or was that a bogus appointment?

Dr. K. Rowley: Mr. Speaker, I thought he wanted to go home, you know. If I knew that he had nothing sensible to ask me, I would not give way. [*Crosstalk*] [*Inaudible*] You understand, Mr. Speaker! I would not give way again. You promised to keep quiet—that was the understanding—we had an arrangement. I gave way, I will answer you.

Mr. Speaker, the bottom line is up to the point of the advertisement by the Public Service Commission, all matters *antearefunctus*. Everything that happened before the invitation for applications by the Public Service Commission is not relevant at this time. One can make an argument that—I heard the Minister of Finance say about evolution, but again he said it took how many years and nothing happened. We evolve to a point where legally, properly and as required, the Public Service Commission put out an advertisement, and everything started from there, which is relevant now.

And in response to that advertisement we have an outcome which I just described, that I do not want to go over. So the Member for D'Abadie/O'Meara is not, in fact, in this debate he is not in this time, and he is totally irrelevant to the points I am making right.

Mr. Speaker, the people of this country who are now informed as to what has taken place there, will come to their own conclusion as to not just the legality but the correctness of the actions of all involved, the Prime Minister and the Minister of Finance in this matter. The citizen who went through the process, and who was ascribed position number one, would feel aggrieved and feel hard done by. Those are facts. No change. What I expected, Mr. Speaker, to be the discourse on this

particular Motion, was the difference in the concerns of borrowing in the external market as against borrowing in the local market.

The first two Motions largely concerned local domestic borrowing. Our banks are strong and healthy, our banks have good ratings, I think they are awash with cash and I think they are well managed. We have come through the difficult period where, around the world, banks have tottered, some have failed, some had to be bailed out. Fortunately in Trinidad and Tobago, our banking sector has been properly placed on sound footing, and we came out of it intact from the point of view of strength of institutions.

So we, borrowing from local banks, we do not have a problem. Also to the extent that we increase our debt load on the local market: one always feel that when you borrow locally, you are paying in local dollars and you are not as dangerously exposed as when you go to the external market.

I do not agree with the Minister of Finance that the content of this Motion is the same as the first two. This one is different, because it authorizes you to go outside and borrow in hard currency. When you borrow in hard currency you automatically undertake to repay in hard currency. In this Motion, the repayment concern I raised is even more serious, because if you are going to borrow in foreign currency, you have to repay in foreign currency which means you have to earn foreign currency to repay that debt. [*Interruption*] Not this morning; “I done with you”.

Mr. Speaker, there was a time when we were very concerned about our ability to comfortably service external debt, because we were having issues about earning foreign exchange. In the not too distant past up to now because of our revenue stream, since LNG has come on the chair, we have been earning a substantial amount of foreign exchange. So now, unlike earlier time, we do not everyday concern ourselves—and as maybe we still should—about earning foreign currency.

Even as I speak to you, Mr. Speaker, even with the current earning levels in foreign exchange, if you go to the bank now—as I had to recently—to get foreign exchange for purposes of domestic and even business use you will find yourself in a line, because foreign currency is not available as widely thought by persons in this country. You will hear of billions and billions and billions, but when you go to the bank, you will find that sometimes you have to wait, and sometimes it is rationed because foreign currency is still required to be earned in substantial amounts in this country to meet the needs of the people. Virtually everybody in

this country behave as though they have a right to access foreign exchange, and when it is not available we get upset.

There are very few countries like Trinidad and Tobago where foreign currency can be easily available like that; but to spend it you have to earn it. So when we had a large foreign exchange exposure, at the first opportunity, we paid it down, and then the ratio of foreign debt exposure to local debt exposure became very favorable indeed. We are now talking about growing that foreign debt exposure again, and I simply want to say that we have to keep our eyes on repayment possibilities, earning foreign exchange. When you owe in foreign currency, and you have to repay, that foreign currency debt virtually is first call on your foreign exchange. And once that is so, the things which you need to buy to keep the economy going, like machinery and raw material, or medicine and medical equipment, those things when they take second place to foreign currency payments, and if there is not enough foreign currency available you may find negative effects on the manufacturing sector, because they cannot pay their bills on time, or they cannot pay at all; lining up or not getting enough, or as they want, to buy to keep their factories going, black marketing develops.

What happens is that if you do not have it available in the banks, wherever it can be had they start paying a little more and a little more and the next thing you know, even though the official rate is pretty much steady, a black-market rate develops and that feeds on itself like a snowball, like a cancer. We do not want to start that here, Mr. Speaker—we do not want to start—because it is a kind of thing that, once it starts, it grows on its own momentum. We do not want to be in a situation where, having taken our health system to a certain level, we find that we cannot buy medication, because we do not have the foreign exchange, because we have to pay an external debt in foreign currency.

So now that we are embarking on increasing the foreign currency exposure, we have to pay attention to our capacity to earn foreign exchange, to repay because repayment in foreign currency can only be paid in foreign currency.

1.45 a.m.

It brings us to the point again, what are we doing to grow our economy now, especially that aspect of it that earns foreign currency? That could start a debate, which I think we would not do this morning, about that which has served us very well, which is the energy sector, the manufacturing sector and the tourism sector. These are sectors that earn foreign exchange. We have to ensure that our management of these sectors, the growth in these sectors, is such that we can be

pretty much assured that the revenue stream from these sectors would be available to service that money which we are going to borrow, and when we borrow it, we have to ensure that it comes into the country and it is used for the purposes that we intended.

So, Mr. Speaker, it is well into the morning—[*Interruption*] Mr. Speaker, I had an arrangement with the Member of D’Abadie/O’Meara. I told him I would give way if he would shut up, I gave way. He will not keep his part “ah de bargain”. [*Interruption*] A minor contract like that he would not keep. We had a contract; I give way, you keep quiet. I give way, you would not keep quiet. [*Interruption*] You made an arrangement, stick to it.

Mr. Speaker, now we are looking at the overall picture, as we now come to the end of the discussion on the three Motions: borrowing for the state sector; borrowing for national development in general; and borrowing in foreign currency under the External Loans Act. What are the prospects we are looking at? We are looking at, I think, \$32 billion ceiling; we are looking at substantial increases. That is what the prognosis is; that we will proceed to borrow into this space. Nobody is saying that the Government is going to go out in the next budget and borrow \$32 billion more, but until we see the growth light; until we see a turning around in the economy; we have every prospect in the coming years ahead—three or four years—that the Government of Trinidad and Tobago could borrow up to the limits that we are setting now.

The Minister of Finance is in no position now to tell us that would not happen, but we are setting the stage for it to happen if things do not go well, and so far with the almost chronic loss of confidence, which accompanied the arrival of this Government into office, a loss of confidence which is affecting our economy, because it is a loss of investor confidence, I look forward to the national budget which is coming sometime in the not too distant future, where the Minister of Finance will get another opportunity to try to establish some confidence on behalf of this Government, or to restore the confidence that existed before the Government came into office, because we urgently need the investing private sector to begin to put private moneys to work, because Government funding will not be able to adequately bail out this country and maintain our expenditure pattern without putting us into serious debt problems.

The faster we get the private sector involved to make use of the moneys in local banks and moneys available to private investors in foreign banks—the faster we get them to work believing in the country, believing in the economy and

believing in the management—the less Government spokespersons would congratulate themselves looking at a crystal ball, which only their eyes can see, because so far the only person you hear talking about blue skies in this country is the Minister of Finance, and a couple of his close friends. When I begin to see and hear the private sector talking and acting like they are blue skies above, I will feel confident that confidence is on its way back into our economy, and the debt trap is receding from Trinidad and Tobago. The Minister of Finance is so advised. I thank you, Mr. Speaker. [*Desk thumping*]

The Minister of State in the Ministry of Finance (Hon. Dr. Delmon Baker): Thank you, Mr. Speaker, for the opportunity to contribute on the amendments to the Motion, the External Loans Act. Mr. Speaker, it is near 10 minutes to 2 a.m and we have been at these three pieces of legislation for a number of hours now; 12 hours and 20 minutes. There could have been, in my opinion, and I guess in the opinion of this administration far sharper exchanges, had we as a collective decided to take on the three Motions in one go. Here we are this morning, in the middle of a state of emergency, at the time when stories are told, and you get quite a bit of whispering in the air, and I am still in the company of my colleagues whom I do admire quite a bit, but we would have preferred to use these hours for other things, but these are important matters.

Mr. Speaker, we heard quite a bit about the volatility of the international market over the past 12 hours. We also heard quite a bit of the state of the national economy. In fact, if we had followed—I know most of my colleagues, if not all, would have listened quite intently at the Opposition's comments on our current financial stability, and I am quoting quite extensively from the report of the Central Bank in its Financial Stability. Report of mid-year June Revenue 2011, and in that report the conclusions were, and I quote:

1. Within this economic climate, financial institutions faced several challenges. First of all, some borrowers experienced difficulties in servicing their loans on time, because of slower cash flows;
2. Businesses and individuals became more careful in taking on new debt leading to a drop in demand for loans.
3. The lower interest rate environment reduced financial institutions profits from this source of income.

Mr. Speaker, that report also concluded overall, despite some challenges, the financial system remained very stable, well capitalized and profitable, based on

the results of updated stress test, commercial banks, in particular, continue to demonstrate the capacity to deal adequately with adverse shock in several areas, including credit, property prices, exchange rates, interest rates and liquidity.

In summary, if we are to consider our current position—[*Interruption*—I assure you, I would not take too long, my colleagues. [*Interruption*]

Hon. Members: Take 75 minutes.

Hon. Dr. D. Baker: Seventy-five minutes! This is the purpose of us speaking here tonight—in spite of a global economy, a natural limit on our oil and gas reserves with net production of our output values on a decline, there is still a stable macroeconomic environment for Trinidad and Tobago and, we must, with these factors in mind, as we approach a significant crossroad in our nation's history, make the transition. We must utilize our current capital and resource base; our current borrowing capacity to be able to transition our economy from its oil and gas based to one that is human capital rich, that is intelligence based and that is job rich. It can be done.

In fact, part of the discussion this morning, if not, the entire purpose of the discussion for this morning is to show how we can transition this economy to one that would bring prosperity for all as the manifesto, not the Government's policy, currently states.

Mr. Speaker, section 3(1) of the External Loans Act, Chap. 71:05 provides authorization for the Minister of Finance to borrow for the purpose of financing general development in Trinidad and Tobago, or for repaying borrowing effected for general development. The initial limit set by the Act in 1967 was TT \$50 million. In subsequent years, the limit was reset six times, from TT \$75 million in 1972 to its current limited of TT \$9 billion in 1993. Accordingly, to ensure that there is sufficient borrowing capacity to meet Government's external borrowing requirements over the medium term, the Government proposes to raise the statutory limit under the External Loans Act, Chap. 71:05 from TT \$9 billion to \$TT 15 billion.

Mr. Speaker, Government's spending objectives and rationale could for some, be quite a complex matter. Past Ministers of finance may have detailed many issues in such a manner that the level of understanding required to decipher might be a little above the population, but we in this Government have ensured that we would one, not confuse the population and two, not return to megalomania waste and corrupt that occurred under the previous administration. [*Desk thumping*] We

on this side have learnt that lesson, and we are committed to openness and transparency at every level.

Mr. Speaker, I tried my best to find a good example of the processes that we are embarking on in this debate, and I guess, at this hour, it is probably easy if I give you this story. We have kind of compared the Government's actions to that of a businessman, a small businessman, someone akin to a snow cone vendor with modest savings account, who plies his trade by cart, a three-wheeler cart which he pushes uphill to sell his snow cones. The cart is now old; the wheel is wobbling as it has gone through several potholes left, of course, by the previous administration. If we are to consider the hard work of the current Minister of Works and Infrastructure, most of those potholes would be gone by the time we leave office as the People's Partnership administration.

As with time, the value of the cart diminishes, with age and weather the front wheels wobble. Mr. Speaker, the gentleman is 49, he is not considered young anymore, so his personal capacity is also reduced. The uphill push has become difficult; his present vehicle is old and quickly losing capacity and he has his family to support—a wife, a son out of school unemployed and living at home, a daughter on GATE and in university.

Seeing his predicament, Mr. Speaker, the erosion of his savings; the erosion of his youth, the deterioration of his prime asset base; his advancing age; the increasing demand from his wife and his children, he seizes the opportunity, levies his house and decides with the loan that he has gotten to purchase another vehicle, a new vehicle, a van, much to the complaints of his wife. You see, now he has given himself new capacity, now he has traded in some of the equity of his house for new capacity of his vehicle. Mr. Speaker, he assumes new debt in a difficult environment, but wisely used the house as collateral for maintaining his modest savings in the event of an adversity.

2.00 a.m.

Mr. Speaker, that was what we call a good investment, trading in some of the equity that you have for today for your capacity for tomorrow. So what are we at this stage using the equity for? Mr. Speaker, under the External Loans Act, the Ministry of Finance had Cabinet authorization to one: raise an international bond issue of up to US\$1 billion. We have accessed the US\$140 loan facility by the Inter-American Development Bank, support initiatives geared towards the three areas of public investment, public procurement and public financial management,

and three: to a neighbourhood of great programme to be implemented by the Ministry of Housing and the Environment, among others.

Mr. Speaker, these are the tangibles, these were done on the basis that principled, well-conceived and thought-out investments in infrastructure, human capital development and a secure mobile job environment, along with a diversified, rationalized, energy-based platform can propel this country's economy along a path of stable growth. I assure you the macroeconomic environment of Trinidad and Tobago is quite stable.

Mr. Speaker, the economics, the debt to GDP ratio is used as an indicator of an economy's well-being. A low debt to GDP ratio indicates that an economy is healthy, and could meet its debt servicing obligations. In 2010, the debt to GDP ratio in the US was 53.5 per cent. Whilst in Japan, it was in the order of 225.8 per cent of GDP. The level of public debt in Germany in the same year 2010 is 78.8 per cent. The GDP of Trinidad and Tobago has moved from TT\$56 billion in 2002 to TT\$132 billion in 2010—nearly 2.5 times what it was in 2002.

Mr. Speaker, for Trinidad and Tobago, domestic direct debt to GDP ratio in 2002 was 21 per cent. In 2009, 12.7; in 2010, 15.2 per cent. I am advised by those in the economic field that a safe debt to GDP ratio for countries should be around 60 per cent—safe. As I wind up, I promise I would not be long. An important strategy for government is to diversify the economy within the energy sector and beyond energy by facilitating entrepreneurship; new business creation and multi-source investment that can create jobs for expanding numbers of graduates from the tertiary sector.

The idea here is to generate new industries that can link to the global economy. In this, development of a 21st century ICT infrastructure to support growth and to strengthen an innovation driven economy. This is key, and this is what we speak to in Pillar 4 of the Government policy document. Yet, another strategy is to create the conditions for participatory democracy and good governance, including strengthening of civil society and civil society institutions through the centralization inclusion and constitution reform. This is in fact the merging and interconnecting of Pillars 5 and 6 of the Government policy statement. Mr. Speaker, to facilitate and fuel an innovative driven economy, specific initiatives involving collaborative action with the private sector, in private public partnerships are being pursued by both ministries and through specific institutions, such as the economic development board and the council for competitiveness and innovation.

In addition, we are strengthening our project management capability to ensure greater efficiency, effectiveness and high performance in executing the public sector investment programme. You see, the Government is formulating to adopt a rolling three year plan, PSIP programme. This presentation of the PSIP over a medium term horizon will provide our public and private sector decision makers with a better understanding of the Government's public investment strategy. So we are using the debt that we are generating now to create possibilities for our children and our future generations.

Mr. Speaker, we are also aggressively pursuing town and country planning reform, so that this division can be more responsive to citizens needs while pursuing a comprehensive land use policy both in Trinidad and Tobago. What were the drawbacks? Why do we have to use borrowing at this point in time? Mr. Speaker, it is clear, and when I heard the Member for Diego Martin West spoke about the Clico affair, I thought his words were artful, revisionist, and he was quite clever and creative, because it was the PNM, and I remind the public and I put it on the *Hansard* record, that was in charge on the ground, at the time, that Clico and the HCU got into trouble. I say it again: It was the PNM administration that was on the watch when CLICO collapsed. So do not be trying to apportion blame, where blame should not be—take responsibility.

We need to diversify, Mr. Speaker. If we do not diversify now, changing, manufacturing—and changing from the oil and gas sector to one that is high in manufacturing service initiatives we can then be able to bring those initiatives that can create jobs, connect this country with new markets abroad and ultimately result in higher incomes for our population. We need also to attract investment that will absorb the significant graduation throughput from the tertiary sector, and the framework that will encourage larger percentages of these entrepreneurships and new business creation. We need to create new jobs. That is why we are undertaking this new dynamic investment strategy.

Mr. Speaker, we need to continue to pursue strategies for higher productivity, stronger performance levels in competitiveness, better skills of citizens for productive endeavor, and we need to boost tourism inflows to increase the size of our home market while vigorously pursuing export. We are pursuing and we are focusing on wealth creation. This we can do if we continue to work with the steady hands of the Minister of Finance, the hon. Member for Tunapuna. Mr. Speaker, I thank you. [*Desk thumping*]

Mrs. Patricia McIntosh (*Port of Spain North/St. Ann's West*): Mr. Speaker, I acknowledge the opportunity to make a contribution to this morning's debate on motion number 3. But, Mr. Speaker, before I turn my attention to motion number 3, I must say that I have observed a common theme or thread that runs through or characterizes all of the contributions from all the Members on the other side. And that is the culpability of the PNM for our current economic situation.

Mr. Speaker, as I listened to them blaming the PNM for everything, it is as though the PNM never ever did anything good at all—never. And as I listened to the other side, my mind was jolted back years ago to a radio series called “Portia Faces Life”. Some of the Members on either side of the House of a certain age might recall that radio series, of a young girl called Portia, who navigated her way aimlessly from one issue to another, finding herself in many dilemmas and blaming everyone, everyone around her, for the predicaments in which she found herself, except herself. She never had a plan for herself, but she blamed everyone for the predicaments in which she found herself—“Portia Faces Life”. And you know what I said to myself: this Government is a Government of “Portia Faces Life”—this is a “Portia Faces Life Government”. [*Desk thumping*]

Mr. Speaker, let me now turn my attention to this Motion under review. The Government is seeking to amend section 3(1) of the External Loans Act, Chap. 71:05, which concerns foreign borrowing for the purpose of financing general development in Trinidad and Tobago, and the Government is seeking to increase the ceiling from TT \$9 billion to TT \$15 billion, an increase of TT \$6 billion or 67 per cent. Mr. Speaker, this is quite a significant increase, and actually in terms of percentage increase, it is the second highest percentage increase in the Motions, the first being of course Motion Number 1, which has a percentage increase of 178 per cent, and the lowest is Motion Number 2 which has an increase of 50 per cent.

Mr. Speaker, I looked at this Motion very holistically in the context of all the Motions, and in the context of the Government's proposal to raise the country's debt ceiling from TT \$38 billion to TT \$70 billion, an increase of TT \$32 billion. Mr. Speaker, I am neither an economist nor a financial expert, but that does not inhibit me from harboring deep and grave concerns about our economy and the direction in which this Government is proposing to channel it.

I am definitely concerned about the amount of the money that this Government is proposing to borrow, especially at a time when we are operating within a scarce local and global economy, and, as we stated earlier, we have seen

developed countries, internationally, like the USA, we have even seen France, Italy, Spain, and of course, Greece which must be in the worst situation reeling under the pressure of overborrowing and overspending, and I have to be worried. I have to be worried about my country when I am seeing that the Government is proposing to borrow such large amounts and to spend as much as they are borrowing.

Mr. Speaker, for the benefit of the viewing public, through you, I would like to simplify what could be a complex financial phenomenon of borrowing and spending in this global recession in a very scarce economy by drawing an analogy to a personal budget. Simply, if one spends more than one earns, or if one borrows more than one can repay, or if one acquires a mortgage that one cannot finance or cannot service, one is bound to find oneself as night turns into day into a financial morass or a financial crisis, even bankruptcy. This is my fear for my country, that with all this borrowing and spending that we can face the possibility of bankruptcy that is happening all over this world. It is a possibility. It is a real possibility.

I have to ask the hon. Minister of Finance, is there a political agenda here? The reason I am saying this, and I have to ask before I go to that, is the Government still trying to find favour with the population by fulfilling campaign and other promises?

2.15 a.m.

I am saying this because this debate is taking place on the eve of the budget presentation, where the hon. Minister is bound to make some statement on the Clico crisis and on the union demands for better salaries. I am wondering if there is a political agenda here, and I am asking the hon. Minister. Of course, I do not expect an answer; it is a rhetorical question.

Mr. Speaker, I am wondering: does the Government seriously intend to construct a university in Penal? Not that Penal must not have a university, but at this time? An airport in Central? Not that Central must not have an airport, but at this time? And a tunnel to Maracas? Probably the Member for Chaguanas West might just throw another tantrum and we shall have a tunnel to Maracas, probably one to Caracas.

I want to warn this Government that whenever spending becomes an integral part of a political agenda, particularly where spending is on unsustainable programmes, the Government is sure to find itself in terrible hot water. It is all right if you find yourself in hot water, I would be very glad for you, but the point

is, you would be taking this entire country and its population down the drain in that hot water with you.

At this time, when the economy seems to be faltering, the USA is tottering on the verge of a double-dip recession, and many European countries are on the verge of bankruptcy, we have to be very wary with how we manage our scarce economy. It is very fragile. If we are not financially prudent and cautious, we can go the same way as they are going. Those are big sharks; we are little fish. If we are not careful, we can go their way.

I would like to advise the hon. Minister of Finance, and I am sure he knows this, but I feel I must say it, because I am sure my constituents would want me to say it, we cannot think of just what we want, we have to think of our needs, and probably at this time our dire needs. I would advise that this is the time for stringent fiscal policy. This is a time for belt tightening and a time for austerity. It is not a time to spend recklessly.

Mr. Speaker, another worrying aspect for me is where all this money is coming from. Is it the IMF? I heard the hon. Minister of Finance say that he would tell us, but I still have to ask, because I want him to make sure he tells us. Is it the IMF? Is it the IADB? Is it the World Bank or all three? *[Interruption]* Probably your bank, Sir. I would like to know: what are the conditionalities? We have to let the public know, because we are playing with the people's lives and their future. This is the people's money, you know, and we have to let the people know what the conditionalities are.

Dr. Gopeesingh: One per cent interest.

Mrs. P. McIntosh: What would be the repercussions for our citizenry? Everyone knows that when a country borrows from these international lending agencies, there are penalties to be paid. They want their pound of flesh, and usually they insist that social programmes be cut and slashed, and educational programmes be downgraded. That is what happened in the past and this is what is going to happen again. The people who suffer most are our citizens, and especially those on the lower rung of the ladder. I would like the Minister of Finance to tell the people what to expect from all this borrowing, because there will be fallout and repercussions.

Hon. Jack Warner: We get a holiday!

Ms. P. McIntosh: As I speak about educational programmes, I am already hearing that GATE will be eliminated in certain educational institutions.

Even more than that, I am more worried about the question of repayment. How are we going to repay all these loans, and should we default, then what? To use a phrase that I have heard the Leader of the Opposition use, this country will go to hell in a hand basket and you will be responsible. This is scary business. I would not like to know that we are playing Russian roulette with our country and our economy. I would like to ask the hon. Minister of Finance—[*Interruption*]

Mr. Roberts: Rhetorical?

Mrs. P. McIntosh:—has this Government attracted any foreign direct investment to help repay these loans? How are we going to court international investors? We are in a little shaky situation. We have a state of emergency that resulted from a high crime rate, an escalating crime rate. How are we courting and wooing international investors? Has this Government developed any substantial plan to increase this country's revenue so that we can generate capacity to repay these loans? I am not just talking about a whimsical plan for cheap political gain with the population. But do we have a comprehensive plan that engineers process and procedure, and elucidates the steps by which we will take the country from point A to point Z? Do we have that?

When we come with all these borrowings, figures and everything, I am not concerned about that. Simply, I want to know what are the repercussions, what are the conditionalities, what can my people expect and how are we going to repay all of this. Be careful we do not end up in a real monkey pants. Better than us abroad have ended up in a sad way; we must be careful.

I hope we can develop a plan that could withstand scrutiny. So far, in terms of development, I have seen none. I have seen though that this Government has derailed some of the plans and initiatives of the PNM Government, plans that the PNM had put in place to grow this economy. One of them was the smelter plant. All right, I take it you did not want the smelter plant, but what have you put in place?

Mr. Roberts: You want the smelter plant?

Mrs. P. McIntosh: Please listen. [*Laughter*] What has happened over the past year and a half is that this country and its economy have certainly regressed. Mr. Speaker, I should like the hon. Minister of Finance to enlighten the population about exactly how these moneys borrowed will be spent. I want to know how the people of Trinidad and Tobago will benefit from this and, in particular, I want to know how the constituents of Port of Spain North/St. Ann's West would benefit from this.

Mr. Roberts: By voting you out.

Mr. Warner: By changing you.

Mrs. P. McIntosh: I will tell you why I am asking this. Since this Government has come into office on May 24, 2010, the people of Port of Spain North/St. Ann's West have been neglected. I came to this honourable House on Friday, May 13 and asked some questions of the hon. Minister of Education. I asked about two schools, one particularly in my constituency and the other school I am very interested in. As an educator, I am interested in all schools. One is in the constituency of Port of Spain South; the two schools are Belmont Boys' RC School and Rose Hill Girls' RC School. [*Interruption*]

Dr. Gopeesingh: Do you want me to respond?

Mrs. Patricia McIntosh: Wait, Sir. I came and asked, and the Minister in the Ministry of Education told us here in this honourable House that construction of these schools would commence by the end of June 2011 and would be completed by December 2012. To date, not a stone has been turned, and these schools are begging a lodging in other institutions. Belmont Boys' is in a shed in the St. Dominic's Home and Rose Hill Girls' is sharing with Our Lady of Laventille School, under very strenuous circumstances.

I will now give way.

Dr. Gopeesingh: Member for Port of Spain North/St. Ann's West, we understand your strong desire to have these schools and, of course, the students' desire to be in the school they deserve.

The Ministry of Education, together with the Educational Facilities Company Limited, is working assiduously to get the construction started. The contracts have already been given to a company to start it. My understanding from the contractors is that it is about to start. We will indicate to them that they should work on it as quickly as possible.

During this holiday period, we had a pre-engineered, prefabricated school done in one of the constituencies in 20-something days. Unfortunately, this is not a pre-engineered, prefabricated school, it is a two-level school. We have had to readjust the structure to fit the space and that has been done. We hope to start pretty shortly. I hope I will be able to come to the House and satisfy your requests and desires shortly.

Mrs. P. McIntosh: Thank you. I am gratified, Sir.

I heard the hon. Member for Siparia say that her Government will be emulating the Singaporean model; a very good model. I was sent by the Ministry to Singapore to observe the operations, and it is an excellent model for us to emulate. The Member also said that the Government's focus would be on education, and I agree. Mr. Speaker, I would like to ask the hon. Minister of Education, probably he could tell me again: why is it that the textbooks under the textbook rental scheme have not been delivered to the students? We say that we are focusing on education. Schools are in chaos. The delivery of the curriculum is hanging in the balance. Parents do not know what to do; administrators do not know what to do; teachers do not know what to do. I will defer to the Minister.

Dr. Gopeesingh: You would realize that with the textbook issue, the last time a textbook evaluation was done was in 2002. A number of authors have indicated that their books were left out of the school system, therefore it became incumbent upon the Ministry to determine what books the principals would need to have.

We have collected that information over the last month, and we have analyzed it. The approximate cost of those textbooks will be \$130 million, if we have to buy those new, and use them for three years, whereas there are existing books in schools which could be used for one more year, and we will top up those existing books.

We sent that circular out to the supervisors and principals for them to use the existing books. Meanwhile, during this year, we would formalize that. So we will satisfy the students, the principals, the booksellers, the authors, the publishers and the printers. We want to print these books in Trinidad, rather than having them printed in Singapore, so we could have the jobs here in Trinidad and Tobago.

Mrs. P. McIntosh: I understand, hon. Minister, but I also understand that there have been no orders for top ups. We are dealing with children, so regardless of what you do, there are books you just cannot hand them back, because they are like a pack of cards. Some lose their books and so. I understand there have been no orders to date for top-ups, therefore children do not have books.

Dr. Gopeesingh: We have collected all the books that have been unused over a number of schools, and we have brought them back for redistribution, and what we find we need to purchase, we are doing that this week. A lot of books have been sent to schools from the previous administration that have been put into warehouses and not opened. So we are pulling these back and redistributing them.

Mrs. P. McIntosh: Thank you, Sir. I am glad you know of it and I am glad that something is being done. I am glad I raised this on behalf of the principals who have been calling me and the teachers, parents and students.

Mr. Speaker, I would like to talk about housing in my constituency, because we are talking about developmental programmes. Since this Government came into office, I have personally submitted 71 applications for housing and only one has been approved.

Mr. Roberts: “But you get more than me.” [*Desk thumping*]

Mrs. P. McIntosh: Self-help to improve the homes of my constituents. I have had 45 applications, and despite personal intervention with the Minister, the hon. Member for Naparima, four have gotten approvals.

Mr. Roberts: “Wha”!

2.30 a.m.

Mrs. P. Mc Intosh: The hon. Minister of Works and Infrastructure has promised to execute some projects in my constituency to assist and enhance the lives of my constituents. So far it is all promises, promises, promises.

Mr. Speaker, this is about the Motion, this is about development—and promises. My roads remain unpaved with pot holes. The Cascade Road is a disgrace, there is a pot hole that is coming right over almost expanding the width of the road, and even if I get the hon. Minister of Works and Infrastructure to patch it, I would be grateful. I am not asking for much but I heard the Prime Minister, the hon. Member for Siparia, talk about social sustainable development in the heart of communities. And I wondered if Port of Spain North/St. Ann’s West is not a community. Why are we being neglected? And I can empathize with the Member for Diego Martin West and Leader of the Opposition, when he said he is discriminated against. I do not feel—

Mr. Peters: On a point of order; Mr. Speaker: relevance, 36(1), Mr. Speaker—not 36 1.00 o’ clock in the morning—36(1)—that is the last motion.

Mr. Speaker: Continue, continue.

Mrs. P. Mc Intosh: You are borrowing money for development and I thought development meant development of communities. I heard the hon. Member for Siparia speak of that.

Mr. Speaker: I have given your own—continue please.

Mrs. P. Mc Intosh: Mr. Speaker, thank you. I just feel that my constituents have not gotten a fair share of the national pie from all the moneys that were spent in the last fiscal year.

Mr. Speaker, to be truthful, I am sick to the stomach of promises and half-baked truths. Fortunately for me, I do not possess the forked, silver-coated tongue of a politician. I cannot speak from both sides of my mouth—Mr. Speaker, I do not have the capacity for it, but what I do know I do possess is an abiding faith in God, a sound character full of integrity, and a well-developed conscience, and that is what I bring to this Parliament. My word is my honour, if I say that I am doing something, Mr. Speaker, I do it. I wish some Members on the other side would follow suit.

So, Mr. Speaker, the Government comes here today to seek the collaboration of the Opposition in respect of the passing of these three Motions. Now, they do not need our agreement to pass the Motions because these motions just need a simple majority, so you all can do it, but it is nice when you get the collaboration of the Opposition, but I want to know that this time around my constituents and the constituents of all of these Members here on this side will benefit—all, all, all—[*Desk thumping*] Port of Spain South, Diego Martin West, Laventille East/Morvant; Laventille West; Port of Spain North/St. Ann's West; Diego Martin North/East; La Brea; Diego Martin Central, St. Ann's East, Arouca/Maloney, Point Fortin and San Fernando East, because we have been neglected in terms of development, Mr. Speaker, a lot under this Government.

Mr. Speaker, may I humbly propose that this Government seriously consider a reduction in the proposed debt ceiling—[*Interruption*]

Dr. Rambachan: Mr. Speaker—

Mrs. P. Mc Intosh: —and examine critically the terms—

Dr. Rambachan: A point of information, is the Member for Port of Spain North/St. Ann's West aware that the Minister of Works and Infrastructure has been visiting the constituencies of St. Ann's East, La Brea and Point Fortin, and has also been paving roads in Laventille throughout the time he has been Minister and showing equity.

Mrs. P. Mc Intosh: He also visited my constituency but, as said, I have been promised—and many of my colleagues have been promised—we are not seeing the fruit of those promises.

Mr. Speaker, I am calling on this Government to seriously consider reduction in the proposed debt ceiling and to exam critically the terms and conditions of borrowing and repayment for the benefit of our country.

Mr. Speaker, the creation of a stable economy is not an end in itself, but a means by which we will achieve a better life for our citizens, and that is how we should look at it. To this end, Mr. Speaker, may I respectfully suggest to the hon. Minister of Finance that priority be given to health, education, housing and job creation—health, education—in that order—housing and job creation.

I would like to make one last suggestion and that is the Heritage and Stabilization Fund, which as at March 2011 stood at 20 per cent of our gross domestic product, be increased to 50 per cent of our GDP. Why am I saying this, Mr. Speaker? This would amount to a figure of approximately US \$11 billion, which is approximately TT \$65 billion which would effectively and efficiently cushion the shock of a future declining in energy revenues.

In addition, Mr. Speaker, a conservative return of 3 per cent per annum on this figure would amount to 10 per cent of our national budget, which could be used, to decrease our debt ceiling and provide a better life for our citizens. Mr. Speaker, I thank you.

The Minister of Finance (Hon. Winston Dookeran): Thank you, Mr. Speaker. Clearly we have come to the end of a marathon session, a session in which many of the speakers have expressed their anxiety and their fears—and legitimately so—for, in the determination of public policy, there are always fears and anxieties that will inform the mood and the emotions of legislators.

I want to say that I particularly sensed the anxiety in the Member for Port of Spain North/St. Ann's West. I also want to say a special word of congratulations to my colleague, the Member for Tobago West, for his very articulate expression of the global issues before us. I think the anxiety fears that I have sensed by Members in this House have been a recognition that we live in an era of austerity, and that austerity that has descended into the external world has not left us untouched.

I know they would like to get assurances that the path we move from now will not be a path that will impose further dangers to our society and to our finances, but rather will be able to create some assurances that the period of austerity will indeed, in due course, yield the results that this country wants. Hence a lot of the suggestions and the needs of the constituencies that have been raised here by the hon. Member for Diego Martin West, by the Member for Port of Spain North/St.

Ann's West, the Member for Brea and others really get to the heart of the priorities that we must now reflect in our expenditure in the country, and very shortly we will be looking in some detail in this Parliament at those priorities.

Even Members of the Government have expressed a deep desire to have priorities that satisfy the basic needs of our communities, and clearly we have reached the point that we must work with greater zeal to satisfy the basic needs of our society: the needs of our society for water, the needs our a society for sporting complexes, the needs of our society for community centres, et cetera. So, what I have sensed from the parliamentary debate today is a great commitment to focus on the public's basic needs of the society.

What I have also sensed is that there appears to be a bit of suspicion in the minds of many here today as to whether Trinidad and Tobago has the wherewithal to come out of the challenges of today with our situation intact. That is because they all recognize that the world will not stand still and wait for us, the world is changing around us, and therefore, there is that suspicion as to whether we will have that sense of confidence and that sense of resolve.

It is therefore important, as we deliberate from now on until the next time we come, to discuss these matters that we find the resolve to handle it. So, I have sensed in this debate the mood and a desire for a new resolve, on one hand, and a will to deal with the problems at the ground level, and I have no doubt that this is a good sign by Members of this Parliament.

The Member for Diego Martin West placed on the record two things which I will like to simply put my perspective on. He wondered why I had raised the issue of the FIU. May I just simply remind him—I believe that it is the very Member for Diego Martin West that prompted me today to raise what the FIU has been doing to satisfy one of his yearnings in a previous contribution when he allegedly claimed that the FIU was doing nothing.

So, I was simply satisfying, one of the urgings of the Member for Diego Martin West in trying to provide the information that—

Dr. Moonilal: He who caused that.

Hon. W. Dookeran:—that was required. Let us try to complete. I think everybody wants to go home. We could talk after—"I have plenty time."

So, I wanted to just put that on the record. In addition to that, when we deal with external loans, we deal with the confidence of the society with respect to the institutions within which we operate, and that is why I thought it was an appropriate time to deal with that issue frontally.

One of the things that we try to do in this Government, having taken on the challenge of public management, is always to confront the issues head-on, fix it, and then work to make it successful. We are not afraid. On the issues of the FIU, the Prime Minister made an open, transparent statement, and we are not afraid to make open transparent statements in the exercise of our constitutional duty in which we have a responsibility to serve the highest level of expectations in the society, and obviously all will not agree, but in the end they will recognize that we are only motivated by taking decisions sometimes not agreeable to all but in the interest of the total society.

I believe it is one comment that was made by the Member for Diego Martin West—we can agree on our objectives but our process might have differences, and he is right, but so much out of our debate is really is about processes that sometimes you get the feeling that any change in the process is seen as a negative.

2.45 a.m.

The truth of the matter is, when the country decided to change the leadership of Government, they wanted a change in the process, they did not want us to go back to the old processes and that is why we have to continue changing the processes. I agree with the Member for Diego Martin West, that the objectives are the same, and I have no doubt in my mind that the objectives are the same in terms of what we want for our society and our people.

The other issue that the Member for Diego Martin West raised, which I must, for the purposes of the record, put in proper perspective, he indicated that somehow I, in my capacity as the Governor of the Central Bank, must be held accountable, partly, if not fully, for the events that unfolded in this country with respect to the Clico disaster.

Mr. Warner: Ludicrous! Ludicrous!

Hon. W. Dookeran: May I just point out to him that the responsibility of the Central Bank to supervise the insurance sector came long after I left the Central Bank, [*Desk thumping*] but it is I, as Governor of the Central Bank, who initiated the process to expand the regulatory function of the Central Bank to include the insurance company and to include, shortly, the credit unions. It is taking a long time. [*Desk thumping*]

The events to which he referred for the second time in this Parliament—on the first occasion I [*Interruption*] did not bother to respond. But since he seemed to be clear that that is fact to him, at that time when the matter was raised and the

allegations were raised, as the Governor of the bank at that time, I instituted an entire programme for the widening of the supervisory function of the bank, which, eventually, years later, led to the legislative changes to allow that to happen. So he is charging me with a responsibility for which I had no constitutional obligation at the time when I was the Governor of the Central Bank.

Mr. Warner: That is his behaviour. That is normal.

Hon. W. Dookeran: But let me also add that that initiation is still to come to this Parliament, and I did indicate that in the course of this year we would be dealing with the amendments to the Insurance Act. I do not wish to go through all the details at this point. I know we would have ample opportunities and long hours of debate as we articulate our position for the fiscal year 2011/2012 and beyond. Many of these issues that were based especially on fears and anxiety, which I appreciate and understand, I hope that we would be able to address them concretely on the next occasion we engage in a debate of this sort.

Mr. Speaker, let me end by making an observation, an observation that I have made previously and an observation which I know you, as the presiding officer and others have also been concerned about. I have found that the process for the debate of financial matters is onerous. Not only do we have to debate in two Houses, a budget, we have to debate the Finance Act thereafter.

We have to debate the first supplemental thereafter, we have to debate the second supplemental thereafter and, if necessary, a third supplemental after. It seems to me that you cannot keep debating the budget the whole year round, and perhaps the reform that we have spoken about in trying to organize—and I know a lot of this has to do with the laws and the procedures. Perhaps, in the process to change we may want to accelerate that, and this debate on the borrowing limits has really witnessed the same kind of discussion.

The difference is that this time around I had to speak six times in one night and the Member for Diego Martin West had to speak three times in one night and that, to me, is a record that reflects the inefficient use of parliamentary time. [*Desk thumping*] So, I just simply put that on the Table.

So, I end by saying I do appreciate the views that have been expressed by all Members who have spoken in this debate. I am very pleased to see that the Opposition has joined with the Government in agreeing, reluctantly, perhaps, with some fears, perhaps, with some anxiety, perhaps, but that with the desire to raise the interest—[*Interruption*—the debt ceilings, in Trinidad and Tobago, which will auger very well for the future development of Trinidad and Tobago. We hope, therefore, that this opportunity that this Parliament would have given us

here tonight would not be wasted and would be used at all times in the service of the people of Trinidad and Tobago.

I beg to move. [*Desk thumping*]

Question put and agreed to.

Resolved:

That for the purpose of financing general development in Trinidad and Tobago, the Minister of Finance on behalf of the Government is hereby authorized to borrow money externally in further sums not exceeding in the aggregate the equivalent of six thousand million Trinidad and Tobago dollars in any foreign currency.

ADJOURNMENT

The Minister of Housing and the Environment (Hon. Dr. Roodal Moonilal):

Thank you very much, Mr. Speaker. There being no Motions on the Adjournment, I beg to move that this House do now adjourn to Wednesday, September 14, 2011 at 1.30 p.m. and to serve notice on our colleagues opposite that on that day it is the intention of the Government to debate through all its stages two Bills: The Purchase of Certain Rights and Validation Bill, 2011 and the Central Bank (Amdt.) Bill, 2011. Both Bills will be made available later this morning to all Members of the Opposition.

SESSIONAL SELECT COMMITTEES (APPOINTMENT OF)

Mr. Speaker: Before putting the question for the adjournment I would like to advise hon. Members of the following: in accordance with Standing Order 71(2), I hereby appoint the following Sessional Select Committees of the House of Representatives for the second session of the Tenth Parliament.

Standing Orders Committee

Mr. Wade Mark	-	Chairman;
Dr. Faud Khan	-	Member;
Mr. Colin Partap	-	Member;
Dr. Delmon Baker	-	Member;
Mr. Jairam Seemungal	-	Member;
Mr. Colm Imbert	-	Member;
Miss Marlene Mc Donald	-	Member.

House Committee

Dr. Roodal Moonilal	-	Chairman;
Mr. Anil Roberts	-	Member;
Mrs. Vernella Alleyne-Toppin	-	Member;
Miss Nela Khan	-	Member;
Mr. Colm Imbert	-	Member;
Mr. Nileung Hypolite	-	Member.

Committee of Privileges

Mr. Wade Mark	-	Chairman;
Dr. Roodal Moonilal	-	Member;
Mr. Prakash Ramadar	-	Member;
Mr. Chandresh Sharma	-	Member;
Mr. Rodger Samuel	-	Member;
Dr. Tim Gopeesingh	-	Member;
Mr. Colm Imbert	-	Member;
Miss Donna Cox	-	Member;
Mrs. Paula Gopee-Scoon	-	Member.

Regulations Committee

Mr. Wade Mark	Chairman;
Mr. Rudranath Indarsingh	Member;
Mr. Nizam Baksh	Member;
Miss Ramona Ramdial	Member;
Dr. Amery Browne	Member;
Miss Alicia Hospedales	Member.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 2.55 a.m.