

*Leave of Absence**Tuesday, December 07, 2010***SENATE***Tuesday, December 07, 2010*

The Senate met at 10.30 a.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Mr. President: Hon. Senators, I have granted leave of absence from today's sitting to Sen. The Hon. Therese Baptiste-Cornelis who is ill, and Sen. Subhas Ramkhelawan who is out of the country.

SENATORS' APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from His Excellency the President, Professor George Maxwell Richards, T.C., C.M.T., Ph.D.:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: DR. VIDHYA GYAN TOTA-MAHARAJ

WHEREAS Senator the Honourable Therese Baptiste-Cornelis is incapable of performing her duties as a Senator by reason of illness:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, VIDHYA GYAN TOTA-MAHARAJ, to be temporarily a member of the Senate, with immediate effect and continuing during the absence by reason of illness of the said Senator the Honourable Therese Baptiste-Cornelis.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 6th day of December, 2010."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: MRS. PARVATEE ANMOLSINGH-MAHABIR

WHEREAS Senator Subhas Ramkhelawan is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, PARVATEE ANMOLSINGH-MAHABIR, to be temporarily a member of the Senate, with effect from 7th December, 2010 and continuing during the absence from Trinidad and Tobago of the said Senator Subhas Ramkhelawan.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 6th day of December, 2010."

OATH OF ALLEGIANCE

Senators Dr. Vidhya Gyan Tota-Maharaj and Parvatee Anmolsingh-Mahabir took and subscribed the Oath of Allegiance as required by law.

JOINT SELECT COMMITTEE (APPOINTMENT OF)

Mr. President: Hon. Senators, I have received the following correspondence from the hon. Wade Mark, Speaker of the House of Representatives:

Joint Select Committee

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“December 6, 2010

Sen. The Honourable Timothy Hamel-Smith
 President of the Senate
 Office of the President
 The Red House
 Abercromby Street
PORT OF SPAIN

Appointment of a Joint Select Committee

At a sitting held on Friday December 03, 2010, the House of Representatives agreed to the following:

‘That a Bill entitled, An Act to make provisions for the suppression of associations established for unlawful purposes and for the better preservation of public safety and order and for other related matters, be referred to a Joint Select Committee comprising an equal number of Members of the House of Representatives and the Senate; and

That this Committee be empowered to discuss the general merits and principles of the Bill along with its details and be mandated to report within three months.’

Accordingly, I respectfully request that you cause this matter to be placed before the Senate at the earliest convenience.

Respectfully,

Hon. Wade Mark, MP
 Speaker of the House”

PAPERS LAID

1. Administrative report of the Trinidad and Tobago Free Zones Company Limited (TTFZ) for the year 2008. [*The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the National Library and Information System Authority for the year ended September 30, 2006. [*The Minister of Finance (Hon. Winston Dookeran)*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the National Library and Information System Authority for the year ended September 30, 2007. [*Hon. W. Dookeran*]

4. Annual report of the Public Service Commission for the year 2009. [*The Minister of Public Administration (Sen. The Hon. Rudrawatee Nan Ramgoolam)*]

ORAL ANSWER TO QUESTION

The following question stood on the Order Paper:

Metrology Act, No. 17 of 2004

(Details of)

4. With respect to the Metrology Act, No. 17 of 2004, which was assented to on June 25, 2004, but not yet proclaimed, could the Minister advise the Senate of:
 - (i) the steps that need to be taken prior to Proclamation;
 - (ii) the schedule for commencement and completion of such steps; and
 - (iii) the estimated date of Proclamation? [*Sen. B. Ali*]

The Minister of Trade and Industry (Hon. Stephen Cadiz): Mr. President, I seek leave of the Senate to have Question No. 4 deferred for a period of two weeks. I have already spoken with Sen. Ali who has agreed.

Question, by leave, deferred.

INTERCEPTION OF COMMUNICATIONS (AMDT.) BILL

Bill to provide for and about the interception of communications, the acquisition and disclosure of data relating to communications, the acquisition of the means by which electronic data protected by encryption or passwords may be decrypted or accessed and other related matters [*The Minister in the Ministry of National Security*]; read the first time.

Motion made, That the next stage of the Bill be taken at a later stage of the proceedings. [*Hon. S. Panday*]

Question put and agreed to.

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ANTI-GANG BILL

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Mr. President, I beg to move the following Motion:

Be it resolved, that a Bill to make provision for the suppression of associations established for unlawful purposes and for the better preservation of public safety and order and for other related matters, be referred to a Joint Select Committee comprising an equal number of Members of the House of Representatives and the Senate and that this committee be empowered to discuss the general merits and principles of the Bill along with its details and be mandated to report within three months.

I beg to move.

Question put and agreed to.

FINANCE (NO. 2) BILL

Order for second reading read.

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

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

The Bill before us derived its basis from the Budget Statement that was made on September 08, 2010 to the House of Representatives. At that time the budget proposals that were identified did receive the unanimous support of Members on both sides of the House and, subsequently, at the House of Representatives, the Finance Bill, as it is commonly referred to, was submitted and debated in the House of Representatives as well.

10.45 a.m.

Today we come to the Senate in order to get legislative authority for the measures in the Finance Bill that had been approved previously in the House of Representatives. May I start by saying that the budget statement of 2010 set out its philosophical theme, contrary to how we had viewed budgets in the past, not as a document which will say, "What I can get", but a document that enunciated steps to answer the question, "What I can be". There is a fundamental shift in thinking by that statement being reflected in today's times where we must now use our opportunities in public policy, to how a society becomes what it can

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be. It is in that context, Mr. President, a number of measures were put before the honourable Senate, and today we continue to seek your approval for these measures to become law. A change in perspective has come about in this country, and it can best be summarized in terms of what people saw budgets to be and what they expect them to be in the future.

These budget proposals before us enunciate a number of direct fiscal measures to change the environment of the fiscal situation in the country. They include measures for social support, measures to clean up the environment, measures to improve tax collection, measures to improve the exploration and production of oil and gas as well as measures to support alternative energy use, measures to sustain small business development and innovation, measures to generate new investment, measures to promote development poles, and are all included in the proposals that have been agreed to previously.

Mr. President, I would take a few minutes to go through some of these measures and then attempt to put that in the context of what I said earlier, that this budget is not a budget in which we are seeking to get something out of it, but rather to become something out of it. Let me deal quickly with the measures for social support. You would recollect, Mr. President, that the issue of the Senior Citizen's Pension Act has received much public attention. In the proposals before us and consistent with the provisions of the People's Partnership manifesto, by Act No. 6 of 2010, the Government has changed the name of the Senior Citizen's Grant to the Senior Citizen's Pension and increased the maximum pension payable to individuals under the Senior Citizen's Pension Act from \$1,950 to \$3,000 with effect from September 01, 2010.

The measures before us are to give legislative authority for this Act with respect to the Senior Citizen's Grant. In addition, there are provisions related to calculation of the qualifying income. Under the existing law, in order for an individual to qualify for the pension, that individual's total annual income must not exceed \$33,600. Where an individual receives retroactive lump sum payments or interest from investments, the receipt of these amounts would in several cases result in an individual being disqualified for senior citizen's pension because the threshold of \$33,600 would have been exceeded.

It is the intention in the Bill before us to change that, and, in calculating the qualifying income, the interest income derived from these savings that will ordinarily be included in the calculation will no longer be so done. Given that the intention of the policy is to provide a cash transfer to those monthly incomes, it is considered insufficient to meet the basic needs. It is proposed to remove from the

calculation of qualifying income these lump sum payments and interest from savings. This proposal is reflected in the Bill in clause 9(b) and will widen the net for those who will qualify for pension.

Another significant measure has to deal with the provisions of social support in the establishment of the Children's Life Fund. With respect to this, we had proposed in the Act that incentives should be provided for both companies and private individuals as contained in section 101 of the Corporation Tax Act to qualify for such contributions. It is to be noted that not only are we introducing this particular legislative change to facilitate contributions to the Children's Life Fund, but it will also be applicable to other charitable bodies as defined in the charitable bodies legislation and determined by the President. Therefore, this will widen the net for contributions by the society into charitable organizations as well as the Children's Life Fund. These are fundamental differences and points of departure from which we have come.

Mr. President, we have also widened the net considerably with respect to the Green Fund. The Green Fund has been restricted by its definition of "access". In operationalizing the Green Fund, which was some two years ago, certain difficulties have been encountered by the unit that was responsible for such an execution, resulting in the exclusion of the potential beneficiaries whose projects fall within the purposes of the Fund. In order to optimize the objectives of the Fund, the legislation governing the Green Fund will need to be amended so that many non-governmental organizations that otherwise would have been eligible to access the Fund are incorporated under the non-profit company category listed in section 308(2) of the Companies Act. As a result, the NGOs are not eligible to access the Fund. The Green Fund Regulations 2007 will be amended to allow NGOs incorporated under the Companies Act as non-profit companies to be eligible to access the Fund. In addition, the regulation will be amended to include Tobago-based organizations and community groups which are registered by the Tobago House of Assembly. Once again, we have widened the access to these public facilities so that we can enhance the development of environmental projects in Trinidad and Tobago.

Mr. President, measures have also been included with respect to improving tax collection. As indicated in the previous announcement of this matter, we shall introduce an amnesty in order to have an increased filing of income tax and corporation tax returns for the years of income up to and including the year 2009. This amnesty is recommended in the context of starting a new relationship with taxpayers who will be encouraged to approach the taxing authority in the spirit of

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mutual respect, so as to get their tax position right. This amnesty is an opportunity for all taxpayers to come clean and to bring their tax payments up to date.

At the end of the day, the taxes which the State stands to collect far outweighs the penalties foregone and will encourage taxpayers' compliance. As such, the following measures will be enacted in clause 16(1) of the Bill before us. In addition to that, we had proposed that we would establish a tax charter so that the obligations of the State will be clearly identified as indeed the responsibilities of the taxpayer. It ushers a new start in the beginning of a new mutual relationship between the taxpaying public and tax authority in Trinidad and Tobago. Mr. President, I would not go into the details of those provisions, but they are included in the Bill in a number of different clauses.

Let me go on next to the issue of the tax regime for the energy sector. The Bill proposes that we shall introduce a third Schedule of the Petroleum Taxes Act which allows for SPT rates. Under the new regime, base rates and a sliding scale mechanism are proposed for both the marine and land operations. The base rates are to be set at a maximum rate that exists under the current SPT regime. The new scheme will allow for crude oil prices below US \$50 and SPT rate will be set in zero for marine and land operations. For crude oil prices between US \$50 and US \$90, the rates will be 42 per cent and 33 per cent for the pre-1998 and post-1998 marine licence, sublicence and contracts, respectively.

The SPT rate for the land regime will be 18 per cent and the SPT rate for prices above US \$90 per barrel, but less than US \$200 per barrel will be based on a sliding scale mechanism resulting in tax rates for pre-1998 licence, sublicence and contracts ranging from 42 per cent to 64 per cent; post-1998 licence sublicence and contracts, 33 per cent to 55 per cent; and land licence, sublicence and contracts, 18 per cent to 40 per cent. The SPT rate will be capped at US \$200, so that prices above this amount will attract rates of 64 per cent and 55 per cent for the pre-1998 and post-1998 marine regimes respectively, and 40 per cent for the land regime.

Mr. President, in addition to those measures that have been identified for encouraging exploration of our reserves, we have also held the view that the level of reserves in this country is heavily dependent on the level of investment, and it is in this context that these measures have been put together so that we can have a continued assurance of reserves in the future, in addition to some new initiatives that have been taken with respect to the joint exploration of oilfields between Venezuela and ourselves. These measures will take effect from January 01, 2011.

We introduced in anticipation of our challenge in the future as we look ahead at the possibility of having a post-oil economy developing in some years to come, that we shall now provide support for alternative energy use, and, in this respect, measures are put into place to encourage the utilization of compressed natural gas, as well as to encourage other forms of alternative energy use.

Mr. President, substantial incentives are being provided for the introduction of CNG conversion kits, and in so doing, the Finance Act provides a wear and tear allowance to be granted 130 per cent of the expenditure incurred on the acquisition of plant, machinery and equipment, excluding installation cost for the conduct of conversion.

11.00 a.m.

Clause 16(b)(i) of the Bill, in relation to 11(1)(bb) of the Income Tax Act, will be amended appropriately. The tax credit of 25 per cent on the cost of CNG kits and cylinders to a value of \$10,000 used in the conversion of motor vehicles are for individuals; clause 16(h) of the Bill will be appropriately amended.

We are also including provisions for solar water heaters as well as solar photovoltaic systems, which will be introduced in the Bill, to start the process of developing investment opportunities in the area of alternative energy. To this end, may I also indicate to the honourable Senate, that we have been in discussions with the innovative centre in Washington that deals with developing business plans in this regard to set up an appropriate presence in Trinidad and Tobago to facilitate the business sector and those so interested in developing business plans for the exploitation of the tax incentive and for the development of alternative energy be it solar, wind or any other form of energy.

Mr. President, this is why I said that the budget is not what we can get out of it, but what we can be. We are looking at the short term as well as the longer term as we prepare this country for a sustained path towards development in the future.

We have included measures to sustain small business development and innovation and to that extent a number of specific measures have been included here in the provision before us that will promote the development of small business as well as for the purposes of creating an environment for innovation. One measure of special note is the introduction of a special facility through the banking system where innovators, regardless of their feasibility requirements will now be eligible to seek some support to promote an idea that will be innovative,

be it in the creative industry, the sporting industry or the recreational industry and the State will provide easy terms for such facility to be accessed. It is here again meant to go beyond the borders of current business and encourage additional business in the small business development sector.

Very specifically, we have introduced measures to generate new investment, not only with respect to the Trinidad and Tobago Free Zones Act where we have removed the limit which will qualify for free zone access from the current \$50 million to an unlimited amount in order to respond to the changes in the world economy with respect to the size of that investment—You will recollect that the Trinidad and Tobago free trade zone is to encourage export as well as technology use and it applies to promote that and we believe at this time we need to increase that limit.

The Bill also includes a tax allowance for first-time homeowners to encourage them to access the housing funds available and, at the same time, provide some support for the construction activity to follow from that. Government's objective of making housing affordable for all citizens is to be achieved by the establishment of that allowance from the present \$10,000 to \$18,000 per household per annum. This measure will require amendments to section 18A of the Income Tax Act and will take effect from January 01, 2011. Clause 16(c) of the Bill effects the change to section 18A(4) of the Income Tax Act.

Extremely important, Mr. President, has to deal with our quest to increase Employee Share Ownership Programmes (ESOP). In that respect, very recently I had the privilege to witness the signing of an ESOP programme between Mittal Steel company and the Steel Workers Union and they have, after 18 years, now been able to access a plan to increase share ownership of the workers and that has partly been the result of our own initiative to further this development. It is important for us to recognize that the ownership of shares by workers is something we want to promote and ESOP is meant to do just that.

Under section 43 of the Free Zones Act, the Minister with responsibility for industry may, by order, amend the First Schedule which prescribes the activities that may be carried out in the free zone. In 1996, this schedule was amended to exclude large projects and now we have removed the limits and have included measures that improve ESOP ownership. Those are some of the measures that have been outlined in the budget proposals that have now been given vent in legislative authority before us.

There is a very significant intervention with respect to the arts and culture allowance under the Corporation Tax Act, which we will now increase to encourage development of the arts and culture sector. These measures that I have outlined are largely measures that are intended to widen the access to economic opportunities in Trinidad and Tobago by small business, by workers, by arts and culture workers, participants, NGOs and civil society. It gives vent to what we have been saying for some time, that civil society must become an important part in the development process and the measures we have included have given vent to that opportunity. They are no longer words, but there are fiscal measures that support that new thrust of drawing the workers into ownership; of drawing community groups into participation in the Green Fund and of developing arts and culture for artisans and for innovation in this respect.

We also included a certain special duty allowance that was paid to the police officers and we are seeking the necessary approval to make that effective. The special duty allowance paid to police officers will be exempted from tax with effect from October 01, 2010. This exemption is reflected in clause 16(a) of the Bill, which seeks to amend section 8(1) of the Income Tax Act by the insertion of a new paragraph.

It should be noted that pursuant to section 7 of the Police Act, the details of any allowance paid to an officer should be contained in an order to be known as a remuneration order. There are some housekeeping measures for which we will seek the approval of this Senate with respect to the issues of the Central Tenders Board and the administration of the Corporation Tax Act. These are housekeeping measures which are self-explanatory.

Mr. President, these measures which I have briefly outlined and identified as critical in the points of departure are really being done in the context of a carefully articulated development context. May I take the opportunity to put these measures in the development context in which they are being formulated?

In the first place, we are seeking deliberately to open up new economic space in Trinidad and Tobago. To that end, we have outlined a very ambitious programme for growth pole development. We believe, in our economic assessment, that too much has been dependent on too narrow an economic base, both physically and financially, and the time has come to explore the possibilities to opening up new economic space be it in the south-west peninsula, east Tobago,

certain parts of central Trinidad or the north coast. Opening up new space has been one of the fundamental development pillars upon which we have been working.

In order to give vent to that, we have already agreed to introduce a new highway project that has been long in waiting, between San Fernando and Point Fortin, so that during the course of the next year we will commence work in this regard. With the resources already available in the enhanced port in the area and the world class power plant in the area, we have opened up the possibilities for serious development in the south-west peninsula. It is also meant not only to open up spaces in the economy but also to provide a more balanced approach to development in the nation at large. That has been one of the premises upon which these fiscal measures have been predicated.

The second measure has to do with preserving employment and opportunities. We have been very careful in our budgetary proposals to maintain the levels of employment with respect to the programmes that have already been put into place with the hope that we can change it. Therefore, we have maintained a high level of expenditure on employment and opportunities programmes, including the Government Assistance for Tuition Expenses (GATE) and other such programmes.

Perhaps it is appropriate to mention that the sustainability of our financial capability is a matter on which we are looking ahead and these programmes are meant for now to create a sense of sustained employment and to maintain the opportunity matrix that is required for the future generation.

The third, with respect to a development budget, has to deal with restoring the financial balance in a period of uncertainty. This has been the biggest challenge. There is no doubt that we are in a period of uncertainty with respect to the world economy. We are also in a period of trying to have an uphill track with respect to our own economy and restoring the financial balance is very critical in these particular times.

In that sense, the relationship between our fiscal deficit, our public debt and our growth potential is something we have carefully articulated in the development strategy before us; the ability to generate new momentum in growth to where we are moving. Perhaps I should take the opportunity to mention rather quickly what has been the strategy for the creation of new momentum in economic growth.

Having laid out the economic framework and having put that in a development context that will create sustainability in the long run or even the medium run, we will then work towards the articulation of a strong impetus for

the construction sector. Seventy-five per cent of our Public Sector Investment Programme has been directed towards what has been loosely called bricks and mortar projects. In addition to that, we have now begun detailed discussions on the financing of the highway between San Fernando and Point Fortin with a view to injecting some more construction impetus in the economy and, at the same time, satisfying the requirements of development.

11.15 a.m.

You see, Mr. President, when we spend, we spend to develop, but when the previous government spent they were pursuing the symbols of development, but we intend to pursue the substance of development. [*Desk thumping*] That is a fundamental issue I hope this nation could appreciate, and that is why we are so careful in directing our public expenditure for the substance of development, as opposed to the symbols of development.

Mr. President, what is the politics that has, in fact, become apparent, as a result of these fundamental changes? As we remove the uncertainties of the past; as we clear the debts; and as we start the platform for sustained growth, obviously you enter into the arena of the politics of the fiscal measures. In that circumstance, I think it is appropriate to make reference to a very recent report that was commissioned by the President of the United States of America on his own country.

The report is the *National Commission on Fiscal Responsibility* and is subtitled the Moments of Truth. This pertains to the United States of America, but its relevance to our own country cannot be underestimated. I would just like to quote two paragraphs from this report. I would also like to mention that recently in the *Express* a commentator referred to this report and he had this to say:

“This article is not about America and its problems. But the words of the record quoted above are so apt and relevant to our own circumstances that I could not resist starting with them. All we have to do is replace the word ‘Americans’ with the words ‘Trinidadians and Tobagonians’ and we would have a salutary piece of advice that we could offer to our leaders and our people as a whole.”

This is a recent article from the Trinidad *Express* by Mr. Michael Harris on this report and its relevance.

Mr. President, permit me to just read two paragraphs from this report, which I think is important for us to take note of. The first paragraph goes like this:

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“Throughout our nation’s history, Americans have found the courage to do right by our children’s future. Deep down, every American knows we face a moment of truth once again. We cannot play games or put off hard choices any longer. Without regard to party, we have a patriotic duty to keep the promise of America to give our children and grandchildren a better life.

Our challenge is clear and inescapable: America cannot be great if we go broke. Our businesses will not be able to grow and create jobs, and our workers will not be able to compete successfully for the jobs of the future without a plan to get this crushing debt burden off our backs.”

Mr. President, as I indicated, those words are relevant to our own country at this time. If a country as powerful and as large as the United States of America could come to terms that it is time they face the truth, and they cannot be great if they go broke, it is that which has permeated the new sense of fiscal responsibility that we have introduced in this nation.

Over the last six months, having taken our Treasury that was on the brink of great stress, I can say to you here today that, as the Minister of Finance, I feel a sense of comfort that the track that we have set is a track that is going to be sustainable and one that we can be proud about in the future. [*Desk thumping*] But there is also much pain in so doing, and some of these pains have been reflected in the political scenario, and this is natural in a democracy. There will be those who are affected who will, indeed, feel that they alone are being affected.

I want to quote another paragraph from this report; the Moments of Truth: The National Commission on Fiscal Responsibility and Reform and it says:

“In the weeks and months to come, countless advocacy groups and special interests will try mightily through expensive, dramatic, and heart-wrenching media assaults to exempt themselves from shared sacrifice and common purpose. The national interest, not special interests, must prevail.”

These are the words that have been given to President Obama by this high-level team, and how relevant they are to us. How relevant they are to us that—

“...through expensive, dramatic and heart-wrenching media assaults to exempt themselves from shared sacrifice and common purpose.”

I have said it before and I would say it again, the People’s Partnership Government would always stay focused to defend in the national interest of Trinidad and Tobago. [*Desk thumping*]

So there is pain, but this pain is necessary if we are to put back our country on a positive track, and to be able to create a sense of comfort and sustainability for the future. We are not yet out of the woods, but we are beginning to see some of the light ahead of us. I hope that during the course of the next year we will see the articulation of much of that light that is ahead of us.

The economy is now in a stable position. Recently, we had two missions that came into Trinidad and Tobago; one to assess our financial system and another to assess our economic prospects. While there are challenges ahead on both scores, the end results of those particular missions were to suggest that Trinidad and Tobago is ready, at this point in time, to build on the stability of the past, and although the growth may be weaker than we would like, it would remain positive in years to come.

Mr. President, the fact that the Inter-American Development Bank within two months of the submission of this budget was able to seek support for two major loans in the context of Trinidad and Tobago today, amounting to US \$140 million, which was approved by the board last Friday, we have been able to win the confidence of that institution that the policy direction which we are pursuing is the right one; the politics which we are engaged in is the correct one; and that the outcome of the combination of our economic and political strategies will bring sustainable growth to Trinidad and Tobago and, therefore, this is what evidenced the direction that has now started.

In order to facilitate that, we are very careful to attempt to change the trends that we inherited, and one such trend has to do with the increasing balance of payment deficits, which was a feature of the last few years or the last few quarters. Presently, we are beginning to see that trend shifting to balance of payment surpluses. Six months after we have had the reins of the policy in respect of the economy of Trinidad and Tobago, we are beginning to see the trends changing. [*Desk thumping*] I hasten to add, we are not out of the woods, but we are certainly seeing the light ahead of us.

Mr. President, we have been very careful to maintain our long-term savings, in spite of the difficulties of the financial situation. Our priorities ensure that we maintain our long-term savings. I want to assure this Senate that we will continue to provide substantial support to the Heritage and Stabilization Fund. In spite of our difficulties, we have met all the commitments in accordance with the law, and as of September 30, 2010, the Heritage and Stabilization Fund has been updated and dealt with, and has become a major source of comfort, especially to those

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who look at Trinidad and Tobago's creditworthiness, and it is at the level of US \$3.6 billion at this point in time. Having inherited a shaky financial situation, our priorities were very clear that we will maintain the long-term savings for the stability of the country.

I should also say a few words on the issue of the Caribbean Petroleum Fund. This is a fund that has been established many years ago, and that fund has had over TT \$1.7 billion over the last five years, in term of inflows. It is funded by the Trinidad and Tobago Government and it is used for Caribbean development. Mr. President, before this Government came into office, US \$1.6 billion was withdrawn and, therefore, this fund is at a very low level, I believe at the level of \$65 million. It is important for us, as we embark on a new Caribbean strategy, to be able to bring the entire region together.

Mr. President, to this end, we have had discussions with the Caribbean Development Bank. A new president has been appointed to take office shortly with the Caribbean Development Bank, and we have begun discussions with the bank to provide a definite opening of the Caribbean economy financing. I believe tomorrow a delegation from the Caribbean Development Bank will be visiting us in Trinidad and Tobago to begin discussions as to how we can create a new financial space for the Caribbean region. It is important for us to do so, not only because those are our sister islands, but the markets in the Caribbean are rather important to us. At present they are under great stresses as the buffers available to them, in terms of their fiscal position and in terms of their balance of payments position, have made it a rather challenging task.

So we intend to move forward in order to develop a platform for the development of the Caribbean, using as the pivot the Caribbean Development Bank. After all, the Caribbean Development Bank was supposed to deal with Caribbean development. When the Caricom Petroleum Fund was established, it was Trinidad and Tobago taking the onus on itself to deal with that issue. We are saying that we must now integrate this effort with the Caribbean Development Bank and further the development of the region through that institution.

We will begin our discussions shortly with them to define our vital interest in pursuing a Caribbean Development programme. This programme will not only be a programme that will simply satisfy the whims and fancies of the country's problem. I noticed in the list of support that has been granted by Trinidad and Tobago to the Caribbean, it included a US \$50 million support for Clico in the Caribbean, something that I was not aware of until we saw this information.

We are looking to develop a plan that will also support Caribbean development, along with the multilateral agencies in the world; whether it is the Inter-American Development Bank, the European Investment Bank or the World Bank. Regrettably, Trinidad and Tobago do not have access through the soft window of these institutions, but many of our Caribbean countries do have such access, and we must exploit it. So, I am suggesting to this honourable Senate that our next step is to develop a very dynamic and articulate programme for Caribbean development through the Caribbean Development Bank as the pivot institution, as we move forward to build back the sustainability and resilience of the Caribbean economy.

11.30a.m.

Mr. President, much has been said about the issue of the fiscal deficit and the debt burden. We have been very careful in acknowledging that the fiscal deficit of today becomes the debt burden of tomorrow; therefore, attempts to maintain and contain the fiscal deficit has been one of our paramount economic concerns as we develop this financial plan for the future.

We have had fiscal deficits for the second year and we felt it was necessary to move in that direction, if only to support our Public Sector Investment Programme so that there would be growth. What is different is that we will now be using the Public Sector Investment Programme, not only to support development, but to also change its focus to support the basic infrastructural needs of the country. Rather than the tall buildings, we will be building buildings on the ground for the people of Trinidad and Tobago, in schools, bridges, roads and health centres. [*Desk thumping*]

There are fundamental shifts. For the many who say they do not understand the shift, I raise these issues, if only to explain that there have been fundamental shifts in the development strategy, some of which I spoke about earlier and here, in this respect, we are changing the priorities of expenditure, as we had indicated.

The debt burden remains a challenge for us, but in the context of Trinidad and Tobago's relative position in the world, it is well within order. We recognize that we would have to keep it so, so that there will be, indeed, the macrostability of the economy. The surest way to deal with that has to do with the resumption of growth. We have had one year of negative growth and another year of flat growth, and this has provided some new challenges ahead of us at this time.

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Setting the change for responsible fiscal development is what we have been doing; trying to balance the requirements for managing the fiscal deficit and the debt burden and, at the same time, initiating growth. These are some of the fundamental issues that we are tackling in these fiscal measures before us, as we begin to achieve also the question of a broad ownership of the people in the assets of the land.

A number of measures have been included to improve this capital stock market and many measures are aimed at facilitating the growth of that stock market sector. The objective is twofold, one is to be able to create an opportunity for more activity to take place in the economy by the purchase of shares. The other one is to create an opportunity for the widest possible ownership of the productive assets of the country.

I had indicated in the budget statement that we would be moving into a programme of public offerings that we could allow the citizens of this country, consistent with the philosophy I have outlined with respect to ESOP. We can now encourage that kind of participation in the society at large. We have already begun our preliminary work in so doing, to develop a very attractive public offerings programme that will become part of the landscape in the next year.

We have also been very careful in looking at the financing of development, not only in terms of the issues that I have raised, but in terms of how we can refinance some of the facilities that we inherited. I could let you know of one. A certain facility that was put into place to finance the rapid rail project came before my attention and that of the Cabinet. We have been asked to continue that facility, when the rapid rail project is no more. When we asked for a performance audit of the rapid rail project, we got information which suggested that there was no progress. There was nothing substantial.

We can lay the details for you at some time, but we are left with the burden of the debt. Millions of dollars were used to develop the plans for that project, for which this Government now has to carry the debt. We have to carry this debt at the risk of defaulting. It has had no economic benefit to the nation, yet we have to carry it. These are some of the overhangs that we have to deal with in financial management. In that respect, that is only one example of large sums of money that were borrowed in order to do projects that did not materialize and could not have materialized, but lots of expenditure took place and the finance and banking charges are now with us. [*Interruption*]

Sen. Hinds: Thank you, very kindly, for giving way, hon. Minister. Having heard your last comments on the rapid rail and putting myself in the position of the ordinary man in society, I would come away with the impression that you were not able to find any justification for the expenditure in respect of the rapid rail project to date. Is that clearly what you are saying, that you could find no financial documents to justify the expenditure that has so far been incurred?

Hon. W. Dookeran: The answer to that is, yes, [*Desk thumping*] and we could supply this honourable Senate with the performance appraisal on the utilization of that funding which was available.

Sen. Hinds: That may not be true. You all have gotten a thousand things very wrong.

Hon. W. Dookeran: I am willing to do so at any time. In fact, when the matter came to me for extension, the first thing I requested was a performance appraisal on what was done. When I realized that what was done could not justify the expenditure, I was caught in a position where I had to extend this loan which I knew was a loan that had produced nothing in Trinidad and Tobago.

Sen. Panday: Oooh!

Sen. Hinds: If it is a loan, there must be records.

Hon. W. Dookeran: It is on the record.

Mr. President, those are some of the challenges and some of the politics that I talked about. Those are some of the challenges that are before us in the moment of truth. You see, what is happening here is that my colleagues opposite cannot face up to the truth of yesterday. [*Desk thumping*] We have to accept the truth of yesterday and move on to a better tomorrow. You shall, in due course, come to terms with the fact that the better tomorrow will be done in spite of the truth of yesterday.

Hon. Senators: Oooh! [*Crosstalk*]

Hon. W. Dookeran: I just want to raise two other issues in the time available to me. As you are well aware, we have been very concerned in this Government about putting the fundamental pillars for what has been called “good governance”. To some extent, putting these institutions and rules and policies in place, has taken up much of our effort and time. We recognize that the development thrust must not be allowed to be retarded by the measures that we will take to change the institutions in the short-term; therefore, we are faced with a major challenge: How

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do we move on to a development path and correct the institutional changes for good governance? It is in this respect we have made a strong commitment towards transparency. We have made a strong commitment towards embarking on forums to increase the transparency of our operations.

I have told the contractors, for instance, that we are now ready and willing to deal with their bills, but they must be supported by evidence that could be justified. [*Desk thumping*] That itself is a challenge, but the information I have before me is that within the last four months we have spent about \$2.7 billion in meeting contractors' claims in Trinidad and Tobago.

So we are moving on. They are claiming that it is much more, but we are saying, "Sure, let us have the invoices that are properly supported." It is a challenge as we shape the new future, as we shape tomorrow and as we respond as America is responding. I did not go into the details of what they are proposing, but what they are proposing is far more draconian than we have done. I think it is to our credit that we have had a balancing act, that we could maintain a lot of the programmes of the past.

When we do that they say they are PNM programmes. I will tell you, whether they are PNM programmes or not, we are supporting the people in the process. [*Desk thumping*] When we do not support it, they criticize us for it, so you cannot win. In an Opposition that is bankrupt of ideas, that has now failed to accept the mistakes of the past, that is in a perpetual state of denial, we must expect that as the political challenges of today. We treat the Opposition in the same way we treat those self-interest groups that do not understand the requirements for the moment of truth, moving this country from where it was to where it has to be. We shall do it with or without the support of those self-interest groups that want to derail the economic life of Trinidad and Tobago. [*Desk thumping*]

It is a period of uncertainty, clearly. We live in a world that produces increasingly improbable events with enormous consequences. In a world of uncertainty, the unexpected happens more frequently. The more we seek to establish order and stability in a highly turbulent environment, the more likely the unpredictable and violent event may erupt. By allowing less and less volatility, we increase the risk of the unexpected. Managing risk must include taking risks; without risk there is no growth. We are prepared to take on the political risk of change, so that tomorrow can be a better tomorrow for the next generation.

Mr. President, I beg to move.

Question proposed.

Sen. Dr. Lester Henry: Mr. President, thank you for allowing me to join this debate this morning and to respond to some of the issues raised by the Minister in his presentation.

Today is one day short of three months since the presentation of the Government's fiscal package for the current fiscal year 2010/2011. This Finance Bill, as the Minister noted, is meant to provide the legal framework for the implementation of the policies mentioned in the fiscal package back in September 08. Of course, from the very beginning, given the policies that were meant to be implemented, a lot of these changes that we see in this Bill would have been necessary. So we know we would have had to come back here at this point and deal with this issue.

11.45 a.m.

In addition, the Minister took great pains to outline the supposed positive aspects of the Bill. He also talked about certain people not wanting to face reality.

What has happened since the September reading of the budget? What we have seen, I, perhaps, should remind the Minister, that there has been no real economic progress since then. Also, as he used the word "pain", what we have seen is a lot of pain inflicted by this Government, okay. So, I would like to understand, who is in need of a reality check and who is living in a state of denial based on what is going on in the economy today.

Before I get into some of those substantive points, I would like to touch on a couple of issues that the Minister raised in terms of—just quickly, what he boasted about and presented with such pride—the IDB loan that was negotiated and within two months or so, as the Minister pointed out, has a lot to do with the country's A-rating that was inherited from the previous government, not because of anything that you have done so far, so let us be real.

He made reference to the visit of Standard and Poor's, he did not mention the name in which our credit rating will be re-evaluated in the coming months. I was part of the Opposition that met with the S&P people and I can assure the country and this honourable Senate that we did not do like previous Members of the Opposition when they were in Opposition, they went and bad-mouthed the country and begged them to downgrade us. Certain Members are sitting present in this Senate whose names I would not call.

The third issue that the Minister referenced is what is happening in the US and the plan by the Obama administration. He read it with great pride. Well, I would like to

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remind the Minister, which he kind of acknowledged at the end, why would you take example from a country that is in a worse position than you? Basically, America has been broke and is basically insolvent and the Minister himself acknowledged this towards the end. Why would you read something with such pride and figure you should follow a bad example? So the American situation is in a bigger mess than we are and we could elaborate on that, but we would—

Hon. Dookeran: I just want to get some clarification. Are you saying, Sen. Dr. Henry, that America is insolvent? Is that what you said? I was not quite clear.

Sen. Dr. L. Henry: Basically, because some people have argued that America is, indeed, insolvent based on the extent of its national debt. Its total national debt is in the vicinity, the last time I checked, of over \$60 trillion, including government, corporate and consumer debt, so let us not deal with that. I do not want to be sidetracked by that. The point is, you are picking one of the worst fiscally managed countries in the world to use as an example, so let us move on.

Let us deal with the issue of the reality check that the Minister seems to be in need of. During my contribution on the budget back in September, I said with some degree of confidence, I must admit that the budget and the consequences coming out of the budget would lead to certain realities and we have seen them come to pass. I asserted back then that the budget would lead to a diminished confidence in the economy as the Minister of Finance is fond of saying. Done! That the budget would destabilize the financial system. Also done! It would create greater uncertainty and pain among workers in this country. Done!

Remember, the word “pain” was not my original here this morning, it was the Minister’s word. I said also that it would cause greater hardship on the part of Clico’s depositors, the people involved and their immediate relatives and so on. That was also done. That rather than turn the economy around you would be driving it into the ground. Also done! As we see, our growth estimate has been revised downward. At the time of the reading of the budget, the Minister asserted that at the end of their growth for 2010, it should have been about 2 per cent or so, because we had an initial 2.5 per cent economic growth in the first quarter of the year or that has now become estimated to be zero or negative. So, that certainly has been done.

Further, one of the tendencies towards neo-liberal type policies and the possibility of structural adjustment being implemented in this country sometime down the road, I see we are on the highway driving full speed ahead and in a

combination that it would lead us down the path to the IMF, IDB, World Bank type solutions to our problem, of which we are fully aware. That is certainly done. In fact, it is so done that the Minister is actually proud of it and is actually taking credit for doing it.

Now, let me just go through and remind the Minister of some of what he is at least not seeing or at least acknowledging that he is not seeing in terms of the elaboration of some of the points I just made. From all reports, the second half of the year since the Government has been in place has been a bad year for consumer confidence in this country. Now, we do not have, like some other countries, a Consumer Confidence Index that they can put out there and gauge public feeling, public sentiments about the state of the nation's economy and the state of well-being of the average citizen, so we do not have that type of index. What we go on is basic economic facts of what is happening. We note the fall in private consumer credit and in private sector spending that has shaken the business community, and has been a body blow to the community.

Of course there are the banks. You have also seen a reduction in business and consumer lending, and definitely very sluggish activity overall and rising unemployment. Now, confidence—as many commentators have pointed out, not only me, I am sure all the Members opposite are fully aware of it—has been eroded and you can cite countless columnists, newspaper articles, the chambers and so on, because immediately after the budget in September, many of the same organizations rushed to praise how wonderful, how innovative and how brilliant the budget was until two weeks later when reality started to hit home, then all of them started singing a different song and they have not given us on this side the credit for pointing out the potential consequences of many of the measures in that budget.

Now, we have had a tremendous erosion of business lending. In September alone we had a 6 per cent decline in business lending; in July and August we had declines of 11 per cent and 10 per cent, double digits, double-digit declines since this Government has taken over, and that is even before the budget, and it has continued since then. Construction down 5.6 per cent, manufacturing down 15 per cent, distribution down 19 per cent, these are the realities that we are facing today and we have no solid resurgence as was forecasted with the presentation of the budget.

That was the dream. That was the plan. There was this expectation, as I reminded the Government, that somehow you could put incentives in place, as was outlined just a few minutes ago by the hon. Minister, that you would throw out all

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of these incentives and somehow people would magically rush to start business activity. Now, if the investment climate is sour—for a number of reasons, some of which I will mention before I get to the end of my contribution today—then it does not matter what incentive you throw out, people will keep their money in their pockets or find something else to do with it other than invest. They will not create the kinds of jobs and so on that you presumed that they would, simply because they have an investment.

So this Finance Bill here today solidifies the environment for these incentives in terms of putting them into place, giving them a legal basis which is not a problem. However, to think that alone will cause this upsurge in economic activity, I wish to emphasize again, is not being very realistic. The overall investment climate has to improve considerably for us to see any major rebound in business activity in the months ahead. So the private sector credit and all of that, we know, has gone down. Even in this moment approaching, the Christmas season, when you are supposed to be seeing a major upswing in business activity, nothing much is happening.

My friends in the commercial banks—and contrary to public perception I do have some friends in the commercial banks—assured me that their business is exactly flat or declining. Even as of this morning there is nothing happening, there is nothing to invest in. Investment managers are scraping and scratching around hoping that something would come up that they could put some money in, and, of course, with this excess depressed demand for credit and so on, excess reserves in the banking system have ballooned upwards reaching as high as \$4 billion or so, just a few weeks ago.

Now, I understand this has come down somewhat because of some mopping up activity by the Central Bank issuing US \$200 million into the system, so that mopped up about \$1.2-plus billion of it and also a 1 per cent bond that was issued specifically for the banking sector. However, as of this morning—that brought down the excess liquidity somewhat—but as of this morning I understand it has gone back up again to somewhere close to \$2 billion in excess liquidity in the system, again, because nothing is happening.

Now, when the Minister finally pays out the \$1.8 billion, I believe you estimated it at, to the Clico depositors, this would also add to that, because these depositors have no place else to put their money. It will end up back in the banking system and exacerbate that problem once more. So, the excess reserve in the banking system continues to be a problem, and, of course, this Government chooses to borrow abroad again as the main revenue source for financing the deficit which we will get back to in a while.

12.00 noon

Short-term interest rates have fallen. The repo rate is down to one of the lowest rates ever—3.75 as of today—and yet still, no economic activity is being picked up, Mr. President. So, we have a situation where we have to ask then, “What is the explanation?” If interest rates are so low, historically; prime lending is down to about 8 per cent at the Central Bank—according to the Central Bank, that is the average prime lending rate—why is it that people are still finding it difficult to start up investing, the private sector in particular, if we have such historically low interest rates?

With low interest rates, high excess liquidity and a ripe environment, there should be no problem. So what is the problem? We have to look at the impact, in our type of economy, of the Government. It is not my point of view only. You can go and read it in many publications issued in recent weeks and months in the press. So, you do not have to take my advice. I am just helping you along here and making you see that you, yourself, must be able to come to grips with the reality of your role in fostering the kind of environment where people feel that they cannot invest in this country at this point in time.

Now, of course, because of the sour investment climate, there was also talk in recent times about capital flight; of course, a subject that I know considerably a lot about. By the way, that was my PhD dissertation topic and I have kept abreast of recent developments ever since. What is happening is that people are beginning to look outwards to find investment opportunities, and we are seeing the effects of it on the exchange rate; not just the seasonal rush to buy apples and grapes, and so on, that pushes up foreign exchange demand approaching Christmas. We are actually seeing—[*Interruption*] Let the economist or the Minister of Finance or Assistant Minister of Finance to his right. [*Laughter*]

Okay, I have no problem with that. So yes, that is the word coming out of the financial system, that investors are finding it very difficult to put money in anything here for a number of reasons. A lot of them have to do with the inaction and the inability to grapple with the serious issues affecting the economy on the part of this Government. Of course, the Minister and other Government officials generally say the right thing, which I must give them some credit for; but in actual implementation, we get all kinds of hodgepodge, you know, “if” and “maybe”, and one part of the Government saying yes; the other part saying no.

Sen. Panday: Like when they walked out in the Lower House; half gone and half stay. [*Laughter*]

Sen. Dr. L. Henry: Do not go there. You have to face the reality now. So, people, the worst thing—one of the worst things that could happen that would counteract all of the lofty ideals that the Minister just espoused is massive capital outflow from the country. We are seeing some elements of that, and, of course, that has a lot to do, as I said, with business confidence and, also, consumer confidence, to some extent, in the economy, and the fact that people feel very uncertain about investing or keeping their money in domestic financial instruments and putting money into domestic projects.

When you see that, capital flight is one of the most assured signs and one of the most overt votes of no confidence in the local companies by investors, and we have seen that emerging in recent times. Also, you wonder why I am saying that the local investment climate is being affected by some of what the Government is doing, if not completely. Now, we have the problem in the country, for example, of the non-appointment of State boards that we have beaten over and over again, but the reality, Mr. President, is the fact that it does not go away. The more we talk about it and the more other people complain really does not matter. The fact is, the Government has to take action and implement some of these activities on these boards in order for decisions to go forward.

Now, in terms of further issues, where the destabilizing of the financial system is taking place, recently, we had the unwarranted and unnecessary intervention by the Minister of Finance in attempting to remove five directors from the Central Bank Board. Now, with all kinds of problems; PSA protesting, the non-appointment of boards, and serious matters that the Minister himself outlined, there are so many critical issues going on in the country that he spent his time trying to get the President to commit an illegal act and remove four board members from the Central Bank.

It is well documented and it is in the press where he asserted that that was his intention, brazen and bold. Now, hopefully, good sense will prevail, at least initially. We know that two directors have been appointed by the Government, legally, so hopefully you will learn a lesson from that. Do it the right way; because the terms of two sitting directors of the Central Bank expired and the Government rightfully appointed two new directors. No problem with that, but do not try to do it illegally and destabilize the bank. [*Desk thumping*] Okay? It does not augur well for the financial community, but we have to keep raising these issues. Hopefully, you will learn for the next time.

The same thing applies at the Securities and Exchange Commission (SEC). It is not only the Central Bank where the Minister is trying to throw his weight around. The SEC Director had to hire lawyers to write to the President for some

help to cover; “Save me from the Minister of Finance.” Lawyers for the Chairman of the Securities and Exchange Commission, Ms. Debra Thomas Felix, wrote to President, George Maxwell Richards, warning him of possible public embarrassment if he took a certain course of action regarding her tenure with the Commission.

This is part of what we are talking about when we say that whether your intention was to destabilize the economy or not, especially the financial system, your actions are showing. Now, of course, we know that in terms of removal of such appointees, as appointed by the hon. President, such as the Central Bank Board and the SEC, you have to be removed on the grounds of unsound mind, that you declared bankruptcy and all those other criteria which does not seem to matter to the Minister of Finance. He wants to get his way and it does not matter what the consequences are for the financial stability of the country. Financial stability is what he boasts about the most as being part of his legacy.

To go further, the board has not been fully constituted at the Securities and Exchange Commission, and there have been complaints that the work of the Commission is being hampered because they do not have a quorum. We have up until recently, I stand to be corrected, the Scotia Bank Managing Director—permit me, Mr. President—complained that the lack of the board at the SEC was seriously affecting the ability of market actors to register products or approve transactions.

New products have to be registered, people want to get licences, and the big capital deals have to be vetted and approved by the SEC but they cannot do it. This is the reality. While they are playing “footsie” trying to get rid of the SEC Chairman, they are stifling business activity. This is what is happening. What I am saying is that if you are going to strangle the economy, if that was your intention, then you certainly are doing a good job of it, contrary to your lofty words.

Since one of the directors, the Deputy Governor of the Central Bank, left, you have not appointed a new director there and there is no quorum. If you corrected this, this morning or last night, then I give you credit, but this is what you have put the country through, especially in the private sector. So, Mr. President, when I talk about capital flight and business confidence, and so on, all of these things go into the mix that we are talking about here today, and what we hope to achieve with this Finance Bill in terms of implementing the programmes that were outlined in the fiscal package by the Government in September.

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I showed a direct example of where you are affecting business confidence and business activity, and that is why people are engaging in capital flight, and so on, because people are not going to sit around waiting for you to come to grips with the economic reality and put things in place while they lose money because of negative real interest rates in Trinidad and Tobago.

Now, let me turn to the prospect—the thing I warned about in terms of the impact on workers. This is what I think the Minister was also referring to when he talked about pain. In the recent months, we have seen the upsurge in worker protest, and so on—of course, the PSA being the most prominent among those and the most vocal, perhaps—and the inability of this Government to settle, effectively and decisively, wage negotiations.

We are into December now, already one week gone, and we still have no clear indication as to when or how these things will be resolved. We are hearing the President of the PSA saying, “Well, the hon. Prime Minister wants to settle these negotiations but the Minister of Finance is opposing any solution.” How could people have confidence in a Government when such might be the case? I am not saying that the President of the PSA is correct, Mr. President. I am just saying that is what he asserted.

Sen. George: They were protesting before the May 24 election, you know.

Sen. Dr. L. Henry: Yes, I know, I know, but the problem is yours to solve. That is why the hon. Prime Minister had to call all of you together last week Monday to remind you that you were the Government. [*Laughter*] I heard that they actually sang a song. I think you could put it on a CD.

Sen. Hinds: Mr. Dookeran did not sing. He just cried.

Sen. Dr. L. Henry: Do not try to tell this side that we have to solve a current issue that is in the hands of the Government. Come on, be serious.

Sen. George: Just a reminder.

Sen. Dr. L. Henry: As my honourable friend, Sen. Hinds, always says, “Drink the porridge cool.” [*Laughter*] So, there is uncertainty among workers because of no clear direction in terms of how the Government plans to deal with and settle these issues in a decisive manner. Once you do not have decisive action, you will always run into problems, because people will speculate, just as the example I gave of the PSA President.

People will speculate as to what is going on because there is no decisive action. A lot of it might be pure speculation, I agree, but there might be some truth in some cases. The problem is that the effect on the population is one of uncertainty, and it comes

across as a lack of clear direction on the part of the Government. Also, the Minister spoke in terms of paying the contractors the outstanding money, again, a good example of a kind of wishy-washy, hodgepodge issue coming out of this Government, Mr. President.

In November—I heard it myself; I saw the news clip—the Minister of Works and Transport, Hon. Jack Warner, told the contractors, “Well, we will give you bonds in order to pay off the debt owed to you.”

Sen. George: By the PNM.

Sen. Dr. L. Henry: So that the Government will not be able to deliver cash. This is the powerful action man, maverick Minister of Works and Transport, saying that, “We have no cash. We will give you bonds.” Now, I remember in my Monetary Theory and Policy class at UWI, Mr. President, the next day a student asked me, “Well, do you think that is a good idea?” And I said that it is not even an idea unless it comes from the Minister of Finance, because the Minister of Works and Transport has no authority to promise anybody anything in that rate.

Lo and behold, one day later, the Minister of Finance—he can correct me if I am wrong—is quoted here:

“We do not need bonds to pay contractors. I can tell you today that the financial situation is improving at the level of Government and we have made appropriation.”

Okay? So, we do not need no “stinking” bonds.

Sen. Hinds: That is a slap for Jack.

Sen. Dr. L. Henry: I am making a case and I am supporting what I am saying with evidence; so this is what causes problems for this Government when you speak with several tongues, and sometimes in several tongues, too. This is what is happening. You create a very uncertain environment. “Are we going to get bonds? Are we going to get cash? What are we going to get? Are we going to get something in kind?” What is the problem here? What is the solution? Have a definitive. So, Mr. Minister, I was quite happy to be proven correct that I did not tell my class a lie, that we could not take the hon. Minister of Works and Transport’s statement as having any validity until they heard it from the Minister of Finance, and you quickly proved me to be right, which I have no problem with.

We have a situation now where the International Monetary Fund Report on the country subsequently, or close to around the same time, became public—I think it was around a Monday—in which it called upon the Government to pay the

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contractors to help get the economy going, and so on. Then all of a sudden, the Minister of Finance, in very strong and assertive terms, started to talk about, “Yes, we are going to get things going and we are going to invest;” and as I quoted here, “We have the money, things are improving, and so on.”

My question to the Minister is, why did you have to wait until the International Monetary Fund Report came out before you found your voice? The timing was rather strange that you were quiet all along and then, if you look at the date of the article, the IMF story ran on November 09 and the quote that I read from the hon. Minister was on November 11; two days later. Why could you not have asserted that with such confidence a couple days before and make it look as though it was your original idea? Now, it might have been, but when things happen this way, there is a question mark. It is as though we are saying, “Well okay, the IMF told me to spend some money, so I could come out and say it now.” If that is the road on which we are heading, then I can assure you we will be heading for some trouble.

I next move to the problem of Clico. I will not dwell on it too much because a lot is out there in the public domain on it, and it was quite noticeable that the Minister did not address the issue at all in his presentation here this morning. He steered very clear of it. If you look at one of my predictions in terms of hardship for the Clico depositors and the associates, I see this headline here from the *Newsday*; one of the more favoured newspapers by the current Government, and I am saying that only because the Prime Minister praised that paper. I am not making that up. So, “Bleak Christmas Clico Policyholders to Sue.”

Now, we know of the difficulties in finding a solution to this, but the Minister has asserted that he is sticking to his solution and the policyholders are very upset with the Minister. That, again, is further helping to create uncertainty in many financial institutions in terms of what might happen in the months ahead. Even someone I would consider to be somebody sympathetic to the Government in most of her pronouncements, Mrs. Indera Sagewan-Ali, said:

“If Government does not find a solution to satisfy Clico policyholders...the entire financial system ‘is up for grabs,’...”

Yes, it is right here in the *Guardian*.

What we are looking at here is the fact that the Government and the Minister have asserted their position on the Clico matter, and so on, but then you have the reaction. I am personally not going to judge whether the Minister’s plan is the best plan or not, but we face the reality that it has consequences. All right? So, we see that the policyholders are going to take legal action.

One of the interesting tactics or issues coming out from the Minister's presentation in the Lower House, Mr. President, on this same Bill, is his assertion that the commercial banks would pay 90 cents on the dollar in terms of the bonds; the 20 one-year bonds that will be issued to policyholders. While I understand that there was no real negotiation with the commercial banks on this matter, the Minister attempted what we call in financial circles, "jawboning".

Jawboning is a technical financial term that means when somebody of power and influence wants to get something done without consultation and they assert it as being done, that is, in financial terms, jawboning. So while I describe the Minister's attempts as jawboning, I am not saying that it may not have some merit, but that is what people in the know, in the financial circles, recognize it as. It is not moral suasion, as some try to portray it; it was jawboning.

Now, what I would like to quickly ask the Minister—not too long on this Clico matter—is, what happens after the fifth year? I have been informed that you might get close to 90 cents on the dollar up to the first five years; but what happens after? Could the Minister inform us what would happen in year 18, 19 or 20? You would see a big, different picture emerging. I wait to get a reply from the other side on this issue.

What happens from year six onwards? Are you going to command the financial market to give a particular rate in a market economy, Mr. President? A more pertinent question, perhaps, even of greater significance, is, how is the payout going to be financed for this 20 years of one-year bonds? From my understanding, it is heading in the direction of increasing our sovereign debt further because of the plan that involves taking some US from the domestic economy, converting it, investing it into an American instrument and leveraging upwards several times over, with the expectation that once that instrument is profitable, we will be able to pay off the deposit holders over time.

The problem here is that if that investment goes sour, we will be left with a very huge addition to our foreign debt. Again, that does not seem to be something that worries the current Minister, but it is something that we need to pay serious attention to in terms of what we might have. So we might run up the external debt of the country. I touched on the lack of economic growth and the fact that we have seen so much slowdown in retail sales, and so on—the statistics are there—that enough is out there to suggest that we are not making any serious economic progress, and the progress right now seems to be a pipe dream only. Again, hitting

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and hoping that this Bill, once the measures are pushed through, people will magically start feeling good and investing again, regardless of all the other negatives that are coming from the Government.

I am coming close to the end here. I would also like to see that my feeling that we will be heading down the road of excess foreign borrowing and pushing ourselves towards—

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. S. Panday*]

Question put and agreed to.

12.30 p.m.

Sen. Dr. L. Henry: Thank you, hon. Senators. I greatly appreciate the fact that we have such supportive solidarity despite—

Sen. George: “Magnanimity” is the word.

Sen. Dr. L. Henry: Something in short supply in the other place, especially. [*Interruption*] Okay. Mr. President, I will just use up a few more minutes and allow other distinguished Members of this House to contribute and also look forward to some of the responses to some of the issues that I have raised in this contribution this morning.

As I was saying, in terms of our foreign borrowing and heading down that road now, when we see a headline such as this, in terms of the \$8 billion jump-start loan, as it was described in the press and we hear talk that this loan comes from the Inter American Development Bank; and we are going to borrow some \$8 billion over a 25-year period and the Minister asserts, well, we are borrowing a little bit here immediately, then some in 2011 and he asserts that we are borrowing the money for a 25-year repayment period at a rate of 1.2 per cent—

Mr. Dookeran: One point two above LIBOR.

Sen. Dr. L. Henry: Well, the article did not—thanks for the correction. I mean that is good that it is corrected, but it means more potential problems ahead, because that was my question. In terms of in the public domain—because this was what was reported in the press—people will believe that we are getting money so cheaply that it is not a problem; that we should not worry about it. But immediately upon reading the article I was obviously alerted to the fact that this could not be a fixed interest rate loan, that there must be some variable component, and as the Minister just pointed out, it is 1.2 per cent above LIBOR.

So the fact is that when you borrow now and the interest rates appear to be in your favour, five or six years from now, if the interest rates on the international market go up, that is where you run into debt problems, as we have seen back in the '70s and '80s.

Mr. Dookeran: Thank you, Senator. I just want to put the figures in perspective. The rate is 1.3 per cent above LIBOR and LIBOR is about 4.6 per cent at this time. But there is also a proviso in the loan agreement which we shall sign later this week that the rate will never be above 2 per cent.

Sen. Dr. L. Henry: You mean more than 2 per cent above LIBOR.

Mr. Dookeran: It cannot go beyond 2 per cent. The maximum rate is 2 per cent.

Sen. Dr. L. Henry: While I welcome the explanation from the hon. Minister, I still want to put on record my concern about what will happen if our credit rating deteriorates, and so on. This is just one loan. What is going to happen with some of the other loans? And if, as I alluded to at the start of the my contribution, the issue of the S&P team visiting last week, and so on, what if our credit rating were to sink because of?—I do not know. There could be a number of reasons which, of course, they would be responsible for. So if our credit rating sinks, we could be into a significant foreign debt accumulation in the years ahead by the end of the legitimate term of this Government. So we have consequences leading to possible structural adjustment programmes and so on, again down the road, and like I said, we must guard against this very, very carefully.

So in summing up, I want to remind the hon. Minister of Finance that his budget is achieving the opposite of what he declared it to be trying to achieve back on September 08, 2010, and to take seriously the economic reality on the ground as many people are feeling severe constraints in terms of investment, in terms of jobs, in terms of increases in their salaries as inflation goes up and continues to be double digits as of last month—12.5 per cent and so on—as the erosion of their purchasing power continues and we cannot wait for pie in the sky and for foreign investors to come and save us.

Or, as I pointed out in my budget contribution, the oil price and the gas price may rebound, and, therefore, our energy revenues will go up and the Minister and his colleagues will come back one year from now and say, “What astute economic management we had over the past year”, when they referred to the oil as a curse, and I will continue reminding them of that. I said in my contribution on the budget that oil and gas is our mainstay and it is what we all have lived and

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benefitted from and to keep referring to it as a curse is being—[*Interruption*] What I am saying is that the same oil and gas will come back to save us as oil prices are projected to be higher. I am aware of declining production and so on, but gas prices may also rebound and this Government will then say, “Ooh, great.”

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

Sen. Basharat Ali: Thank you, Mr. President. I rise to make a contribution to the Finance (No. 2) Bill, 2010 which, as our hon. Minister has said, is really to give effect to other proposals from the budget. My concern has been what the effect will be in terms of our revenue, particularly considering the different measures that have been taken to stimulate the economy and, specifically, to aim to stimulate the petroleum sector.

Before I proceed, I would like to congratulate our Minister of Energy and Energy Affairs who has been appointed to the position of Alternate President of the Gas Exporting Countries Forum, and that is a very important position. [*Desk thumping*] She takes this position from January 01, 2011 for one year and it is in terms of our major revenue earner right now, natural gas, so it is a very important position for her to be in and to have some influence as to where we are going in this business. So congratulations to her and I hope her stint there will work to the benefit of Trinidad and Tobago.

Being a person from energy, I propose, really, to confine my contribution to that sector, the petroleum sector, and to matters related to energy as they cropped up in the budget. In my budget contribution on September 22, 2010, I had expressed one concern about revenue collection based on a crude oil price of US \$65 a barrel and gas netback of \$2.75 per MMBTU. I had also asked whether our revenue estimates would have taken into account the incentives that were to be given for mature oilfields, for example, and what that number would be in terms of the total revenue, seeing that we are already at that situation in a tight position of revenue; we are running into a deficit budget.

Unfortunately I did not get any answers at that time and today, as I rise here to speak, I will try and put something into that, because I have heard nothing so far as to what the effect of these stimuli would be to increase our production or otherwise, in the sector. I am hoping that some of those would be forthcoming. I know that my young friend there, the parliamentary secretary, must be all geared up to respond to these, but I will try and tackle it myself as I go along.

I have to express one disappointment and that is, in the other place—I had downloaded the presentation of the hon. Minister of Energy and Energy Affairs,

and I really was very disappointed that little or nothing was said about the details and the effects of what was being proposed. I think most of the time there was spent in trying to rehash, really, what went on in the budget.

All I heard for a large part of that contribution was about all these projects which failed—the PNM projects which failed. I did not expect that at this stage of the game, a couple of months after our budget, that we would still be spending so much time on that. I think it is time to leave that aside and let us get forward. Unfortunately, there were quite a few inaccuracies, from my point of view, in her contribution as she went through these various projects, whether it was Essar Steel, whether it was polypropylene, whether it was maleic anhydride, whether it was three ammonia plants. Those are what came up in her contribution on the Finance (No. 2) Bill and when I heard from that hon. Minister that the polypropylene project failed because Lurgi, the company, went into Chapter 11, I was appalled, because Lurgi has never been—Lurgi is a German company, a very strong German technical company and they have never been under Chapter 11. So I do not understand where that information came from. I know one of the partners—and I will talk about that one—Lyondell, which is a US company, had some problems and that was solved, but Lurgi, as a technical partner, cannot be faulted.

We have two Lurgi projects in Point Lisas. Both the Titan and the Atlas Methanol Projects are Lurgi projects and the first one to come on stream, the first mega-methanol plant, as they said, 5,000 tonnes a day of methanol, that is a Lurgi process and that went on stream. That was the first one of that level. Shortly after that—maybe a few days after that—Methanol Holdings (Trinidad) Limited got also to that level with their 5,000 tonnes a day plant.

It is a measure of the level of technology the Lurgi, as a company produces. I have always had a great respect for them from the point of view of technology and I have dealt with them. They have never got—when we did our first methanol project, they were one of the competitors. They competed with ICI for the technology and they lost out, purely on the basis of commercial grounds and that was what we ascertained after doing our study, comparing the ICI process with the Lurgi process. We spent about US \$50,000 just to get that done at the time.

12.45 p.m.

It was decided then that commercial considerations will decide whether we go the Lurgi route or the ICI route. We chose ICI and so far we have been satisfied with that. So let us be very careful in the Senate how we deal with such matters as speaking of someone who is still here. Lurgi is still here. They have a presence—they have Lurgi Caribbean in fact—here because they have a big interest.

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Now Lurgi as a technology supplier was indeed a partner of this, whether it was otherwise I do not know, but they were a strong partner because they were promoting their own technology. Mega-methanol is one, that is natural gas to methanol; MTP as they call it, methanol-to-propylene. That is the second phase. That is a process. It has not been commercialized on a huge scale, but it has been proven. Lurgi built two or three years ago—more than that—a demonstration plant in Norway and that plant has worked. So it is on the basis of that they scaled up to sell—MTP as they called it—that process, and in that overall project for polypropylene, the main partner was in fact Basell. Basell is BASF and Shell. I do not think you can go wrong with BASF and Shell as partners in a joint venture. BASF in fact had the patent for the next phase which is the spherizone process, which is for the polypropylene. So that was the whole project.

I have never been in favour of that project because I felt that we should not be putting 165 million cubic feet a day of our precious gas to produce this large amount of polypropylene resin which will not be processed here. So on that basis alone, I had always objected and I kept being told that they were looking at Procter and Gamble and other people like that coming in, but the reality is, that is where that project faltered, plus the fact this happened. Sometimes I wonder whether we have forgotten, hon. Minister of Finance, whether this happened. That is the price of crude oil. That big bump in 2008 is going down again and sometimes we forget about it. It seems that we forget about it. I do not forget about it. Crude oil in 2006 going from \$63 to over \$140 in July, 2008, and then down the steep slope and now recovering. The hon. Minister of Finance is very conscious of it. I am and it has caused this hard time in many respects.

So I say go cautiously when we are dealing with people because we have to come back and talk to many of these people if we are going to be in the technology field. Companies like Lurgi, the ones who have done other projects with Methanol Holdings, Forrester, et cetera. So let us not forget that. Similarly for this question of the Essar Steel project, which is another one the hon. Minister mentioned. Essar Steel had been given all the concessions that they could want as what they called a highly capital incentive industry. They had on paper already a 10-year tax holiday. That is the definition under the fiscal incentives, highly capital incentive industry is entitled to a tax holiday up to 10 years and they had also all the duty-free concessions, et cetera. But Essar Steel was just using our natural gas to process a raw material, iron ore, and it is not even a finished product.

From my understanding of it, eventually the Government said, “Well look, we are going with it provided you have something downstream.” They never had any downstream projects, so that was the end of Essar. Essar's interest really was to

process the iron ore from Brazil or wherever it is, take it into the United States and do all the downstream work; nothing in Trinidad and Tobago, so that is a failed project too. I understand and I agree that it should not be there. I agree that other steel projects that are around should not be in Trinidad because all they are doing is using our gas to produce material to go downstream. It does not go downstream, and really, the only person who has been going downstream here is our own Methanol Holdings to a certain extent. Maybe we could develop on that.

So those are the things I find very unsettling at this stage. I think six months have gone, let us forget that. Let us go ahead and look for the new projects and alternative methods of dealing with them. This is my advice. I have been here long enough to advise the younger Minister of Energy and Energy Industry on such matters. [*Desk thumping*]

So the cancellation of these projects have led to one fault and it has been mentioned by—I do not know if it is a fault, but they did negotiate gas contracts. Essar, I believe, may have had a gas contract there, but their requirement was 140 billion cubic feet a day as against the polypropylene plant—160. So between both of those it was 300 million cubic feet of gas we were talking about, a large quantity of gas. So in a way we have been saved because the little gas we have we can preserve until we can find more gas. I think everybody agrees that we have to find more gas. There is that gap to be filled.

In Trinidad and Tobago we have to depend on that sector for a number of years to come until we can establish other things, and this is why we are looking at various incentives for promotion of exploration and production and we are looking at the bids, et cetera. We got results from one bid and quite frankly I do not think we have done a great job in—we have nothing to boast about in the bids that we have received—the four bids received on that 2010 competitive bid round.

Mr. President, if I look at the *Business Guardian* of December 02, I think it is, there are a couple of comments which I think are worthwhile to look at and one of them comes from the Energy Chamber which is a well established group in here and let me read a couple of paragraphs of what they say in the circumstances. It goes like this—this from *Business Guardian*, December 02, 2010:

“The results of the 2010 bid round highlight the challenge of attracting investment into the Trinidad & Tobago upstream energy sector. Despite significantly improved fiscal terms the bid round only achieved a limited response, especially from the larger establishment of the multi-national oil and gas

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companies. The results of the bid round, announced in Parliament last Friday, indicated that only four of the seven blocks offered will be awarded production sharing contracts.

Given this outcome there must be concerns about the ability of Trinidad & Tobago to attract the large sustained inflows of capital into the upstream sector that are required to extend our gas reserves and the life of our energy industry. [*Desk thumping*] Direct foreign investment into Trinidad & Tobago has significantly declined over the past two years. In part, this has been due to the global financial crisis, but developments in the global energy industry over the past few years point to more long-term challenges for the Trinidad & Tobago gas-based upstream sector.”

So I agree with the comment there, Mr. President, and I will come back to it and say why.

In the same *Business Guardian* there is another item with respect to those same bids and this is from the energy correspondent of the *Guardian*, and it is the same day. It says:

“BGTT failed to secure a block”

That is one of the surprising things to me, in fact, that BGTT, which is one of our big operators in Trinidad and Tobago did not manage to acquire a block.

“The country’s second largest gas producer and the largest company to bid on the 2010 shallow water bid round failed to secure a block. BGTT has failed in its bid for Block 5(d) after the Ministry of Energy determined that its bid ‘did not meet the benchmark’.”

That is all we know about it.

I do not know what the benchmark is, but the resource person there said that she is not in a position to say what those benchmarks are. So we are left in a situation where the only company of the international operators who bid on this round has not got it. I do not know, they may be very disappointed, but they have other options. So BG in fact—as my good friend there will know, the block that they bid on that 5(c)—

Hon. Senator: 5(d).

Sen. B. Ali:—5(d) is in fact next to 5(c) which they have already with Canadian Superior. So there it is, they have a block there, wanting another block adjacent to it and they have not gotten it. I do not know how they feel now. They

must feel very disappointed, but I am concerned that they are the only ones and they have not gotten anything. I speak to that by looking at how those bids went and the comments really of the hon. Minister in terms of what happened there.

Mr. President, I get the impression that when the Minister made a statement, it was as if a bid is an instant thing, but a bid takes a long time to work up, and this bid did take a long time to work up in rather difficult circumstances. As I said, when you look at this you will know how difficult it will be to try and agree on the terms and conditions. So really, the previous Government should be given credit. They took the time to get advice. Everybody knows the name, Dr. Van Meurs, who is a specialist in this kind, of fiscalization programme, and he is the one who was consulted. So the question of ring-fencing and incentives were all enunciated. I think there is only one thing that caused the past government to fail in this respect, and that is what had happened on April 08.

I do not think any of them expected what happened on April 08, 2010 when a certain gentleman pulled out from his back pocket a paper and said, "Well, Parliament is dissolved". If Parliament was not dissolved, this would have taken its turn and all these things would have come into law as we are putting them into law now. There are amended incentives, et cetera, being put into law now. The bid was extended by one month. It was supposed to be August and it was extended to September 08, I think.

The coincidence of the thing to me is when I went to the website of the Ministry of Energy and Energy Affairs and I downloaded "Competitive Bidding Order", that order was issued on April 08, 2010. The same fatal day when Parliament was dissolved, that was the day when the competitive bidding order went out. It was for four months, so it went until August. So let us not be casting blame all the time and taking kudos for what really this present Government did not do.

1.00 p.m.

I would like to say that there was never any acknowledgement of the public officers who worked so hard on this. I know that Ministry well because I worked at that Ministry for many years and the people like Helena Inniss-King, Heidi Wong, Selwyn Lashley, the lawyer, are the people who put the things together and they must feel terrible when they are exposed to all this.

I would like, when we make comments, to acknowledge their work in this field. Nobody seems to want to acknowledge that they are the ones who are behind it, who do all the donkey work to get those revisions in place so that the

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hon. Minister could have amended the production-sharing contract. I saw it there. I was surprised when I saw that it was all amended. It is on the website. If you go to the website, you will find all those things.

Getting back to the bids, the awards have gone to NCMA 2, that is North Coast Marine Area, to a company called Voyager. I will talk about them. NCMA 2 also went to Voyager, a German utility company. NCMA 3 went to Voyager on its own but Voyager is now a subsidiary of NIKO Resources, so it is not anymore an independent company. NIKO Resources, apparently, have resources and they pretty well bought into and bought out Voyager. We must look at these things. They have NCMA 3 and they have also the so-called average deep water block 4B, which is also Voyager. So they are also involved in three of the blocks, which are out.

One company—I do not know how strong they are but they have joined up with another company, NIKO Resources—at one stage it was like a joint venture bid. It is now in the name of Voyager, which is the junior company.

Their one bid which went to another company, NCMA 4, Centrica Energy. Centrica, in fact, comes from the same root as British Gas (BG), but they are a separate company. They are relative to BG. When BG split up, they were formed. That is where Centrica comes in and they have been active in trying to get a foothold into Trinidad and that is why they have one of the NCMA blocks. The one that was not awarded, though, is lot 5(d), the one we were talking about; no award to BGTT. So that is where we are on that one.

Mr. President, when I look at the other competitive bids which are already out for the so-called Atlantic deepwater bids, we have to hope and pray that we will get something out of that. In fact, those bids close in just over a month's time, January 18. They went out on September 08, the same day as the first bid closed and on January 18 they will now be closed. We will be looking at it.

When I look at the major international companies in Trinidad, what is their interest? I think all of them have their interest in Brazil. Brazil is where it is right now and the three big people are BG itself, the prime mover of the Tupi Field in Brazil, were discoverers, if I am not mistaken. I am sure my friend down there will agree with me.

They are there; they have money and if we treat them as we have treated them here, they will say maybe they should go there. BP has always had a big interest there, too, in offshore Brazil, notwithstanding the amount of money they have spent in the Gulf.

Repsol is a Spanish company that is here and has teamed up with the Chinese, Sinopec, under the banner of Repsol Brasil. When those bids start going out in Brazil—and the law has been enacted whereby they are going to rename Petrobras—they will have a minimum of 30 per cent in all that. They are ensuring that their national company, their own company—only time will tell what is going to happen to us because these are three companies that were there. I will talk about Repsol because they are the latest ones who have been here. I talk about them in terms of mature fields.

I go now to the Bill before us, looking at the amendment to the Petroleum Taxes Act, Chap. 75:04. The first amendment is one that we were expecting, clause 2(1), interpretation, where “deep water” has now been reduced from 1,000 metres to 400 metres. We expected that, but I am a little puzzled by nomenclature. I feel that we have to put our nomenclature in place. We cannot call it average deep. We have shallow. I hear now “average deep” and “deep”. That does not make sense to me. “Average” now is enjoying the tax concessions of deep water.

As it is there now, by changing from 1,000 metres to 400 metres, blocks 5(c) and 4(d) fall within the category of average. It was “shallow” “average” and “deep”, now I keep hearing “average deep”. If you want to do that, call it “shallow”—we all know what shallow is—call it “average deep water” or “deep water” and “ultra deep”, then we understand. If you want to say ultra deep is over 1,000 metres, then fine. We will understand it, but let us clarify it. It is very confusing. It was very confusing then, but now it is one of the amendments proposed. There is a lot of confusion on what we call mature fields.

The next item I looked at was what we call mature fields. We have two sets of mature fields: mature marine oilfields and mature land oilfields. Those are where we were giving concessions of one kind or another. The concession for the marine oilfield is the one we have to look at. In that case, for that field, for a mature marine oilfield, there would be as of January 01, 2011, a discount of 20 per cent on the supplemental petroleum tax, apart from the fact that they will have the concessions for allowances up to 20 per cent of the indirect and direct costs being given coverage as an allowance against a capital expenditure.

Let me first say that nobody has said what those mature fields are. I am not an upstream person, but I am going to venture out of my depth. I was waiting for someone to say it, but I will say it myself. My take is that there are three mature fields in Trinidad and Tobago and two are mature marine fields. One is the so-called TSP, which is Repsol, 75 per cent; Petrotrin 15 per cent and NGC, 10 per cent.

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Repsol took over from BP, “bought” the three fields. TSP is Teak, Samaan and Poui. Those are mature fields because they are over 25 years. So they are entitled to that 20 per cent reduction in the SPT plus the allowances for capital expenditure. That is one.

The second one, which I identify as our own field, Soldado, Trinmar, that has been there longer than 25 years, so that will be a mature marine field also. The third one will be land. Pretty much all of land is a mature field. Those are the ones I recognize. I looked at them carefully, particularly TSP, which is Repsol and Petrotrin NGC. I had NGC and I crossed it out and put it as Petrotrin because I may have been misled by some information on the Public Sector Investment Programme (PSIP) document, which puts TSP as an item under the PSIP. I only changed it when I came here.

I understand—and I am subject to correction—that TSP as an area covers three fields and is not a clean and clear sale. I understand that BP has retained deep horizon rights, so what are we looking at with TSP.? I do not know what TSP will do. Perhaps my upstream friend will tell me. They do not have the right for Deepwater Horizon. That is what I understand. I do know how they do it. I had a property in Point Fortin from Shell. I had a freehold title. It was only for the surface rights; anything underneath, that remained with Shell (Trinidad). I know how that works so evidently this one goes that same way.

While presently TSP is producing—I was trying to calculate it while I was sitting here, so I am a little bit behind—13,500 barrels a day; that is their present production from those three fields. High-quality crude it will be, therefore, if I am putting a price, I will put \$83 from January 01, 2011 onward. That is the price estimated by the EIA.

1.15 p.m.

So, they are going to get their 20 per cent discount on the SPT. In that case, they are in that bracket of fixed figures. Is it \$42 SPT? I believe that is the figure. It is \$42 SPT, and they will get a 20 per cent discount on that. Hon. Minister of Finance, that represents how much the loss of revenue is going to be. I did the calculation, and I may be quite wrong on it.

For SPT crude, I said, okay, the price is US \$83 a barrel. In fact, January—September it was \$85 a barrel. I went ahead and did a quick calculation for SPT rate, \$42, and you give a discount of 20 per cent which is 8.4 per cent. I have put \$83 and it turns out that figure on a daily basis is US \$94,000. If I multiply that figure by 365 days, I get US \$34 million, and that works out to TT \$216 million. That is what we are foregoing, and I want to know what we are going to get from SPT bearing in mind that they may not have any rights to go further down.

Mr. President, Solado, from what I can see, mature marine, again, is 42 per cent, because it was before 1988. Again, the discount is 20 per cent, that is 8.4, and taking their crude oil as 85 minus 12—I have here \$63—it works out to US \$125,000 per day, which works out to US \$45 million a year, and that is TT \$285 million a year. So, between the two marine concessions, I reckoned we are going to be short on revenue of half a billion TT dollars. I am subject to correction. I just did that off the cuff while I was sitting here today. So I am subject to correction on that.

As regards land production, 22,000 barrels a day, as I said, my price is the same price as marine which is roughly \$63. Do not hold me to these numbers, I am just ballparking. The SPT reduction there is from 35 per cent to 18 per cent, because land is classified as the same as deep marine. So that is a 17 per cent reduction at \$63, and that gives me US \$243,000 per day by 365, that is US \$88.7 million a year; TT \$559 million. Minister of Finance, I see a billion dollars short. Once again, I am just summarizing, I may be right. I could be wrong and I would be glad to be proven wrong, if necessary. There is where I am on the basis of reduction and grants on SPTs.

From the point of view of the other matter, once again, there is a 20 per cent allowance, and one would have to see what kind of programme they are going to produce and see if it will work. One kicks in on January 01, 2011, and the other will depend on the programme which they will have to go through and get approval for, and then the process is slower. All these things will come in before we start getting any benefits. So, when we are looking at a cost benefit, we have a delayed benefit for all of them. I am concerned, particularly, with regard to the SPT as to where we are going. I think I have covered what I thought I needed to say there.

On the question of CNG, I do agree that we should be making a more positive effort to go into CNG by giving the incentives. I think the incentives have to be in sync with additional stations. Maybe the hon. Minister of Energy and Energy Affairs is a little bit ambitious or overambitious to say that she has requested NP and Unipet to develop five new stations in 18 months. Now, is that feasible or practicable? Until people see these new stations, they are not going to be spending up to \$10,000 in getting kits and cylinders for conversion. NP does not even have a PSIP programme, so they have to find money wherever they can find it. They are not in the PSIP programme, in terms of the conversion issue. We have to look at the logistics of it. A CNG station has to be on a route where you can get natural gas going in.

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Yesterday, I was looking at a notice from NGC with natural gas going to Diamond Vale; the eTecK Park which is now the Diamond Vale Industrial Estate. I say, well, if that line is going up there, there must be a station on the way. There is an NP Quick Shoppe at Four Roads junction, so I would expect that they will be targeting there as one of the possibilities. I am open to criticisms or suggestions as to when and where this is going to be and, particularly, getting the fast fill rate equipment and so on. So, you have those logistical problems, plus if you are going to build a new station you have the acquisition of the land and so forth. Let us not be overambitious, but have it in place, because it is a project worth pursuing.

Under “other projects”, there is solar heating, and I think that is a good project for new homeowners, because it could be quite economical for them to put that in. I, myself, might consider it, because for all my married life, I have been on natural gas or LPG gas as my fuel for heating in my home, and I still have it. So, if I am looking for an upgrade now, I might just go the solar heating route for these last few years of my life to be comfortable.

Mr. President, I think that is about as much as I would like to say on the subject. I think I have covered my notes pretty well. I did not mention that the tax rate has been reduced. The general rate still remains at 50 per cent for land and regular marine; and deep water is now 35 per cent. So, I had this down as one of the other concessions.

I have not touched supplemental tax above \$90.01—\$200, because I do not think we are going to get there. I do not know. We are very close to \$90 now on the WTI, so we may have to exercise that kind of calculation. By the time we look at the discounts we have to put on WTI, I think we will still be within that range, \$0—\$50 and then we will be in that middle range of \$50—\$90 for the calculation of SPT.

I hope that I have enlightened some of us, and I hope to be enlightened also by my friend, the man who carries all the data in his head on petroleum on that side.

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

Mr. President: Hon. Senators, it is now 1.25 p.m., I propose to take the lunch break at this point and resume at 2.25 p.m. This Senate is now suspended until 2.25 p.m.

1.25 p.m.: *Sitting suspended.*

2.25 p.m.: *Sitting resumed.*

The Minister of Planning, Economic and Social Restructuring and Gender Affairs (Sen. The Hon. Mary King): Mr. President, thank you. We heard this morning from the hon. Minister that this Bill emanates from his budget statement of September 2010, and he reiterated the main issues from that budget debate. He enunciated the fiscal measures which we hope to change in the economic, social as well as the environmental scenarios in which we exist. He looked at new thrusts and initiatives to encourage new investment and new development platforms. He also talked about opening up the new growth poles; creating new economic space and restoring the financial balance in this period of uncertainty.

We are in the process of attempting to create new momentum in economic growth. If we look at it now, we have instituted conditions for new construction impetus; incentives to engage current business in expansion and retooling; expanding trade opportunities, as well as trying to get the debt burden off our backs, which has been weighing us down for many months now.

Mr. President, I would like to focus on the future; where we are going and where we see this economy in 10—12 years. When I spoke on that budget debate, and when I presented the state of the economy document—the Motion I presented in the Senate—I was not particularly concerned then about the current values of the traditional economic variables, but more concerned with the dynamics of the economy; the projected trajectory of those variables—where we are going and how are we going to end up. That is the focus of the Ministry that I lead.

So, at that time, we looked at the current drivers of our economy like the oil production, the oil price, our natural gas reserves and, obviously, our gas price. We looked at the state of the onshore manufacturing and the offshore foreign investment. We also examined, at that stage, the consumer confidence, because it is not a new thing, in the last two months or three months in Trinidad and Tobago. Since 2008 we had the global recession, we have suffered from global lack of consumer confidence and even the fall of the investor confidence in their economies, besides ours in Trinidad and Tobago.

Since then, we have actually seen the price of oil go up a bit. It is now roughly \$85 a barrel, and even at that price we can see that the economies of the West have not really began to show too much growth. As a matter of fact, they are still tottering on the brink of new growth.

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2.30p.m.

Mr. President, there is concern that with this oil price actually increasing, that it could get to where it was two years ago, where it was hovering around \$150 a barrel, and that actually caused the recession. That was the initial cause of the recession of 2008. So we have that fear that if we do not keep a well balanced oil price, we could actually end up with a double-dip recession. I am sure you have heard that many times before.

I want to quote from an article in the *Huffington Post* a couple of months ago, where Jeff Robinson stated that even though oil production had not peaked geologically, it may have already done so in a more important sense. He said that geologically oil production could be boosted by accessing more costly and environmentally problematic sources of non-conventional supply. He was referring to the tar sands where they have begun to drill and it is not really environmentally safe. He also said that we have seen from the last recession that the global economy cannot run on prices needed to bring the oil out of the ground. So it is very expensive to bring that oil out of the ground and, therefore, very costly. That would have implications for every economy that is oil based.

I need to go through these issues so we can understand the actual point at which Trinidad and Tobago is today. Then we will look into our future. We are basically a gas-based economy at this time, although we are drilling. We may find more oil; we do not know; we may find more gas. But the problem is that the natural gas price has stuck at around \$4 per million BTUs. The problem is that there is a glut globally in gas. According to the US-based EIA, the Energy Information Administration, during the last decade US shale gas has increased eight-fold and that has serious implications for our marketing. It now accounts for 10 per cent of their total recoverable gas in the US.

Further, there are large deposits of shale gas in the rest of the world, led by China, India and Poland. That has major implications for us. Although the new technologies have made it cheaper to produce shale gas than conventional gas, for the increased gas production in the US we would lose that country as our major market. This was brought very clearly to us recently by the outgoing President of BP, Mr. Robert Riley. Can we compete in the global gas market, given, as Mr. Riley said, that the new gas reserves, if they exist here in Trinidad and Tobago, would be in the deep waters and they would be very expensive to get at? We have, indeed, received bids, as we have heard these last couple of weeks, for the shallow waters. In January we will be opening the bids for the deep—average deep, deep, Sen. Ali—the deep waters.

If gas prices remain low, and it appears very likely that would actually be the case given the abundance of shale gas, the take that we would get from any new gas could indeed be marginal, therefore, we have to be very aware of that. There could be actually a sustained and substantial reduction in the energy sector gas revenues. We are more a gas economy than oil, therefore that has serious implications for us.

Also, if we look at our onshore manufacturing sector, this has still not picked up. We are hoping that with the cash now being injected into the economy by the Government, some directly into the hands of those who will spend it—payments to contractors are one example, the payments that would be made to the Clico investors and, of course, the construction work that has started, the building of the new infrastructure—consumer confidence would return and even the confidence of the private sector. Once we get that activity going, the onshore manufacturing sector should possibly also pick up.

Tourism is a major source of income in Tobago. At this moment it is said that the levels are well below the season's average and we have also been informed that because of the United Kingdom (UK) tax on tourists travelling to the Caribbean and Tobago in particular, that Tobago is actually considering refunding them that £100 carbon tax, to try to increase their tourism. So even tourism in Tobago has not really been good, when now is the season for tourism.

This Government has decided to increase the minimum wage with no further tax increases. Of course, in order to stimulate the economy, we are actually running a deficit as you know of \$7.7 billion; all of this in the hope of stimulating the internal economy. We have also reduced our PPT, the petroleum tax, to \$35 from \$50 and a 20 per cent reduction in the SPT on oil production, which seems to have had success because we have been able to attract bidders this time around.

We know, and I am sure those who have been studying the world economies at this time also know that global economic performance is unpredictable; therefore, we have to be aware of that. We are not going to opt out of the game, but we have to be aware of where we are going. So the items before us today in this Bill are to put into effect our plans, our hopes; it could be a gamble. Given the local and global indicators, the hope is that the global economy would recover, people would start importing new energy, the prices of energy would rebound and we can, at some stage in the near future, get back to non-deficit budgeting. That is the hope and the aim of this Government.

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We also know that we cannot produce locally all that we consume and, therefore, we have to export and we have to look at what would be those exports; if not gas, if not oil, what? We need to be an exporting country.

This might be a good time to point out to the population and to Senators that this Government has not asked the people of this country to bear much of the burden of this uncertainty, given, for example, the inflation being experienced in food and all the other attendant results of that. We are even assuming the responsibility for the failure of Clico by paying its high risk mutual fund holders, high risk investors, even though we are paying them back at a zero rate bond over a longer period. We should compare this with what is happening in other countries. If you look at the UK, they are actually firing their public servants; they are reducing the size of their public service, people are being sent home.

The United States is asking for zero salary increases, so we may be 0-0-1 at this stage, but they were 0-0-0 and they are still at 0-0-0. Our labour leaders are actually asking for double digit increases. Also we are aware that we have increased our pensions and we expect that the outstanding wage negotiations will soon be completed. Again, we have not removed any of the subsidies on gas, any of the subsidies on T&TEC and, therefore, we have not asked our population to take responsibility or to take any of the increases that we have to be responsible for.

When I spoke on the budget in October, I talked about two issues which were of importance to us. One is the global economy and its inability to recover up to now and, of course the other one is a fast approaching depletion of our natural resources, our oil and gas. Those are two issues which are very, very critical to us as a country.

The global collapse of the economy destroyed, in part, the ability of our energy sector, which is the driver of our economy, to maintain its revenues. We are also aware that—if the oil price reaches the critical point of \$140 or \$150—we could be ending up in a double-dip recession, that is, if oil prices rise speedily.

China and India appear to have been able to be more sustainable and appear to be emerging from the recession, but if you look at the US, the European Union and other countries, they are still mired in recession and some, like Spain and Ireland, are in danger of further collapse. That is a fact. If we look at this situation and also at the expansion and abundance of shale gas and our gamble or hope that the end of the global recession may not come, it makes one shiver a little. We have to be very, very concerned.

Given that situation, we are aware that the economic management of Trinidad and Tobago is not for the faint-hearted, and maybe that is why the PNM called the election when it did. They may have been able to foresee what was actually going to happen. Given our current situation, our reserve situation, we still have some slack in the economy. We have foreign reserves to cover imports up to 11 months and the Minister of Finance informed us this morning that they have actually increased the Heritage and Stabilisation Fund; now it stands roughly at \$3.6 billion.

We also are in a situation where the prices of petrochemicals are fetching reasonable prices and we have attracted some new foreign investment into the energy sector. We also have some other investors looking at other sectors, but at this time we have attracted some foreign investment into the energy sector.

We have to prepare for the medium to long-term. We have to prepare to function in a global economy, one which would have restructured itself, because we understand that the world realizes it cannot continue with the current issues of climate change and the current dependencies, that some of them have, on oil and gas. We would be looking at a restructured global economy where, having taken into account climate change, we would be looking at the use of more non-renewable resources and more alternative energies. That would be the global economy that we would be facing when they do come out of that recession.

So given our situation, where we are still hoping to be an exporter of oil and gas, we will have to be aware and to be looking at how we restructure our economy, which is what we have been focusing on a lot in the last few months. We have heard diversification issues forever. How do we get out of this boom, spend, bust scenario? We know today that this diversification issue is much more urgent than, say it was, 10 years ago because of the eminent depletion of our resources.

2.45 p.m.

So, Mr. President, I would just like to spend a little time on the restructuring. We know that the last government did attempt to diversify. It created some pillars that they hoped would be able to bring about some real diversification, printing and packaging were named, marine activities, information communication technologies as sectors that would drive the diversification of the economy, but when we look at the real facts since that seven, six years ago plan, really not much has happened in these areas. I think we have to understand that not much has happened because the economy is a complex system and it even organizes itself, so we have to be aware of what are the things we have to do.

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We had also thought that if we educate a lot of our people, and we had GATE and tertiary education for those who qualified, and free education for secondary schools, we hoped that would have allowed our people to be able to, on their own, change the economic model, but I think we need more than that. A lot of those people actually migrated and are probably assisting the development and diversification in other countries rather than here.

So, given our experiences and given that we are still a commodity-based economy after all these 50 years, actually some say 100 years ago, we started to diversify since the late '70s, but since then we are still a commodity-based economy, and even if we had gone into smelting that is a basic commodity; even the UAM solution and the UAM melamine, those are still considered bulk commodities, so that is not what we call diversification.

We have had our Minister of Energy and Energy Affairs recently holding conferences and workshops on how our private sector can actually take melamine further downstream, to show them that there can be more production: household items and construction materials using melamines. So we are hoping that this time, perhaps, they will take it up. The further downstream you go the more jobs you create because you have more handling processes and all of that, but we are still at the commodity stage and that is what we have to fight to now drive real diversification.

Mr. President, this Government has decided to take the bull by its proverbial horns and throw some gravel on the wheel tracks of this economy so that we can be prepared for a restructured global economy, in whatever form it might take, and be prepared for the time when our petroleum resources are depleted. So, Mr. President, we know a couple of things before we start. We know that climate change is with us and hence the new economy must have a lower carbon footprint; that is a given fact! We also know that technology will play a very major part in global competitiveness in any country and in any economy going forward. We know that technological agility depends on the acquisition and the use and creation of knowledge. That is a fact!

So, in other words, we need to guide our economy into becoming a knowledge based one, in which continuous innovation would provide us with the products and services, and, the processes that would allow us, in this unpredictable economy, to compete in the evolving economic global space. That is what we have got to do. I think when we study what has happened up to now and the situation we find ourselves in today, that the fundamental difference between the

diversification thrust of this Government and that of the previous government, I do not think that the previous government appreciated the complexity of economic diversification nor did they appreciate that inputs like GATE, Venture Capital Incentive Programmes and the Business Development Company, and, even creating UTT would not be sufficient, and, ended up not being the gravel that could derail this plantation economy.

Even today, we look at the demands of our current manufacturing sector. UTT is still being put under pressure to produce technicians rather than engineers, the engineers who would do research and development. There is more pressure being put to create technicians because that is what our economy uses and is not involved in the building of new things, and therefore their demand for engineers is not there and not required. That is what we have to change. We have been ignoring, I think, the fact that mastering and contributing to the future technologies are what would actually bring this country globally more competitive in the future. We are aware of that now, Mr. President.

Mr. President, I hope I have not strayed too far from the Bill since it is really an administrative exercise to put in place all the amendments to the current laws to ensure that budget specifications are met, but I have been attempting to ensure that we have an economy, an experimentally planned economy that would allow us to have stronger financial streams of income in the future, and, that would allow us to pass a budget that would reflect a thriving society.

So, what we have done is—we have drawn up a draft of an innovation system which would provide some of the subsystems which are now missing from our economy given that we are the one commodity, one-horse economy. We are building a system that will bring about knowledge acquisition, further development of that knowledge and its use in the creation of economic space for the country. The provision of capital which is vital to the sustenance and the sustaining of intellectual property and research institutions, we would be providing a local test market, including market research and market development, and, the creation and the support of businesses, the encouragement of new businesses and clusters via an integration of those four diamond points: the capital, the centres of excellence, the test marketing and the research.

So, we need to have the integration of these clusters, and I understand that is why we have not been able in the past to be able to diversify effectively, because we had not in place all of those diamond points which are critical, and, which other countries have done. It is not anything new. Other countries have done it and are still doing it, and, some are doing it for the second time around, which is

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what the United States, Mr. Obama's article, was about—the recent article that was quoted by the Minister of Finance—they are now doing it for the second time, and therefore, they understand that their economy was allowed to become uncompetitive.

So our Ministry over the last couple of months, since I spoke to you on the budget, has been going around the country conducting its legitimization exercises. We are talking to the people about our plan and what we are doing. We have labeled them “Panchayats.” We want to present the circumstances of our economy to the people and the circumstances include the present and the future of this economy. We are talking to them about the objectives and our draft plan for restructuring, so that we inform them. We bring them into the discussion and we are obtaining their feedback.

I am sure some in this Chamber have actually found the time to attend, and, Mr. President, with due respect, I know you were at the very first one and stayed to the very end, and, it was a very rewarding exercise for all of us. To date we have held four such panchayats—and I was going to say we will fight them in the east—and we held them in the east, we held one in the north, we held one in the south, we held one in the centre and in the new year we would be going to Tobago and we would be going deep south where the Point Fortin people have heard about the exercises and have invited us graciously to spend some time with them to discuss it.

Mr. President, the meetings have been a sell-out; many people speaking to us, speaking to themselves, during the course of the sessions and people are regrouping to come back to speak to us again, so they have been very, very successful. I think the people want what we all hoped for, the empowering of our entrepreneurs, the creation of a new business class that could produce competitive goods and services. Many of them have told us why they feel that they failed in their own businesses, why their business stalled, why many of them left the country and went on to other business environments. Predominant among those reasons were the lack of the higher risk capital, the venture capital, the lack of business support with respect to managing their research, managing the intellectual property that would have resulted from their research, and, not having enough information on that intellectual property management.

One person actually told us he is afraid to bring his ideas to the panchayat because they could be stolen, and this has happened in the past. So with proper intellectual management reassurance that there will be established a management

office for intellectual property management, they have decided they would now bring forward ideas. So it just shows you what has held people back in the past from actually getting results from their own work. The meetings from our point of view were to hear what the people think and to get their feedback and, of course, to get their buy in to the actual plan.

So the next step, Mr. President, in our plan from our Ministry's point of view, is to develop the specifications for the knowledge acquisition and the creation of the system for the management of that knowledge. Given the need to become more innovative, to become more knowledgeable, it is important to do this as a prelude to choosing individual projects which was what the last government did. They chose without having done the exercise which we are about to do, and therefore, we are about to embark on a foresighting exercise; an exercise which would include our major stakeholders here and, of course, our diasporas abroad, to choose the sectors that we may be creating, researching, establishing centres of excellence in, and, examining what would be the future technologies that would be leading the world and which ones can we, given our resources, get involved in.

As I said before, foresighting is not new, it has been done before, but it is a necessity if you are going to actually get into the deep analysis of the actual potential technologies that we need to do, given our own natural advantages, given our infrastructure, and, given our culture and our education system, it is a necessity that we do the foresighting exercise, so that is what we are starting in the new year.

A very important result or outcome of the panchayats was that we found that there are many budding entrepreneurs out there. They may not all be innovative ones, but we have many budding entrepreneurs.

3.00 p.m.

Because of the system that we live in—our plantation—based financial system—they have not been able to attract the simple financial support that would have been able to get them afloat and manage to keep them afloat. Whether it be loans or equity capital, or venture capital, it just was not there so we could not implement their projects.

Our plantation system, Mr. President, which includes the financial diamond point, will also serve these potential entrepreneurs. Even though they are not innovative, we know they are there and, therefore, they must be supported. So our system would also allow them to be supported and to encourage them in

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technology transfer, even from the centres of excellence that we will be establishing. We will be able to help them in access to finance, in business support, even through our business incubators, which will be part of the centre of excellence, and of course the marketing intelligence. That will be huge support for those persons now existing who cannot move very far.

I think we all must be aware by now that a restructuring exercise such as this is not an overnight affair. It is not a nine-day wonder. It is going to take a while to be able to create that cache of knowledge-based innovative entrepreneurs. It is going to take some time. Further, Mr. President, the fact that we have 12 to 15 years more of petroleum resources, even that could be too tight a time frame, but of course, we are racing against the clock. We are aware of that. We are in a race against the clock to get our economy up and to get a new economy running; and as I said, economic restructuring is not for the faint-hearted. So it is our hope that we can actually use enough gravel to force our economic system to self-adapt into a sustainable economic framework, Mr. President.

We are also aware that diversification cannot be the sole responsibility of the Government. We are aware that we need support. We have actually established, for this innovation system, a council of Ministers which is chaired by the Prime Minister, and all those Ministers involved in trade, agriculture, research, energy, foreign affairs and tourism; all of those ministries are on the council. We have also established two private sector advisory committees known as the Economic Development Board and the Innovative and Competitive Council. So these are supporting advisory committees.

It is also hoped, Mr. President, in the plan, that we would have a separate organization that would deal with the finance, the marketing, the market development and the intellectual property. So as a first step in the new scenario, professionals in these fields will be hired on contract to man these units. They will eventually grow into major organizations as we develop the structure.

Mr. President, we know that we had a development model in the last government where they could plan and design and build things which were deterministic; and we built the waterfront, we built the NAPA and we built the Government campus. Deterministic things, so it is a little more difficult when there is uncertainty to build a new model for restructuring.

We have to rebuild this economy over the next decade or so, so that we can compete globally. Of course, it is a big job, and even more so when one realizes that we are attempting to change a very complex, self-adaptive system, Mr.

President, which is our economy. We have also been told that to do what we are doing, we have to also change the culture and change the mindset and we have already begun to do that. People are beginning to understand that this can be done.

Mr. President, we have been hearing recently in the last couple of weeks or so, that there is talk that this Government is not communicating with the people. We are hearing this quite often. If we are not communicating with the people, why are people clamouring for their ill-advised investment in Clico? We are talking to the people. Others are clamouring for double-digit salary increases, Mr. President, and they want us immediately to meet all our platform promises, including our pensions, which we have done, and a major increase in the minimum wage.

Mr. President, we have the construction sector also clamouring for more government spending, which we will be doing, and which already has started, so that we can stimulate the economy. I think the Minister of Finance mentioned it this morning that there are also massive unpaid bills left by the last government, and which are being verified, therefore, debts will be paid; but you cannot unravel these things in one day, or 60 days, and in some cases we are still unravelling. We are talking to the people, so I want to put that to rest that we are not talking to the people. We are talking to all the people.

Mr. President, in the first sitting of this Senate, we discussed with the people the state of the economy; a Motion which I had the honour to lead off. We also spoke to the people when we presented our budget and we continue to disclose the economic status of this economy and what we can expect going forward, given the uncertainty of the global economy and given our own plantation economy. All Members, or most Members of this Senate, took part in that debate, Mr. President; and, surely, this is a fundamental platform for communicating with the population, besides what is reported by the press of all the discussions that take place in this Senate. So we are communicating with the people. Mr. President, I want to say that communication is not what you may wish to hear, but what the reality really is. We are communicating that to the people.

Before I conclude, I would just like to allude to the choice that we have to make in allocating our scarce resources. Given the sort of economy that we have, and we have been through it enough times for everybody here to know the kind of economy we have, it falls on Government's shoulders to encourage investment. The private sector is also waiting on Government spending on the onshore so that they can flourish. It has been the practice for governments to subsidize these investments, especially the foreign investments, in their quest to provide jobs. The call now, Mr. President, on our resources is also to fund the economic restructuring which will show its results in the medium and long term.

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We cannot subsidize foreign direct investment sponsored export industries that the developed world chooses to locate in countries such as ours, because of environmental or health threats to their countries. And they also expect to have cheap natural resources. If we continue in that vein, Mr. President and Members of this honourable Senate, then this would only maintain the situation that we have now, which is our present plantation economy. So we need to break that mould, we need to throw the gravel in the wheels of the plantation economy and we need to get down to the business of talking and working with the people.

I thank you. [*Desk thumping*]

Sen. Terrence Deyalsingh: Thank you, Mr. President. It is once more an honour to address this honourable Senate, but it is more an honour again to be invited into the living rooms, cars and airwaves of our listeners. I rise to make a contribution to the Bill to provide for the variation of certain duties and taxes, and to introduce provisions of a fiscal nature for related matters. Mr. President, we have heard a lot today about the economy, economics and so on, and I would just like to add my two cents' worth to that, because part of my contribution is going to revolve around what our economy used to be, where it was and where I think it should be going.

Our economies, as Sen. King just spoke about, coming out of this plantation economy paradigm, started off as primary economies being extractive; agriculture, we extracted oil, and then we started to monetize gas. But as we seek to diversify, one of the issues always facing economies like ours is, do we diversify around a strength like oil and gas, or do we diversify around unrelated matters? One of the things that we have to look at is that we have diversified around oil and gas, and one of the plans that the past administration was seeking to diversify around was that of services, especially financial services, which I will come to a little later on in my contribution.

Mr. President, before I get into the substantive part of my contribution, Trinidad and Tobago has to consider itself lucky; some people might say it is a curse. This whole issue of whether oil and gas is a blessing or a curse depends on your perspective; whether you are a glass half-full person or a glass half-empty person. What our oil and gas have done for us over the years is that they have allowed us, as Trinidadians and Tobagonians, to enjoy a standard of living that no other country in the English-speaking Caribbean has been able to attain. I think that is unquestioned.

When we look at our past industrialization thrust, when the previous government was trying to set up the Point Lisas Industrial Complex, then it was considered to be a waste of time. But the fullness of time has shown that that Point Lisas Industrial Complex enabled us to monetize our natural resources and gave us a lot of that wealth that we now enjoy. Some of that wealth would have been spent on plants like ammonia, methanol and steel.

Some of that wealth would have been spent in Mount Hope, in the Eric Williams Medical Sciences Complex. Even though that complex took some years to fulfil its promise, one cannot deny that the Eric Williams Medical Sciences Complex has found itself as a driver in health and a driver in training, because that is where the Faculty of Medical Sciences is located. That is where we get our doctors from; our lawyers—not our lawyers, thankfully—[*Laughter*]; our pharmacists, our nurses and our dentists.

Other modes of development that we have sought to engage in, as hon. Minister Mary King just alluded to, was the Waterfront Project; and that Waterfront Project was supposed to have taken us into the diversification into financial services which would have helped us to achieve some sort of sustainability in our economic futures. As I stand here to debate this Bill, when we talk about sustainability, I want to refer to clause 9 of the Bill which deals with the Senior Citizens Pension Act.

At the last occasion where we were dealing, I think, with the Children's Life Fund Bill, I think Sen. Lyndira Oudit, Sen. David Abdulah and myself were engaged in a discussion about life expectancy, infant mortality rates. While I think we all want life expectancies to go up, remember life expectancy is a double-edged thing. We live longer but then we have to provide for our senior citizens as they get older. My question for clause 9 is, if we want life expectancy to go up, if we want to increase these grants, what sort of modelling was used to make sure that this increase is going to be sustainable in the future, in light of what Sen. King just said about oil prices and gas prices?

We do not want to find ourselves in a situation like France, where France recently had great troubles in trying to increase the pensionable age, because they just cannot sustain that level of payment and they want their people to work longer. Right? England wants to do the same thing, to increase the pensionable age, I think, from 60 to 62; and some countries are even talking about 65. Now, at age 65, Mr. President, I want to be in a rocking chair. I really do not want to be working again. But if that is the way the economy is going, that is what has to happen.

This calls into question the whole concept of sustainability, and when we talked about sustainability, if I go back to the very start of my contribution, talking about the maturation of our economy from primary to secondary to tertiary services, and so on, we also have to look at the vulnerability of countries like Trinidad and Tobago and, also, the wider Caribbean in light of this global meltdown which started in 2008; in light of trading blocs which have sprung up, like the European Union; and when we look at these blocs and the behaviour of these blocs, we see that whatever competitive advantage we used to have could be wiped out in one piece of legislation.

I will refer especially to our island neighbours to the north who lost their preferential markets for bananas and sugar. Thank God we got out of sugar. When these big countries make their decision, they are protecting themselves. They are simply putting up non-tariff barriers. And what is to prevent the United States one day to stop buying gas from us? As Sen. King rightly said, with respect to shale oil gas in the United States, they are consuming more and more of their own shale oil gas.

Right now, we are the biggest supplier of natural gas to the eastern seaboard of the United States. That is our competitive advantage, but as Sen. Dr. Balgobin, who is not here, can tell you, for an advantage to be competitive, it has to be sustainable. And for an advantage to be sustainable, nobody else must have it and you must be able to do it cheaper than anybody else, if they do have it; but the gas that we have, Mr. President, is a commodity, which is derived from the word “common”. It means it is there. And we have new fields being found in Russia and the Far East, and one day we will lose our competitive advantage to this thing, so we have to look for ways to diversify.

This is why I go back earlier to the start of my contribution when I said one of the ways we have to diversify is into financial services. You can diversify around your strengths—your core strengths—your commodities, but you could also diversify in other areas. I talked about bananas and sugar because the Trinidad and Tobago economy is inextricably linked to our Caribbean neighbours. Our Caribbean neighbours from Jamaica to Guyana are our biggest markets for our manufactured goods.

You go to a supermarket in Jamaica, Barbados, St. Kitts, St. Lucia and Guyana you are going to see products from National Canners, MP Ketchup, Nestle juices, Matouks; all of which are local brands. So as we seek to diversify the economy, we have to do so in the context of what is good for us also has to be good for our Caribbean neighbours.

When we talk about our Caribbean neighbours, it brings me now to the issue of our stock exchanges. Notice, I am saying “stock exchanges”, and not our “stock exchange”. Mr. President, it is my contention that the Caribbean stock exchanges, of which we have three major ones, Jamaica, Barbados and Trinidad and Tobago, are woefully inadequate; are not operating at any degree of efficiency; are not achieving the economies of scale; and this is one of the major bugbears for the Caribbean not progressing financially and economically.

Mr. President, in my maiden contribution in this honourable Senate, I was speaking on a Motion being brought by Sen. Subhas Ramkhelawan about the effectiveness and the efficiency of Parliament; and in my contribution I mentioned the issue of drafting of legislation. I remember distinctly saying at that point in time, we may have to look at, one day, the drafting of Caribbean legislation; inter-territorial legislation. If this integration of stock markets, which has been spoken about for many years—and I am sure Sen. King knows chapter and verse about it—is to take place, it is going to call for inter-territorial legislation to harmonize these three stock exchanges.

Mr. President, these three stock exchanges, between them, probably trade less than 100 active stocks. Of those stocks, the volumes could be from next to nothing to something. Stock exchanges are meant to create wealth, but when you have stock exchanges which are moving at a glacial pace, no wealth is created. The hon. Minister of Finance this morning was talking about IPOs and ESOPs and so on, but we have a nation right now, an investing public, which is so risk averse, which is so wary that they are not taking advantage of opportunities. We have to find a way to stimulate the economy. We have to find a way to return consumer confidence, and we have to find a way to return investor confidence, most of all.

One of the suggestions I would like to throw out to the Government is to look at the issue of partnering with Jamaica or Barbados and let us see if we can get this integration of stock exchanges going on, moving forward. If we wait for CSME, it may not happen, because we all know the issue of CSME is tied up with politics. All right? But the institutions that we have, have a certain degree of latitude to act independently to integrate themselves. Right?

I would like to suggest that approach, coming from this side. I think it is a common-sense approach that can work. I do not know how Sen. King feels about it, and also Sen. Prof. Watson. It may call for legislation—regional legislation. It may call for us to agree on a currency of settlement, most likely it would be the US dollar, I would imagine; and it would call for us to settle up the booking system, how do we book these trades, and so on; but these are not insurmountable problems.

I come back again to my contribution on the Children's Life Fund Bill when I said to the hon. Minister of Health—I am sorry she is not here today—that the sustainability of this Life Fund again may be an issue, and I suggested that the Caribbean governments get together to form some sort of unit to see about sick children in the future. I proposed at that time, as Caribbean people, we need to find Caribbean solutions if we are to call ourselves truly independent.

I would like to take that line of thought one step further, and I am sorry the hon. Minister of Health is not here, but I know her able substitute, Sen. Dr. Vidhya Gyan Tota-Maharaj is here, who is a medical doctor. We have three regional faculties of medicine: Mona, Jamaica of longstanding quality and repute; Mount Hope, more recent vintage, but no less accredited; and more recently, Barbados.

Why can those three faculties not get together under the umbrella of Caricom and set up a unit where Caribbean children can get the type of surgery that they need at home? When you do that, you will encourage the transfer of technology, the transfer of skills, and in the medium to long term it is going to be a more permanent solution to getting our children the kind of help that they need, and also a more cost-effective solution; just an idea again. I like to see Caribbean solutions for Caribbean people, so I am just throwing this out in the context of what I am saying about our stock exchanges. I hope we can see the parallel between the two. There is a parallel between the two; two different areas, but the same concept.

Mr. President, as I come back to the Bill, before I am called for being irrelevant, I would like to refer to clause 19(1), which deals with the CNG benefits to be had—just a couple of questions. The hon. Minister is not here, so I will pose them to the Parliamentary Secretary in the Ministry of Energy and Energy Affairs. The wording of the legislation in clause 19 talks about cars fitted for the use of compressed natural gas I believe, Sen. Ramnarine. My question is, are we giving these tax exemptions to new or used cars that are fitted only for the use of CNG or for the dual CNG and gas? That is something that the Bill does not make clear.

If that applies only to cars fitted with CNG, fine, no problems. But if it is that the tax concessions are to be given to cars using a dual system of CNG and gas, then I think we have a problem; because what you are, in fact, doing is foregoing your taxes. People are going to buy the cars to get the tax relief, and then use gas and not CNG. So we will not derive the benefit that the Act is meant to give us. Hopefully, either Sen. Ramnarine—well the hon. Minister is not here, if that could be addressed in the wrapping up.

My little check with motor car manufacturers leads me to believe that the cars that may come in to take advantage of this will be dual; both CNG and gas; not pure CNG. But you see, if it is dual, then I think we need to rethink that.

Sen. George: If CNG is cheaper, they will logically use CNG.

Sen. T. Deyalsingh: What is going to happen is that people are going to take advantage of the tax break and then use gas. I am just throwing this out as something to be considered.

Mr. President, very often—and I know we all prepare for our debates, and I am going to raise an issue which I just thought of. I have not researched it so I risk committing political hara-kiri here, so if you do not see me next week, it is because I took a chance. [*Laughter*]

Sen. Ramnarine: It is Christmas.

Sen. T. Deyalsingh: It is Christmas. Mr. President, a thought just occurred to me. If as a gas producing country which we monetize—the United States is a consumer of the gas, we are a producer; to them it is a consumer product, to us it is a way of earning income. We have a local distributor of cars here which produces one of the most popular hybrid cars in the world which uses both electricity and gas.

Has any thought been given to that way? If we go that way, the gas. that we save, we can export and sell and earn income—just a thought. As I said, that is political hara-kiri, because I did not think about it, but I may not get another opportunity to bring it up. So, if I commit political suicide, Mr. President, you do not see me next week—just a thought. I am very concerned about the issue of this duality of CNG and gas, and I think it is something that needs to be looked at.

3.30 p.m.

Mr. President, as we move forward, it is often said that the past administration engaged in squandermania, and so on. I would like to refer the honourable Senate to an article in the *Business Guardian* of Thursday November 25, 2010, written by Mr. Anthony Wilson, whom I do not know; I do not know him at all. I do not know if he has any political persuasions. I have never met the man. But he wrote an article, and in the article—if I could just quote a couple paragraphs for you:

“Going in search of evidence of wastage and squandermania...”

[*Interruption*] Yes. Thursday November 25, 2010.

“Going in search of evidence of wastage and squandermania, what I discovered was that...255.9 billion that was spent in this country between October 1, 2001 and September 31, 2009, the sum of 120.5 billion was spent in the budget heading subsidies and transfers.

This meant of every dollar in Government expenditure in that eight year period, 47 cents of each dollar went to:

- Pay the senior citizens grant;
- Ensure that most people could afford to travel between Tobago and Trinidad;
- Facilitate free drugs for thousands of people with chronic diseases;
- Allow thousands of children to have a hot meal every day;
- Subsidise the cost of state housing;
- Fund the GATE programme which allowed thousands of young people to attend university who otherwise would not have been able to do so;
- Ensure that the price of gasoline was not adjusted every other day;
- Facilitate the transfer of monies to the Heritage and Stabilization Fund and the Infrastructure Development Fund.”

He went on to say:

“Many readers saw the commentary as being partisan and political when what the column was attempting to do was generate a discussion on whether spending nearly 50 cents out of every dollar on subsidies and transfers was an appropriate use of the country’s resources.”

And it goes on to describe what was spent. The other 50 cents—

Sen. Panday: We will respond to that.

Sen. T. Deyalsingh: Yes, sure.

“The commentary also found that wages and salaries took 17.3 per cent of the \$255.9 billion in expenditure from 2001 to 2009, some 15.7 per cent or \$40.3 billion was allocated to capital expenditure, goods and services accounted to 11.2 per cent and interest payments 8.6 per cent.”—and so on and so on.

This points to the reality that sometimes gets obscured by talk. I do not know the man, as I said; never met him; that is his take. So what we are facing now with this Bill—

Sen. Panday: Who was the interviewer?

Sen. T. Deyalsingh: He wrote the article himself.

Sen. Panday: Oh, I know him now.

Sen. Al-Rawi: When you look at the budget documents, it bears it out.

Sen. T. Deyalsingh: No, no, this is November.

Sen. Panday: No, but he was the person interviewing the former Prime Minister the night before election.

Sen. T. Deyalsingh: So, Mr. President, we are faced, in 2010, with a little bit of economic uncertainty as Sen. Mary King pointed out. We have a bit of loss of confidence, and this loss of confidence, if we do not manage it carefully, can lead to drastic problems. It could lead to a run on financial institutions. If you remember, maybe about two to three months ago, I think even the Unit Trust had to “take out” an ad in the paper reassuring people that it was safe, that their moneys were safe, because some people were starting to get concerned about the Unit Trust.

Mr. President, as we talk about economic rejuvenation, the hon. Minister, in piloting the Bill, again spoke about the growth poles that were enunciated in the 2010/2011 Budget. I was hoping to hear some more details. I am hoping when he is wrapping up he can expand a little more. I think the country deserves to know a little more of these growth poles. I think one was in the south/west peninsula, one is supposed to be in Laventille, one is supposed to be in the East, I believe. But I think we need to know a little more, what is going on with the growth poles, what we can expect, what are the industries, the time frames, and so on.

So, Mr. President, I am looking at our economy. I have tried to put the economy in a Caribbean context, where we are interdependent in the Caribbean, but then we cannot separate ourselves from what goes on globally, and this global recovery is always two steps forward and one step backward. Every time we see the shoots of rejuvenation in one economy we are pulled fiercely back to ground by developments like in Ireland, in Greece and in Spain. And this shows us why Caribbean solidarity, in managing our economic affairs, is going to be so important—so, so important, and I want to go back again and urge that we start to look at the Caribbean stock exchange, Caribbean solutions. With your permission, Mr. President, I would like to read some of the opening remarks by the then hon. Minister of Finance Karen Nunez-Tesheira at the Fourteenth Meeting of the Council for Finance and Planning, March 01, 2010. And she says—*[Interruption]*. Sen. Panday, whether we agree with the politics or not, the message is what is important.

“As a region, developments in the global economy warrant that we decisively consolidate our position in many spheres. Economic growth in the Caribbean is estimated to have declined by about 1.4 percent in 2009. While the Central Bank of Trinidad and Tobago projects that growth in Latin America and the Caribbean would increase from -2.5 percent in 2009 to 2.9 percent in 2010, the Bank has indicated that the short-term prognosis for the Caribbean remains a challenge. The growth rate of several of our regional economies is projected to average -0.2 percent at most.”

And these are the markets for our manufactured goods. If their economies are shrinking, what can our manufacturers expect? If you are accustomed shipping ten containers, you might start to ship seven; you might start to ship six. What are the knock-on effects for unemployment? She goes on:

“Clearly as a region, we are not alone in finding our footing in the face of the economic crisis...”

Because of our interdependence...”

And that is the word I just use

“we must move quickly to adopt a common response to issues such as regulation of our financial sector, fiscal strategies, marketing of the Caribbean brand and inward investment policies.”

Forget who said it. The message is clear. The message is what is important—that we have to find a Caribbean solution amongst ourselves to deal with this negative growth rates of the area—not only Trinidad and Tobago. We are all in this. So I just want to make a plug again for that sort of Caribbean response to a global solution.

So, Mr. President, this is why I made my earlier reference to diversification. Do we diversify around oil and gas? The answer is yes. Do we continue agriculture? The answer is yes. Do we look at other areas of diversification such as the financial services? The answer is yes. And we have the plant already there. It has been built. The vision was to create a financial centre for the Caribbean. Let us make use of our strategic position on the map, where we are sandwiched between South America and North America. What is a threat can become an opportunity. The same way that location is a threat, because we are a haven for

drugs and guns, it can also be an opportunity for good. That is what we are taught in business management. What is a threat can become an opportunity. That strategic location we occupy between South America, Central America, the markets to the North and Europe can help Trinidad and Tobago further diversify its economy around financial services and I would like to plug for that.

Mr. President, in closing—and as you know, I never take more than 20 minutes—I have attempted to trace the economic development of Trinidad and Tobago. I have alerted as to the vulnerabilities of these small-island economies, and the care we must take together in these island economies to protect ourselves. We must circle the wagons around the Caribbean territories. We are vulnerable. We are small states which are vulnerable. The day the US economy tanks, the whole of Jamaica goes through, because all their tourists come from North America. That whole north coast from Negril going east is going to go through. With that, the repatriation of funds will dry up. Europe is under siege. The tourists who come from Europe go to Tobago, Antigua, Barbados; those economies are going to suffer, and they are already feeling the pinch, as Sen. King rightly said.

So, Caribbean economies, we are so interdependent, we are so small, we are so fragile that it is going to take a Caribbean solution to solve a Caribbean problem. What are some of the things we have to do? We have to rebuild consumer confidence, investor confidence. Again, I want to pitch for the integration of the stock exchanges. I want to pitch for the continuation of the thrust, or at least looking at making Trinidad and Tobago a financial centre to take advantage of our strategic position.

Mr. President, with those few words, I thank those at home for listening, for considering, and I thank you as usual for your courtesy. Thank you very much. [*Desk thumping*]

ARRANGEMENT OF BUSINESS

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Thank you very much, Mr. President. Mr. President, I wish to seek leave of the Senate to suspend the debate on this Bill and to proceed to the next stage of the Interception of Communications (Amdt.) Bill, 2010. The debate on the Finance (No. 2) Bill will be resumed immediately thereafter.

Agreed to.

INTERCEPTION OF COMMUNICATIONS (AMDT.) BILL

Order for second reading read.

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Thank you very much, Mr. President. The reason I sought the Senate's leave to suspend the debate on the other Bill, my information is that some persons wish to leave, and out of an abundance of caution, I wanted to ensure that there was the special three-fifths majority. I will apologize to Senators.

Mr. President, I beg to move,

That a Bill to amend the Interception of Communications Act, 2010" be read a second time.

Mr. President, the Bill before this honourable Senate, also entitled the "Interception of Communications (Amdt.) Bill, 2010", seeks to amend section 26 of the recently passed Interception of Communications Act, 2010, known as Act 11 of 2010, by providing that the power of the Minister of National Security to amend the Schedules to Act by Order should be subject to a negative resolution of the Parliament.

Senators will recall that during the debate at the second reading of the Interception of Communications Bill, 2010 in the other place, several concerns were raised by the Opposition. The Government, cognizant of the importance of the Bill in the fight against crime and for the upholding of the fundamental rights and freedoms of the citizens of this country, magnanimously decided to abort the debate to have the provisions of the Bill deliberated on by a committee comprising Members of the Government and the Opposition.

Opposition Sen. Fitzgerald Hinds and representatives of the Law Association also took part in the meetings on the matter. The outcome of deliberations, Mr. President, was that several substantial amendments to the Bill were made in the other place. The whole process by which these amendments came into being signalled the dawning of an unprecedented level of Government and Opposition cooperation in the Parliament and reflected a mature, responsible approach to governance.

Mr. President, when the Interception of Communications Bill, 2010 was debated, at the second reading in this honourable Senate, further suggestions were made by the Opposition and the hon. Independent Senators. These suggestions

were accepted by the Government, and additional amendments were made to the provisions of the Bill, again in the spirit of cooperation.

When the Senate amendments were considered in the other place, they were unanimously approved. However, Mr. President, the Opposition was of the view that there should be parliamentary scrutiny of the power of the Minister of National Security to amend the Schedules to the Act by Order, because the Act says that the Minister may, by Order, amend the Schedule, and the Opposition in the Lower House said that there should be parliamentary oversight. This power is set out in section 26 of the Act, which states:

“The Minister may by Order amend any of the Schedules to this Act.”

And there are three Schedules, as you remember, in this Act.

After discussion on the floor on the issue raised by the Opposition concerning the power of the Minister to amend the Schedules, it was agreed in principle that the Government will revisit the matter within four months' time. In fact, so sincere was our hon. Prime Minister in her agreement with the Opposition that she gave an undertaking to deal expeditiously with the proposal to amend. Mr. President, within one week of her undertaking, the Prime Minister has delivered on her promise and has caused the Bill to be laid before this honourable House.

The Bill is a two-clause Bill and seeks, at clause 2, to amend section 26 of the Act to make the power of the Minister of National Security to amend any of the Schedules to the Act subject to a negative resolution of the Parliament. This is in direct keeping with the Opposition's suggestion and the undertaking by the hon. Prime Minister. The Government, Mr. President, is committed to openness and transparency in all its actions, and welcomes the Opposition's proposal of parliamentary scrutiny of the Minister's power to amend the Schedules by Order. Indeed, Mr. President, at section 25 of the Act, the Minister is given power to make regulations to give effect to the purposes of the Act and the exercise of this power is also subject to a negative resolution of the Parliament.

In conclusion, Mr. President, I wish to thank Members opposite, in both Houses of Parliament, here and in the other place, as well as Independent Senators in this honourable Senate, for their valuable contributions during the deliberations on the Interception of Communications Bill, 2010 and for their overall spirit of cooperation in the lawmaking process. I envisage a smooth passage of this Bill now before this honourable Senate. Mr. President, I beg to move.

Interception (Amdt.) Bill

Tuesday, December 07, 2010

Question proposed.

Sen. Pennelope Beckles-Robinson: Thank you very much, Mr. President. Mr. President, I do not propose to make any substantial contribution to the debate on this Bill. I know that this is a matter that was discussed in the Lower House. We would realize from our debate that finished last week at 3.00 a.m., that there were substantial contributions and a considerable amount of compromise; so that on this side we support the amendment. Thank you, Mr. President. [*Desk thumping*]

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Mr. President, I am deeply grateful to my colleagues on both sides of the Senate, and I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 and 2 ordered to stand part of the Bill.

Preamble approved.

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

Senate resumed.

Bill reported, without amendment.

Question put, That the Bill be now read a third time.

The Senate voted: Ayes 28

AYES

Panday, Hon. S.

Sandy, Hon. Brig. J.

King, Hon. M.

Bharath, Hon. V.

Karim, Hon. F.

George, Hon. E.

Interception (Amdt.) Bill

Tuesday, December 07, 2010

Ramgoolam, Hon. R.N.
Ramnarine, K.
Abdulah, D.
Oudit, Mrs. L.
Watson, Prof. P.
Moheni, E.
Maharaj, D.
Tota-Maharaj, Dr. V.G.
Beckles-Robinson, Mrs. P.
Hinds, F.
Henry, Dr. L.
Al-Rawi, F.
Deyalsingh, T.
Cudjoe, Miss S.
Ali, B.
Baptiste-Mc Knight, Mrs. C.
Drayton, Mrs. H.
Ramkissoon, Prof. H.
Wheeler, Dr. V.
Prescott SC, E.
Armstrong, Dr. J.
Anmolsingh-Mahabir, Mrs. P.

Question agreed to.

Bill accordingly read the third time and passed.

Sen. The Hon. S. Panday: Mr. President, I wish to thank all Senators on both sides of the Independent Senate, including our colleagues, for the unanimous support they gave to this Bill. Mr. President, I want to apologize for the inconvenience I may have caused, but it was necessary to do it at this point. As I said, some Senators may wish to depart at this stage.

Mr. President, I beg to move that the debate on the Finance Bill, which was suspended, now be resumed. Thank you.

4.00 p.m.

FINANCE (NO. 2) BILL

Sen. Helen Drayton: Thank you, Mr. President. I will be brief, because this Bill simply gives legal effect to matters which were already debated and approved in the budget. I have no issues with them, per se. There are a few queries with respect to one or two of the items, and, since the budget was presented back in September, there are a few developments on which I would like to comment later on.

Regarding some of the specifics in the Bill, with respect to ESOP on page 37, certainly we understand the benefits of an employee shareownership plan with respect to its impact on productivity, the engagement of staff and the morale. Generally, it is a very laudable thing and the features in this particular Bill—or rather I should say in the budget—speak to applying the tax which ranges between 5 and 25 per cent on the initial investment and not the market value; also that the threshold for making investments from bonus will be reduced from 40 per cent to 25 per cent, and the fact that employees of subsidiary companies could now also invest in the parent company's stock. But what I observed is that no provision is made in this Bill to give effect to those additional incentives, and I wondered why.

I first thought, perhaps, it was in the Schedule of the parent Act, but looking at the parent Act, the amounts are actually enshrined in the Act itself. So I wondered why, you know, the Government did not seek to give these incentives legal effect in this particular Bill. I observe that with respect to the minimum wage of \$12 which was also mentioned in the budget, but then the minimum wage, that would

normally be in the Schedule, so I am assuming that is why the Government has not taken any action to give legal effect to the minimum wage of \$12 unless, of course, it is a matter that is still undergoing some type of negotiation.

Let me also mention that Sen. Deyalsingh actually took the words out of my mouth when he spoke about the CNG, because I think he is quite correct. The Government is going to be foregoing substantial revenues with respect to these incentives, but, in fact, if even you want to make adjustments to your motor vehicle or you want to get a new vehicle, the reality of the situation is that the infrastructure certainly is not there to support it. So, yes, it is possible to benefit from the incentive, and since these vehicles would be hybrid vehicles in any event, you would have benefited from the incentive, but nothing is going to prevent you from using other types of fuel. Certainly, one would understand that, because you want to create demand, you are seeking to give an incentive, but if the infrastructure is not there to benefit from the incentive, you might very well be foregoing a lot of precious revenues at a time when you have declining GDP. So I wanted to make reference to that.

I also wanted to address a little pet topic of mine and I certainly would mention it under the item pertaining to the Litter Act; the increase of the fine. It is from, I think, \$1,000 to \$2,000, and, of course, it is really going to be of nuisance value unless there is any sort of demonstrable commitment towards enforcing the law. Like most citizens, certainly I am appalled by litter that is left all over the place. This brings to my mind the whole national clean-up campaign which becomes a very hollow spectre when there is no follow-up and enforcement of laws.

But what I really want to talk about is what I think is the biggest environmental littering in this country, and that is advertising billboards which continue to flourish unchecked all over the place. No one seems to care as to whether these billboards are placed adjacent to street lights, to street signs or mounted on places sometimes blocking the view of our beautiful hills and mountains, disfiguring the trees and the rails around the Savannah and, certainly, throughout our highways and parkways. I see this indiscriminate mounting of advertisements; I think it has added to the number of pollutants of our environment and I do not think that there are many people who would disagree with that. I think it is therefore clear that the Town and Country Planning Act, as

well as the Advertisements Regulation Act, need to be amended and amended specifically to deal with hoardings and billboards that are placed outside of the specific commercial environment.

Section 6 of the Advertisements Regulation Act gives the Minister the power, with affirmative resolution of Parliament, to make regulations to restrict the placing of billboards and what I think is very positive with respect to that Act, it also says that if the advertisements are placed in a way that is injurious to amenities, which they are, the public parks, the Savannah, or in any place chiefly on account of disfiguring the environment, disfiguring the beauty of the scenery from a highway or any place, then the Minister has the power to do so.

So that you have advertisements that are erected on non-business properties and I think it probably has become a very difficult situation, because these billboards are placed on residential properties all along our highways, all along the roadways and, of course, deface the highway and the roadway. I would imagine it has become a livelihood for some of those persons living in those areas. That is what happens when there is no check. Whether it is vending, whether it is billboards, the situation takes root and then it becomes very difficult to deal with it because it is now a social issue.

I want to strongly recommend that the Government look at that. I do not know who is the Minister responsible, but it warrants attention. I think the Minister can start with the big b-mobile one that is at the top of St. Lucien Road and Wendy Fitzwilliam Boulevard, which is adjacent to the traffic light. I mention that one deliberately since it is a state enterprise and they have some sort of control in that regard, so they can start by setting the example.

With respect to the Senior Citizens Act, there is a matter that, if I am correct, I think warrants some attention. In this Bill it says in clauses 9:

“(b) in section 3, by inserting after subsection (3) the following subsection:

‘(4) In the calculation of Senior Citizens Pension there shall not be taken into account any lump sum payments received or interest from savings accrued by a senior citizen.’”

Now, nowhere in this Bill or in the parent Act or in any of the amended Bills that we have seen—that I have looked at—do I see a definition of “lump sum”. Now, if we are referring to a one-off lump sum, as in the case of gratuity or something like that, or maybe a lump sum upfront from an annuity, then that is one thing, but if you are now mentioning interest from savings accrued by a

senior citizen, and you have not defined lump sum or put a ceiling, then this thing is wide open, because if you are speaking about a savings, then that is capital that is placed into some deposit or investment account and you could make arrangements where the interest is paid in a lump sum, once a year, or it could be every two years.

So exactly what is meant by “lump sum”? So that if you have—let us just say you are self-employed and you had a savings, let us say it accrued a capital of \$2 million; let us average at 5 per cent; that is \$60,000 a year, now, it is a lump sum and that is what you have provided for your retirement, so you have made arrangements now and you are withdrawing \$5,000 a month. So I do not understand this; I think it is a loophole, unless it is explained in some way.

Some general commentary: this deep concern in the financial business sector and the business sector, generally with respect to the SEC board, this is the Securities and Exchange Commission. This commission has a basic responsibility to exercise authority over an industry that is larger than our GDP. It has a responsibility to ensure confidence in the financial sector to prevent systemic risk, and also to improve and register new financial products, among other duties. All I would say here is that if what we are reading in the newspaper is correct, then it is a matter for serious, serious concern. It is a matter for serious concern because, in the contributions that I have heard from the Government so far, we hear frequently that word, “confidence”, and that is not a situation that would promote any sort of confidence in our financial sector if it is not addressed and addressed with urgency.

In speaking about confidence, I sense—and you are reading more and more in your newspapers; you are hearing it more across the electronic waves or in your neighbourhood or in social circles—that there is a sense of stagnation; there is a sense of inertia and I sense that the prevailing mood of business is that where we should be seeing some resurgence of confidence there remains—it is not just a question of uncertainty but what we are reading and seeing are expressions of doubt.

Now maybe it is that the Government—I do not think the word is “maybe”, I think the Government is doing a lot, as indicated by the hon. Minister of Finance, on many substantial things, and while there would always be some—let us put it this way—flat-footedness, as could be expected with a new team, it certainly is unreasonable to expect flowers to bloom before your seeds can germinate, and what one expected to be accomplished in six months with respect to the business landscape is a question, certainly, that is left to be answered.

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We speak over and above the laptops and the \$3,000 pension and the Bills that have been laid in Parliament and approved; some very important Bills, and of course the excellent response and care that we see with respect to the flood victims, and there is a lot that is being done with respect to agriculture, and while the hon. Sen. Mary King spoke about communication, I would dare say that the Government is very long on the PR niceties but when it comes to the communication—and I speak of communication, not PR—on the substantial things that are being done, it would appear then, if a lot is being done, then it is very short on that. Yes, we know that there is a lot of infrastructure that needs to be dealt with and cleaned up in the public service and that the new broom wants to sweep clean. I think how it is done is what is going to make the difference between business confidence and the continuing of the uncertainty.

I perceive—and perhaps wrongly so—that the Government believes that when it offers the additional incentives in this Bill that are now taking legal form, that there will be a resurgence in the medium, perhaps to the longer term, and I doubt it, because there are tremendous incentives that presently exist for business. I think it is up to yesterday I was hearing the Chamber of Commerce's Chief Executive Officer speaking on the number of incentives and the European Partnership Agreement. We have had some good incentives that have existed for quite a long time.

4.15 p.m.

Notwithstanding what has been said with respect to all that is being done and the uncertainty, one is aware of the reality of the world. The world is a very different place than before the financial crash. The investment bankers, the insurance executives, land developers, the condo developers, the manufacturers of lifestyle goods and motor vehicles were all operating in a very big bubble and that bubble popped leaving a huge void. Governments around the world thinking that they can bail their countries out of recession pumped billion of dollars into failed institutions to resuscitate their economies. That helped, to some extent, in mitigating the tide of recession, but they are also learning that when it comes to labour and when it comes to employment, that is a different matter because it would appear that a lot of the jobs are not coming back and maybe there is a good reason for that.

I have mentioned those things before when I spoke on the Motion to do with the economy. I will not go into them again, but the reality is that maybe all the skills that are out there need to be retooled to face the new economy. Many governments have taken very hard decisions, and all over the world the private

sector investment remains sluggish, barring perhaps China, Brazil, India and many countries in Africa that are experiencing excellent growth. But by and large, in the other countries, it is left to the governments to continue to lead the charge because in the final analysis it is the prudent spending by governments that gives fillip to sagging economies.

Now, the second thing is that although investment in business is taking place here but in a more discreet way, it is not in what you would call labour intensive initiatives, Trinidad is a very hard place to do business and the environment is very hostile. It is not easy to start a business here. I am glad to hear that the Minister made reference to innovation, but the private sector is still waiting for the innovative council and the economic development boards to be established.

In speaking about crime, when I speak about things of substance, it is an excellent development that has taken place. I am sure that I had seen their advertisements maybe up to a month or two ago with respect to UTT and the development of a Bachelor of Science in Criminology and Public Safety and I think that is an excellent initiative. If you recall when I made my contribution on the Interception of Communications Bill, I made reference to an international report that said that when it comes to national security and fighting crime, it is not so much the legislation.

All over world there is a serious issue with respect to the human resources. So that if we are now moving on a path to embellish and to enhance that stop, then that is something to be grabbed. I understand a lot of the security officers and some members of the police service are very interested in the programme. I understand it is due to start in January and I think that is commendable. It is original, it is new, so maybe along the way some tweaking or so may be necessary with all these things. You would launch them, the first course will take place, the first batch of students, and then you might wish to look and see how it can be enhanced as the case might be and work closer with the police authorities.

So that is something that is very substantial, in that, it will not have an impact immediately, but certainly, once you are beginning to enhance your human resources and develop the skills within your—if even it is a private security industry, then that is a very excellent initiative.

Just to endorse what Sen. Basharat Ali spoke to earlier on, you know it is customary for governments in a democratic world to hold onto the whip of the economic mismanagement and waste of the predecessor government as long they can do so. That is to be expected, but when you are reading more and more and hearing voices saying, “Okay, when would we begin to see efforts at real change”,

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then gradually, that can evolve into a lot of discontent and dissent. I always remember the old strategic marketing adage, “The more you flog your competition, and even with negative things, the more you actually sell your competition”. That is why you are not going to hear b-mobile saying directly Digicel, or you are not going to hear Coke flogging the name Pepsi because it is—
[*Interruption*]

Sen. Panday: They are not in politics.

Sen. H. Drayton: Well politics or no politics, that is the reality. Sure! But yes, you keep your competition in the minds of the public, and when employees lose their jobs, when salaries are cut, when businessmen are seeing sales declining or stagnant and their overheads are increasing, and when they see the investments are at risk, they do not take their frustration out on big bad predecessor.

I was glad that the hon. Minister mentioned the President of the United States, because part of his problem was that he lost the message of hope. He lost the message of the future and that is a good lesson. We know that when people are out of jobs and things like that, governance becomes increasingly difficult. But that is why I believe that it is wise, after six months, to shed the platform talk and restart the conversation and the narrative on hope and take responsibility for the future. Talk to us about the future. By what time frame would the one-stop shop for business start to be realized? When would we begin to see some real hard implementation strategies for the internationalization of our most competitive enterprises? When would we begin to feel or get some good fruit-bearing initiatives to combat crime in schools? When would we hear about specific reduction targets in terms of crime or your detection rate? When will we begin to sing the song of future prosperity?

I remember cautioning during the debate on the economy that how the new team moves forward will determine our future success. The reality of the past is the past and a lot has been said about it, and again you will say this is politics and not private enterprise, but in private enterprise out there, when you hire a CEO and you say turn around the company and after six months he comes to the board and says, “Well, you know, I had all this to do and this is what the past CEO”—well, you know what happens. Probably we could take some lessons from that. As I say, I think a lot is being done and that is evident from all that is being said, and in the New Year in placing that emphasis on the future and future prosperity, and focusing more on the substance and not just the niceties, I think that confidence would begin to grow in a different way.

Finally, I want to thank the hon. Minister for the tax incentives on individual donations to charities. As you know, NGOs, that is my pet thing. They used to call me the beggar maid at one point in time. I was always begging for charity and I think that this will give a lot of fillip to the cause of our charities and would greatly advance their humanitarian effort.

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

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Thank you very much, Mr. President. I did not really intend to speak in this debate, but Sen. Deyalsingh drew me into this debate—[*Laughter*] I took his bait—when he spoke about squandermania, when he spoke about the article by Anthony Wilson and when he spoke about \$225 billion passing through the economy and \$120 billion that had gone into benefits such as subsidies, cakes, et cetera. I want to remind Sen. Deyalsingh there is euphemism when he spoke about squandermania. It was shared corruption by the PNM, “bobbol” by the PNM, and you come here today and try to paste it over when you said that Wilson spoke about squandermania. Sir, it was not squandermania. It was corruption, inefficiency and incompetence. That has been the hallmark of the PNM. [*Desk thumping*]

I wonder, when you joined the party at this time, had your father been alive would you have been here? I wonder! The other Senator had indicated that he sees the PNM as a house on fire, “everybody running out” and he is running in. I would not deem him to be a foolish man, but I think he is an innocent man, Sen. Al-Rawi, to run into a house when all the rats are running out; when the fire had struck the house, he is running in.

Sen. Deyalsingh: Somebody must save them.

Sen. The Hon. S. Panday: The only persons who I admire for doing such a thing are firemen, members of the Ministry of National Security, and [*Desk thumping*] we must really take care of them. That is why today, when one looks at the Bill itself, one sees that the Judges Salaries and Pensions Act—and if it was not because of the corruption of the whole PNM, we could have given judges, under clause 2, a better pension. When you spoke about subsidies, you did not read the document?

Imagine today, we are speaking under clause 2, dealing with sections 12(1) and 2(b)—that is pension for judge’s widows. When judges have died in office—imagine judges who have contributed so much to the society—you want to give their widows the sum of \$3,000, ordinary old-age pension. [*Interruption*]

Sen. Hinds: What is the contribution—[*Interruption*]

Sen. The Hon. S. Panday: Wait. You just wait. I will deal with you in a minute. We are giving them \$3,000. Had it not been for the corruption of the PNM, more money would have been available to give these persons more money. You must not forget that when a judge demits office—Sen. Elton Prescott SC will tell you the Legal Profession Act says you cannot practise for 10 years after. Imagine if that judge—and this is for the Chief Justice, you know—dies during that time, you are going to give his wife \$3,000? CJ, I wish you long life because, with this kind of pension, we really feel sorry for the judges.

Sections 2(a) and (b)—the prison service. When we speak of the prison service it seems to me that Sen. Hinds did not read it. He seems to be surprised to be hearing this. The Prison Service Act is amended in the Fifth Schedule. What does that say?

Sen. Hinds: Just for the public record, judges are paid salaries that I would suggest are far beyond which the regular, ordinary public servant would earn. And for good reason, including the fact that they are unable to practise privately after their retirement—[*Sen. The Hon. S. Panday rose*]

Sen. Hinds: Let me just say quickly—[*Interruption*]

Sen. The Hon. S. Panday: No, no, no. You will make your own speech at your own expense, not on my time—[*Interruption*]

Sen. Hinds: No that is unkind of you, my friend.

Sen. The Hon. S. Panday: I withdraw it. I thought you wanted to ask me a question.

Sen. Hinds: I will just continue by saying that they contributed to paid pension plans as well during their working years.

4.30 p.m.

Sen. The Hon. S. Panday: Let us take the prisoner. In clause 3(a), do you know what we are dealing with? We are dealing with fire officers who have 10 years, service or more and they go medically unfit; fire officers who, unlike Sen. Al-Rawi “running to a PNM house burning and all the rats running out”; fire officers who are running into buildings to save people, to do something good, unlike Sen. Al-Rawi.

Sen. Hinds: There is no UNC house.

Sen. The Hon. S. Panday: You will see in a minute that there is no PNM house and the PNM will disappear when I am finished.

Fire officers who have gone medically unfit: imagine you are going to put out a fire, up to 10 years' service; you have received injuries and you are going to get \$3,000 a month pension, when the ordinary people, as some people say, who have just made 65 years, who may not have been contributing to any pension scheme, are being given \$3,000. We could have given them more had it not been for the corruption of the PNM. We wish to give them more. Fire officers, all members of national security, we wish to give you more, but the PNM has prevented us from so doing because of their corruption. I will show it in a minute.

Sen. Hinds: Corruption! Corruption!

Sen. The Hon. S. Panday: We look at the retirement allowance for the diplomatic services; same thing. When one looks at the widows and orphans in the public service, one would see that we cannot give them the sort of benefits we should, yet Sen. Deyalsingh will come here and boast that 50 cents in the dollar have gone into subsidies and benefits like that.

More could have gone to them, maybe 75 cents, had the PNM not been so corrupt.

Sen. Hinds: Nonsense!

Sen. The Hon. S. Panday: Sen. Hinds said, "Nonsense!" You force me to accelerate. I want to give the level of corruption of this PNM of a \$64 million man. The EMBD, which the Government is investigating, and all the state enterprises which we intend to investigate to show the level of corruption of the PNM; they should be wiped off the face of the earth. They should never see office again. I am not talking from the top of my head. I am going to give you it in black and white, Sen. Hinds.

You want to see the PNM dissolved? Listen to this. There is a company named Vidara Enterprises. You ever heard about Vidara? You do not know, Sen. Beckles? V-I-D-A-R-A Enterprises, a company whose director is Laura Sewlal-Khan of 15 Fairview Drive, Moka. When I got this in the telephone directory, who is Sewlal? I found myself in Fyzabad doing the research. That is the wife of Franklin Khan, the person who is going to fight for chairmanship of the PNM; or the person who is going to fight to be the leader of the PNM, and you are asking where is the UNC? Vidara Enterprises Limited applied to the Estate Management Business Development Company for a contract.

The Parliament was dissolved on Wednesday, April 18, 2010, before the Friday of the no confidence Motion for corruption by the PNM in UDeCott. While we were researching the Uff Report in the library, we heard that the hon. Prime Minister, Patrick Manning had dissolved the Parliament. It must not be forgotten

that on April 16, 2010 the hon. Prime Minister announced the date of the election. That is an important date. So this Vidara Company had applied to EMBD to be evaluated.

On March 04, Nigel Gittens and Company, civil structural engineer/project manager wrote to the EMBD informing them that over 100 companies had been assessed; 64 had passed the test and one company was not qualified. That company was Vidara Limited. That was on March 04, 2010. Anyway, they were not, prequalified.

When one looks at the reports as to why they did not qualify, there is a section “Quality Standards and Performance Measures” and that Vidara Company Limited, which has close connections to the bowels, soul and heart of the PNM, got three out of 10 in the performance evaluation and quality standards.

They cannot do any work; no performance standards. Therefore, an independent organization—“fail them, do not give them any contract; they are not good enough.” However, PNM, quagmire of corruption, went on and they applied for a contract to develop lands in Felicity. They call it the Felicity 2 Residential Development, Chaguanas.

They applied for this contract and it was signed by one Laura Sewlal-Khan, address, 15 Fairview Drive, Moka. Who lives at Moka? I will tell you. Take your time. Curriculum Vitae: Franklin Khan, 15 Fairview Drive, Moka, Maraval, Trinidad and Tobago. So Vidara’s address is the same as where Khan lives and Laura Sewlal-Khan lives at a similar address and the company is at the same address.

I do not know what happened. It seems to me—I have not gotten all the information as yet and I will bring it to you when I get it—that they included his curriculum in the application package. Hear what he says:

Franklyn Khan, strong leadership; ability to motivate—ability to thief—and they included that.

What is his work experience? You know what they said? They said, in his work experience, from 2001—2004, Minister of Works and Transport, Member for Ortoire/Mayaro, PNM. So they included that in the package when they applied for this contract.

Sen. Hinds: Mr. President, I would like to urge you to give attention to Standing Order 35(5) in relation to comments made by the hon. Senator in terms of the use of the word, “thief”. He is speaking about a citizen of this Republic

who does not have presence here to defend himself and I think it is quite improper and it ought to be expunged from the record.

Mr. President: I will hear you, Senator, on the issue of the Standing Orders.

Sen. The Hon. S. Panday: I do not know if my friend knows the Standing Order, but, when television and live debates were introduced, the Standing Orders said that if a Member of Parliament makes the statement which is adverse to any citizen, that citizen has the power and authority to write to the President and bring it to his attention. I am saying now that if I am wrong, I will stand the consequences.

Mr. President: Sen. Hinds, I am sorry. I did not get the Order you were referring to. Could you tell me?

Sen. Hinds: Mr. President, I am simply saying, without my glasses here, that you cannot malign members of the public just like that. It brings this House into great opprobrium and tremendous disrepute.

Mr. President: I understand the Senator to be saying that whilst there is no order to which he can specifically refer in the matter, nonetheless we should not cast aspersions about the character of other people so as to malign them.

I understand what Sen. Panday has said. They have an opportunity for having their names cleared. Nonetheless, I would like to implore you not to cast aspersions on the character of anybody outside unless you produce evidence of it before this Senate.

Sen. Hinds: It was far more than an aspersion. He actually said the “ability to thief”. That was far more than an aspersion, Mr. President.

Mr. President: Because there is no Order, I am asking Sen. Panday to refrain from language to that effect. Knowing nonetheless that there is no Order and perhaps because the damage would have already been done even if the person outside the House has an opportunity to complain, we should refrain from using that language. [*Desk thumping*]

Sen. The Hon. S. Panday: You can pound the counter as much as you want. I want to say that although I have the evidence here—

Sen. Al-Rawi: What evidence?

Sen. The Hon. S. Panday: In deference to you, Sir, I will apologize although all I am saying is true.

Sen. Al-Rawi: Repeat it outside.

Sen. The Hon. S. Panday: Meet me outside. I am dealing with you here now. What the PNM “do” your mother, I wonder how you could be in the PNM.

[*Sen. Hinds stands*]

Mr. President: You may keep your seat, Sen. Hinds. Let us keep to the Bill in question, Senator. We are debating the Finance Bill. Try to keep relevant in the matter.

Sen. The Hon. S. Panday: Mr. President, I was so disheartened when MP Diane Seukeran, such a brilliant Member of Parliament, was knocked out of the Parliament and replaced here by a gentleman, Regrello. I do not want to say a man who could not read or write because you will tell me withdraw it. To see my mother being treated like that and see you running there, that is why you said you see so many people running out and you are running in. Your mother was one.

Mr. President, as we said, they tendered this application for a \$64 million contract in the EMBD and, lo and behold, the reason I asked you a few minutes ago to remember April 16, 2010, do you know on that date, April 16, 2010, the Estate Management Business Development Company, the date that the Prime Minister announced the election, issued a contract to Vidara Limited, a company owned by the wife of Franklyn Khan, being a recommender?

4.45 p.m.

As a matter of fact, he was placed as the project manager. They even put a proposed organizational structure for Felicity Phase II: Project Manager, Franklin Khan; HSC advisor, Sherry Ann Seechan; Project Engineer—I am not calling people’s names, Sen. Deyalsingh, in the Parliament, but this is public record. I am not putting anybody in trouble—and Quantity Surveyor, Russell Rodney.

Mr. President, on the date the election was announced by the then Prime Minister, the EMBD, headed by Mr. Noel Garcia—a man who the PNM had on a number of boards at the same time—gave a contract to Vidara Limited, Franklin Khan’s wife, for \$64 million.

Mr. President, and what is more painful about this PNM corruption, the contract was awarded—they believed that the sign was on the wall—on May 20, 2010, three days before the general election. The EMBD signed the contract in favour of Vidara Enterprises Limited, a company which was not qualified. There were companies that were qualified and they did not give them the job. They gave the contract of \$64 million to Franklin Khan’s wife.

Mr. President, I was in the process of trying to check the Companies Register to get all the directors, but it is blurred. I am going to get it for you. The contract was for \$64,401,883.70.

Sen. Hinds: Was the contract performed?

Sen. The Hon. S. Panday: It was given and signed PNM style!

Sen. Hinds: Was the contract performed?

Sen. The Hon. S. Panday: When you get time you will answer. I am showing you the level of corruption in the PNM. If we did not have that kind of corruption in the PNM, more money would have been available to give services to the poor people.

Sen. Hinds: Was the contract performed?

Sen. The Hon. S. Panday: Do not ask me foolishness. They signed this contract on May 20, 2010. Look how corrupt the PNM is! They are corrupted until they are blind; they are corrupted until they are foolish; and they are corrupted until they cannot see their way. This agreement was entered into on May 20, 2010 with the Estate Management Business Development Company Limited of Valpark Shopping Centre and Vidara Enterprises Limited of 15 Fairview Drive, Moka Heights for the construction of infrastructural works and residential development at Felicity II.

Mr. President, they are so blind, do you know what Vidara Enterprises Limited and the EMBD did? As part of the agreement it says:

The aforesaid documents shall be taken as complementary and mutually explanatory of one another, but in the case of ambiguities and discrepancies, the documents shall take precedence in the order set out above.

Do you know what they did? You want to find out if they performed. Hear what went on so far!

Invitation to tender, instructions to tenderers, price bids of quantities, conditions of contract; condition of contract part I: special condition issued; technical specifications, the drawings, the addenda, form of agreement, notice of the award of the contract, the said tender and appendix. So, when you come and ask me here today if they have performed, you cannot get away from the fact that they were corrupted. That is the point I am making.

Do not hold your head like that. You are going to hold your head and bawl soon. Do not just hold it and cry like that, Sen. Deyalsingh. You are going to hold your head and bawl. *[Interruption]* Listen to me! It says:

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In consideration of the payments to be made by the employer to the contractor as hereinafter mentioned, the contractor hereby covenants—

Sen. Deyalsingh, what did you put yourself in? You spoke about Sen. Brig. Sandy and what he is doing with us, but I ask you, Sen. Al-Rawi, do you know what you find yourself in? The house is burning down! You should be running out too. It is not late to run. Run out of that house! You two gentlemen are too good to be there amongst them!

In consideration of the payments to be made by employer to the contractor as hereinafter mentioned, the contractor hereby covenants with the employer to execute and complete the works and remedy any defects therein in conformity in all respects of the provisions of the contract.

You want to find out if it started! Let me give you it now! It is agreed that the works to be performed under this contract shall commence on May 03, 2010 and it shall be completed on November 15, 2010. Does that answer your question? In the agreement which was signed on May 20, 2010 it says that the works to be performed under this contract—

Sen. Hinds: You are getting a little too—

Sen. The Hon. S. Panday: Do you know why? The PNM corruption is so great that the poor people could have received much more in this budget, but you and the PNM have denied the poor people benefits in this country. The PNM has raped the Treasury. They fed like animals in the trough. They “ate out” everything from the trough. That is why the hon. Minister of Finance said we met it in a bad state and we are trying to bring it back now. You have eaten all the food from the trough. Mr. President, Sen. Hinds is a “hot porridge”. [*Desk thumping*]

Mr. President, it was agreed that the works to be performed under this contract shall commence, but “they do not even know, how to tie good because the contract is dated May 20, 2010 and it says the work shall commence on May 03, 2010. [*Laughter and desk thumping*] They cannot even—“PNM is either very sure ah yuhself or yuh very boldface because yuh a boldface tief and that dey just tiefing like dey wild, and yuh sign a contract. Look it here!”—Vidara Enterprises Limited, signed by Laura Khan, on behalf of the employer, Estate Management Business Development Company Limited, Keith Grey. Mr. President, I hope I have answered my friend’s question. Mr. President, this is what the PNM had done, and this is only one contract for \$64 million. [*Interruption*] It seems to me you cannot understand. It says it shall commence.

These are the things we want to look at to say that whole PNM is corrupted. That PNM should never see the corridors of power again. We are alerting the people in this country that the PNM, regardless of which form or fashion it comes back to you, should never see the corridors of power again because of what they have done.

Mr. President, on yesterday's newspaper I saw Mr. Franklin Khan making a statement that he is going for the chairmanship of the PNM, hence the reason I have brought this matter today to the attention of the people of Trinidad and Tobago and to my good, honest, hard-working, friends in the PNM to let them know where the PNM is going and therefore to be aware. He said, Khan, "I want to work with the balisier." I say, Khan, stay there. Do not get near to the public purse; do not get near to the Treasury; stay in the balisier. You and all the snakes deserve to be there. [*Desk thumping*]

I am quoting from the *Daily Express*, Monday December 06, 2010. These are the kinds of people in the PNM who want to lead this country? Are these the people in the PNM who want to lead the country? This country should awake; awake people, see the corruption and you tell me to go outside and make this statement? I will give you the documents now if you want them.

The article continues:

"Former minister Franklin Khan says the People's National Movement (PNM) has a lot of work to do to rebuild the party..."

He should say, "Dey have ah lot ah tiefing to do to build de party" because that is what they have been doing. All the companies—Estate Management Business Development Company, PAESL, UDeCOTT, every single state enterprise they have destroyed them. They have used them as organs of corruption to feather their nests; all the PNM. You are talking about private citizens? I want to let you know is a public citizen I am talking about here.

"He made the comment during an interview on Saturday night confirming a *Sunday Express* report that he would be contesting the position of chairman of the party at the March 2011 convention."

People of Trinidad and Tobago, members of the PNM who have struggled all your lives, my dear little brothers and sisters from Laventille, Morvant and Bagatelle, they are calling you there to slaughter you, because when the time comes, they have nothing for you. It continues:

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“Khan said he wanted to work with Balisier House to build...the party ‘from the ground’.”

I know that in Felicity he was working on the ground building that area.

“My interest is in Balisier House, not Red House...”

I am telling people, give him his wish. Give Franklin Khan his wish. He says his interest is in the Balisier House not the Red House. “Doh ever let him nor de PNM come back here.” It continues:

“...he stated, adding...the party needed a strong team.”

A strong team or a team with “their pocket full ah de taxpayers’ money? Dah wha dey want!” That is not what they want. The party does not want any strong team; the party wants a team whose pocket is filled with taxpayers’ money. So that today, when we come to this Parliament, we have to give firemen \$3,000, those who have been damaged while doing their work.

This time I want to talk to my own friends now in the People’s Partnership. Hear what this man who has been involved in this kind of behaviour, this type of corruption, “hear wha he saying”:

“We will deal with Red House in 2015 or before—whenever the ‘Partnership’ collapses...”

Let me tell you something, Franklin Khan! Let me tell you something, the PNM! We shall hold forever under our astute leader [*Desk thumping*] the hon. Kamla Persad-Bissessar. Our hon. Prime Minister said that she is the magnet of unity, and we want to tell you, we are the iron filings sticking onto her. [*Desk thumping*] We shall stick together. Somebody said something else. Somebody said another thing, I think it was Sen. Dr. Henry, some of us will—that when we collapse like one Minister, Jack Warner is saying something and the other—but we want to let you know that we are a partnership and we shall stay together, not only to keep you all out, but to work in the interest of the country, because you have carried the country so far down that we have to stay here for a long time to build this country. [*Desk thumping*]

5.00 p.m.

Mr. President, the \$64 million man or the PNM should not be permitted to hold the reins of government any more. You have no moral value; you cannot make any aspersions about anybody any more. [*Interruption*]

Sen. Hinds: [*Inaudible*]

Sen. The Hon. S. Panday: Leave her alone, please. [*Laughter*]

“Khan said he felt some of the PNM operatives were underestimating the amount of work that needs to be done...”

We are saying that the amount of work is so much that they could never do it, because they are so involved in corruption.

“The PNM, led by Patrick Manning called a snap election...”

That is the point: “It’s a long, hot summer.”

I want to tell Franklyn Khan that it was a long, rich summer, filling pockets going down the line; typical of all the PNM. All the PNM operatives did the same thing. “And yuh cyar hold meh for libel, because the statement is too wide.”

The article continued:

““And based on my three years of fighting...Ortoire/Mayaro...to bring the PNM into government, I know what hard work entails,””

He added that:

“...he worked non-stop...to win that seat.”

I want to let him know that I know when he lost the seat the first time, they made him Chairman of the National Gas Company (NGC). When he was in the NGC, what he and Dansam Dhansook did caused him to be before the courts. So I want to let him know a little more about working hard and to let him know that we know his history. We have institutional memory and we know what the PNM did. [*Interruption*]

Sen. Hinds: Mr. President, I know the National Gas Company is mentioned in the Finance Bill, but would the hon. Senator show the relevance of his comments to the Bill before us today. In other words, he is completely irrelevant.

Mr. President: I am sure, Senator, that you will keep within the bounds of relevance to the Finance Bill. There are times when he brought his message back there, but we need to keep on track.

Sen. The Hon. S. Panday: Yes, Mr. President. I know what went on in the National Gas Company. The corruption in NP under Franklin Khan was so great that this country could have had money today to pay firemen and pensioners. That is the point I am making. Do you see the relevance?

Sen. Hinds: Yes.

Sen. The Hon. S. Panday: I always knew that you had more sense than many people thought.

“He want to champion dat cause.” Members of the public, when people come to you and tell you that they want to champion a cause, just remember, you must look at their history and you would see they are championing their own cause. [Laughter]

He complained that in the last five years he went through all these problems and whatnot—I will come back to that. My friends on the other side continue to attack this People’s Partnership Government, but I want to tell you what Franklin Khan said about “yuh” own party.

“Rowley added...”—your own leader—“there would be a lot of ‘speculation, conspiracies, bad mouthing and daydreaming’ as the party goes to the convention.”—in April.

That is the PNM we are dealing with.

Mr. President, when we come here today and deal with this Finance Bill, when we talk about what we should be given, the benefits and subsidies which we should give to people, we are talking about the People’s Partnership working. We care for all the people. The hon. Prime Minister said that no one should be left behind. I remember when she introduced universal secondary education she said that not a child was to be left behind. When we speak about taking care of the people, we mean all the people. We are not like what Jerry Narace said, “PNM takes care of its own.” That is why Franklin Khan could have said that he won the case. I want to say that he got a double whammy: He won the case and at the same time he got a contract. That is the way the PNM takes care of its own.

We in the Ministry of National Security could have gotten that money. Sen. Brig. Sandy could tell you, we want to put a Cadet Force in every school, but because of what the PNM did, feeding from the trough and feeding their own people, we are now cash-strapped. We wanted to deal with that. We wanted to use all the money we could have gained to put it in the budget so we could use it to fight crime. Then you attack us all the time about crime, when you hogged all the money and there is little remaining.

When you say that the PNM takes care of its own, you are not speaking about the boys in John John, our children in Laventille, our brothers and sisters in Snake Alley, our brothers and sisters in the Eastern Quarry. You are not speaking about poor people at all. You are not talking about the poor people who say “dey born

PNM and dey would die PNM". You are not speaking about them at all. You are speaking only about the top of the PNM, the hierarchy of the PNM that is feeding from the trough and seeing about themselves.

Mr. President, Sen. Deyalsingh forced me to join this debate. I really did not want to join this debate. This Government will stand to ensure that all the taxes raised will be used for the benefit of the people.

When we speak about this and we accuse them of being corrupt, do you know what they do? They try to hit back, just like my friend, Sen. Hinds, tried to hit back by putting the photograph of my Prime Minister on the public records. Sen. Deyalsingh said, "Do not call people's name; it is a bad thing; it is not proper; your own property."

Sen. Deyalsingh: Mr. President, I was making the reference of calling people's names in Parliament to a very specific circumstance. That had to do with calling the children's names who were suffering from medical problems. That was the context in which I made the comment, that I find it unseemly in the Parliament when we were piloting the Children Life's Fund Bill, the hon. Minister of Health was calling the names of children and their ailment. That was the context in which I made the comment.

Sen. The Hon. S. Panday: Thank you, Sir. I know that you took objection to that. I want to tell you that I take objection to a former Prime Minister taking the photograph of the home of the current Prime Minister and putting it in the public domain. What do you want, that people would go and burn the house down? Do you want people to damage "she" house? Do you want people to hurt her? What was the purpose of that? Our Prime Minister is a magnet and we should be like the iron filings around her to protect her from the PNM, and we intend to do that.

We intend to use taxes to serve the people. You in response inflated the price of the Prime Minister's house and then tried to create in the mind of the people, "Where she get the money from", insinuating ulterior motives of my Prime Minister. We want to boast today, boast to the nation, boast to the whole country that our Prime Minister is squeaky clean. [*Desk thumping*] Nobody in the top levels of the PNM could say that about themselves, but Sen. Hinds I know a little better.

Mr. President, we have put the cards on the table. We have shown how they have misused the money. We have shown how the whole PNM was corrupted and I will bring more evidence. I have evidence from about 20 or 30 companies and you will get it as time comes along.

Mr. President, I thank you and I thank Sen. Hinds for his assistance in this matter.

Sen. Shamfa Cudjoe: Mr. President, thank you for this opportunity to make a contribution to the debate on the Finance Bill. Excuse me if you do not hear me at some points in time. I have the flu and I do not feel well, so I will not be long. I will run through my points quickly.

I paid close attention to the deliberations in the other place. I studied the Bill clinically and I did some research. The Bill seeks to introduce legislative measures to some of the initiatives introduced in the 2010/2011 Budget of the People's Partnership. From increased pensions to incentives for home construction, these initiatives have significant costs attached to them. The question that stands out in my mind is how are we going to bring this legislation to life? How are we going to accomplish the things that we set out to accomplish? We could come to the Parliament and say we support the Bill and all it entails, but how do we make it meaningful for the citizens of our country?

Considering the current economic landscape and the Government's ability—or should I say inability—to promote growth, development and confidence in the economy, I ask: How do we make all these wonderful things happen?

Let me share with this House, that last week I had a very interesting experience while travelling to the airport on returning to Tobago from Parliament. I took an "H" car from the hotel here in Port of Spain. As I got into the car, I pulled out my PBR pass and gave it to the driver. He was very excited and said, "I have not seen one of these in a really long time." He was just really happy to have the opportunity to drive on the Priority Bus Route, and I looked at him. I thought that was funny.

Then he explained to me that he was so upset with the PNM. He said that he was a strong People's Partnership supporter and he was upset with the PNM because it was under the PNM administration that the PBR was taken away from taxi drivers. *[Interruption]*

Sen. Oudit: Would you just allow me one question, please?

Sen. S. Cudjoe: Sure.

Sen. Oudit: I just want to clarify. Are you saying that you gave the "H" driver your PBR pass? *[Interruption]* I am asking Sen. Cudjoe, please, if you do not mind. Is that what you just indicated?

Sen. Hinds: Go ahead with your contribution.

Sen. S. Cudjoe: Mr. President, I will let that pass, because the issue relating to that whole PBR pass and representatives from Tobago has been raised since 1997 by Independent Senator, Dr. E. Mc Kenzie. That is something we need to sort out. I would let that slide.

He went on to say why he was so upset and that kind of thing. After all this conversation, he turned to me and said, “Gyul, when you think this economy would start to ketch up back?” “When do you thing we are going to have some work?” He explained that it was so slow in the taxi service; he usually transported tourists. He said that he was not going too deep in celebrating Christmas this year, because he just could not afford to. I was unable to answer him. He said that he was tired of the talk; it was a lot of talk and no action to back it up.

Mr. President, it brings the question again: What do we do to cause the economy to pick up? How do we reignite confidence in the economy and confidence in the citizens to move the economy in the direction we want it to go? I thought about it and said that the People's Partnership campaigned and promised a lot. The PP campaign promulgated no new taxes; to settle the wage issues; increased wages for public servants; a pension of \$3,000 for all—life begins at 60, you cannot forget the pension hopes—laptops for children; maternity leave for CEPEP and URP; better working conditions; better working programmes for CEPEP and URP, and the list goes on and on.

While the campaigning was going on, we kept on asking: How are you going to pay for this? How are you going to finance this? What expenses are you going to cut? What are your plans for revenue generation? At that time, they had no answer, they did not know, and they still do not know.

5.15 p.m.

They were only concerned about winning the election, so after all the campaigning, the foreign accent, the beautiful songs, the commercials, the confetti falling from the sky, we are still here waiting for the honeymoon to be over. As, Sen. George rightfully said, he said today that on May 24, all the problems were taken care of and it is easy to say that—

Sen. George: I never said that!

Sen. S. Cudjoe: You said that.

Sen. Bharath: You talked to her.

Sen. S. Cudjoe: He said that. He commented that across the floor to Sen. Dr. Henry, this morning. I have no cause to lie.

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Anyway, Mr. President, when the Government was in Opposition they had all the answers. They had the answers to everything. [*Desk thumping*] They were constantly in the media, in the newspaper and everywhere talking about what we should do and now they are in Government, as Sen. Hinds says, “Now that we’ve found love what are we gonna do with it”. [*Desk thumping*] You are in Government and it is time for you to put all that talk into action and you sit there and look at us discombobulated. [*Desk thumping*]

Mr. President, with six months into the People’s Partnership term and the country now looking to them for guidance and leadership, they remained saved and sanctified under the mantra, “blame it on the PNM and everything would fall into place.” [*Desk thumping*] After all that campaigning the proof is in the pudding and six months into your term, 10 per cent of your term, you still have not made a significant contribution towards advancing this economy. Everybody is complaining: the businessmen, the housewives, the Chamber of Commerce, you name it. The People’s Partnership is fully aware, because this is not rhetoric, this is the reality and this message is shared in the media every day. So the Government has ground to a halt and businesses are not borrowing and not spending money either; same thing with the consumers.

They are not borrowing from the banks, they are not spending, because you just do not know what would happen, there is no predictability, you do not know when you are going to lose your job. Mr. President, Mr. Fazeer Mohammed did not know he was going to lose his job. Several other people did not know, the clerical staff in the Ministry of Education did not know that they were going to lose their jobs, so people are holding on to every bit of money that they have.

So against the backdrop of this poor management, rising inflation, increased unemployment over the last six months, the People’s Partnership has failed to engender confidence in the country’s economy. I listened this morning as the Minister spoke about inheritance and all of these things that he would have inherited from the People’s National Movement, and then later on I heard the Minister of Finance and Sen. King speak about how the economy is coming to show signs of growth, getting back on track, tried to give the impression that they would have done something within the six months to make that happen.

With all of that, Mr. President, they forgot to tell us about the real inheritance. They inherited a low unemployment rate, high foreign reserves, Heritage and Stabilisation Fund, thousands of houses that they could show off and just give away freely to citizens, free medical care, CDAP, free care for HIV/AIDS patients.

December 01 was International AIDS Day and I heard in Tobago, of the people who are in charge for the AIDS coordinating committee talking about how deaths from AIDS and when you pass AIDS on to the babies, patients—

Sen. Deyalsingh: Transmission.

Sen. S. Cudjoe: Transmission was very low and it is because of the health care they would have received. Mr. President, that happened under the People's National Movement. They have inherited that and they forget to mention these things.

The People's Partnership has inherited 57,000 students at university as opposed to 9,000 in 2001 when we started government. Mr. President, you do not hear them talking about that. The People's Partnership inherited projects that were almost completed to the point where, when they got into office, they showed up for the ribbon cutting ceremonies and smiled and waved as if they were theirs.

Mr. President, I looked at the newspapers sometime earlier this week and I saw the Minister of Trade and Industry talking about—acting as if he was responsible for the single electronic window project that is now on in the Ministry of Trade, as though it is something he came up with. I remember working with the Ministry of Trade through the Tobago House of Assembly when that was being done. We have inherited a strong manufacturing sector at the point that our Prime Minister could make an unfortunate comment and cause so much confusion throughout the region and we have our Caribbean neighbours still purchasing our products.

I went to Mason Hall Government School and they always talked about “good work or none, or do it all or don't do it at all”, and here I want to say, Mr. President, “tell it all or don't tell it at all”. [*Desk thumping*] So if you cannot tell all of the story do not tell it at all.

Mr. President, with that said, allow me to turn to the clauses of the Bill that pique my interest. Clauses 2 to 12 deal with the matter of pensions. I must tell you, Mr. President, every time I read a section that says change “one thousand, nine hundred and fifty dollars to three thousand dollars”, it just reminds me of the pension hoax and how the People's Partnership fooled the people of this country by telling us that they are going to reduce the pension age to 60 and then come in the end and say that it is something that they had never said. So I went back to the *Hansard* and I pulled out the record where the Minister of the People and Social Development said yes, it was their intention to do that.

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That debate took place on Friday, July 30, 2010 and I have the whole record here. Mr. President, let me make another point on pensions. I think it was Sen. Deyalsingh and Sen. Panday who made reference to the whole issue of where we have judges, teachers and diplomats receiving the same pension as somebody who would have never contributed to the economic advancement or contributed to building this country in anyway, somebody who would have not worked one day of his life and played “wappie” every single day and receiving that same \$3,000. I understand that the Minister of Finance is having some discussions with International Financial Institutions on pension and this is something that we need to look into.

I move on to the Income Tax Act and the section dealing with income tax and police salaries, that is clause 16, the amendment to the Income Tax Act, Chap. 75:01. This was a tax exemption on the Special Duty Allowance to office holders in the police service and it goes from Grade I to IX, that is from the Police Band Apprentice to the Assistant Commissioner of Police. I would not go into the whole discourse as to why the police service was not given the substantial salary increases that were prepared and approved by the People’s National Movement, but this \$1,000 Special Duty Allowance.

When you talk to some of the police officers they call it “hush money” to placate the grievances and the anger they felt in learning how much the Commissioner of Police was getting—Mr. Gibbs and Mr. Ewatski. They call it “hush money” when you talk to some of them. I want to bring to the Senate that we consider extending the same \$1,000 to the fire service, the SRP, the defence force, coast guard and officers because they contribute to national security in some way or the other and they contribute to securing the lives of our citizens.

Allow me to turn now to clause 8 that deals with the Litter Act, Chap. 30. Mr. President, I commend this initiative, it promotes a clean environment, but I want to know what plans do we have in place to prevent littering and even to monitor this whole littering programme, because if you see nobody looking you still find people littering. We need to come up with some programmes to educate people in schools, even have signs all around the workplace because sometimes you are looking for a place to throw your stuff and there is no garbage cans, so we need to look at this from all sides if you are really serious about this clean, green initiative that we are looking at.

On the whole issue of compressed natural gas, that is clause 16, I agree that this is the right way to go because we are giving incentives for people who purchase the CNG kits and cylinders and we are giving incentives to encourage motorists to purchase vehicles manufactured to use compressed natural gas. I

agree that this is the right way to go but I am concerned as to what is the short-or medium term plan to facilitate the move without causing mass hysteria in the country. Are we going to reduce the gas? I heard talk of reducing the gas subsidy and this will cause the price of gas to increase. We need to look at how that would negatively impact the travelling public and the cost of living for our citizens. As it relates to Tobago's, gas subsidy, it is significant. I think it runs into \$1 billion and we need to come up with a short-term plan to treat with this, if this is the route we intend to go.

I say, despite the challenges faced by our economy, I hope that we would not interfere with some of the subsidies that are imperative to Tobago's development. This gas subsidy is one and the sea bridge subsidy is another, because the sea bridge subsidy fuels our whole domestic tourism sector. I want to also sound the alarm and encourage the Government to ensure that we have the right infrastructure and the right technology, as rightly stated by Sen. Drayton earlier in this debate. We need to get the citizens on board, we need to get the private sector on board and we need to make the necessary adjustments to ensure this happens. We need to make the adjustments at the gas stations so that it would be easier at the pump.

As I talk about gas stations, Mr. President. We have a gas station in Tobago in Scarborough and it is one of the most profitable gas stations in the NP chain. Under the previous administration we had agreed on plans to have a similar gas station in the Roxborough area; but when the People's Partnership came into Government they said that they would review that initiative and it is six months since they have been in office and there has been no word, so there is no predictability on that Roxborough gas station project. It is the same thing with the Old Grange Police Station and the Roxborough Police Station. For the Old Grange Police Station and the Roxborough Police Station the contracts were already awarded and I would have mentioned, about three weeks ago in the debate on the Firearms Bill—Mr. President, it is six months later and there is nothing said as to whether or not these projects are going to still happen.

So it is this whole issue of, "Stop everything we are going to review", also the failure to set up boards, that has us in a really challenging position as we recently saw with the whole airport paving and lighting project. Jusamco's heavy duty equipment has been parked up at the Crown Point Airport for months. If you land in Tobago now you would see it just parked near the airport and there is no word as to when these projects are going to start, so this is something that we need to look into.

Mr. President: It is now 5.30 p.m. I propose to take the tea break at this point and resume at six o'clock.

5.30 p.m.: *Sitting suspended.*

6.00 p.m.: *Sitting resumed.*

Mr. President: When we broke for the tea break, Sen. Cudjoe was on her legs and she has 24 more minutes in this debate.

Sen. S. Cudjoe: Thank you, Mr. President. Before we went on the break, I was implying that the whole budget and the Finance Bill are not just about arithmetic. It is not just about money but how we use this money, Mr. President, to deliver the projects and programmes to the people we serve. Delivery is indeed stalled by the inefficiency and incompetence of this media-happy, star-studded, “We are so cool. We are on this side; you are on the other side. The people cannot get enough of us,” People’s Partnership regime—all this talk, Mr. President, and no performance. No work has started and we do not know when work will be started on these projects, as I would have mentioned before we went on the break.

Mr. President, I turn now to clause 18 of the Bill, amendments to the Petroleum Taxes Act, Chap. 75:04. Here, Mr. President, I think it is a very commendable measure where incentives and tax credits are given to promote exploration and production in the petroleum industry. We also have companies drilling offshore Tobago, but I want to inform the Government that, in giving these tax incentives, we take into consideration environmental protection, Mr. President.

We would have learned a lesson this year from the United States of America and what they would have gone through in the Gulf regarding the oil spill. I think we need to find mechanisms to encourage the proper standards in the petroleum industry to ensure that these companies take proper consideration of the environment in their drilling practices.

I turn now to clause 15, which deals with the Central Tenders Board. I recognize that we are raising the financial limit for the committees of that board from \$500,000 to \$1 million. I think the issue with the Central Tenders Board is that we have a challenge as it relates to inordinate delays, and, whilst accountability is important, I want to say that timely delivery of projects is also important, so we need to strike a good balance between accountability and timely

delivery. We need to strengthen the accountability of this board and we also need to enhance the board's ability to conduct its business in a flexible manner with some level of urgency to ensure that projects are delivered in a timely fashion.

Mr. President, I recognize in the budget debate that the Minister of Finance would have mentioned "axing the tax" and it was something to be celebrated. When I debated the Appropriation Bill in September, I would have asked the question about axing the tax in 2010. I recognize that there is a 200 per cent increase in the amount of money in land and building taxes that we expect to collect from Tobago in the next year.

I ask the question as to how that would be done, Mr. President. In 2009 we would have collected \$3.8 million in land and building taxes from Tobagonians; and in 2011 we are expecting to collect \$9.9 million. That is \$6.1 million more. That is a 200 per cent increase. So I want to know how we expect to do that if we have indeed axed the tax, as was celebrated earlier on this year? Tobagonians currently pay a land and building tax of 7.5 per cent; and that is 7.5 per cent on the 1950 values of their houses, Mr. President.

I am wondering if we are going to do some kind of valuation to increase the value of these houses so that they could come up with this \$6.1 million. Is that not what you intend to do? Because we are already paying 7.5 per cent in land and building taxes, while, some areas in Trinidad are paying 3 and 4 per cent, Mr. President. If we are saying that there are so many people who owe land taxes—I actually heard the Minister of Finance say that if all the outstanding taxes are to be paid, then the deficit of this country will be taken care of—I wish to challenge that, especially in the Tobago scenario.

Mr. President, because Tobagonians are very serious about land, they do not skylark with land. So you find in the early months of the year, like January, February, even March, people would have already paid off their taxes for the year. So to say that Tobagonians owe this big amount of money in taxes and you expect to collect all these outstanding taxes from Tobagonians for land, Mr. President, I wish to challenge that.

Mr. President, as I pointed out earlier in the debate, most of the measures in these clauses would have mentioned tax collection and activities of that nature, and I feel like we need to enhance our tax collection institutions. We need to enhance the Board of Inland Revenue and all other tax collection agencies to help us collect these taxes that we are expecting to help fill the deficit.

Of course, from a Tobago perspective, we could even go as far as lobbying for Tobago's tax to be paid in Tobago. This is a longstanding issue that has been on the table since 1990, and several administrations have come and gone and it is still an outstanding and very sensitive issue. I hope that we would get the chance to address that in the review of the Tobago House of Assembly Act, and I hope that all members of the Tobago public, all Tobagonians, could really get a chance to influence this process of constitutional reform and the review of the Tobago House of Assembly Act, because most of our affairs depend so heavily on the reviews to take place in that Tobago House of Assembly Act and in constitutional reform. Our development agenda and any advancement that is to take place in Tobago in a meaningful way depends on the whole process of the review of the Tobago House of Assembly Act, and the constitutional reform.

Mr. President, I recognize, by the actions and the utterances of the central government and the Tobago Organization of the People, that this process of review for the Tobago House of Assembly Act has been—I would say the central government and the Tobago Organization of the People are trying to hijack that Tobago House of Assembly review process. I want to sound the alarm, Mr. President, that the people of Tobago, despite what political party you are in, and the Tobago House of Assembly, should be given the opportunity to participate and make meaningful contribution to this whole review process.

The Tobago House of Assembly has already started a process which includes members of the different political parties and the different sectors and different communities in Tobago, Mr. President; so I just want to sound the alarm again that this review process is very important to us and it should be inclusive. This is not a Tobago Organization of the People project; this is not a People's Partnership project. This review of the Tobago House of Assembly Act is critical to the development of Tobago and all Tobagonians need to be involved.

I want to urge that we use this Act and the whole review process to really do something meaningful and something significant and something good for Tobago. When we talk about this Tobago House of Assembly Act, we are talking about the future of a whole island of about 60,000 people as it stands right now, Mr. President. I really hope that this review process brings something positive, because I remember the *Tobago News* on November 04 where there was a story talking about a councillor from the Tobago Organization of the People. He would have resigned.

The Tobago Organization of the People was having a conference, a workshop, a seminar at Rovanel's Hotel, and he was perturbed because he said that he had conversations with the Attorney General, Sen. The Hon. Anand Ramlogan, and

the Minister of Works and Transport, Hon. Jack Warner, about a promise to have an early Tobago House of Assembly election within six months of the People's Partnership getting into power.

He was very disturbed about that and he said it right there and then in front of the media. I want to sound the alarm again, Mr. President, that you do not use your power and your authority and your numbers to take this review process and turn it into something for political expediency, because the future of Tobago depends on that review process.

Mr. President, allow me to go into free trade zones. Clause 23 deals with free trade zones, Act 81:07. Before I go into that, let me say that the whole country, both the central government and the Tobago House of Assembly, have the responsibility to promote Tobago's economic self-sufficiency, and, consequently, to facilitate Tobago's economic growth and Tobago's economic independence, and any initiative that would facilitate that, Mr. President.

In this context, I hope that matters of this nature—that relate to Tobago's economic development—are dealt with expeditiously and with some sense of urgency and sensitivity, Mr. President. The Tobago House of Assembly has recognized Cove as one of our development projects or our development poles, as you heard the Minister talk this morning about development poles. Mr. President, we have been requesting for a long time, also in the June 07 letter to the Prime Minister, that, with respect to Cove, there be a special tax regime for the Cove Eco-Industrial Park. To this date, there has been no acknowledgment of the correspondence and there has been no word as to where that will go, Mr. President.

Ambassador Mervyn Assam visited Tobago, I think it was last week, and had conversations with the Assembly and he commended the Assembly for its efforts in economic development and diversification, and even the Cove project. But there has been no meaningful conversation or no meaningful communication so we can get the special tax regime for the Cove Eco-Industrial Park.

With that said, Mr. President, I want to invite the Minister of Finance to come to Tobago and have a talk with the Tobago House of Assembly and have a talk with the Secretary of Finance on this Cove initiative, because it is not the answer but a major contributor towards Tobago's economic development and diversification.

Mr. President, as it relates to the Tobago economy again, I want to say that we need to make more aggressive moves as they relate to fixing the Vanguard Hotel. As you heard before in Sen. King's contribution, our tourism sector is still grappling, trying to get over the global economic crisis, and we have introduced a programme where we will give £100 back to UK travellers who come to Tobago for two weeks. We also have a \$26 million stimulus package for tourism entrepreneurs in Tobago, Mr. President. If you go on the Caribbean Airlines website right now, you will see that we start direct flights from Tobago to New York and back on December 12. Most of these services are directly linked to accommodation at the Vanguard Hotel, so I want to call on this Government again to fix the Vanguard as a priority on its agenda.

Mr. President, I turn now to clauses 16 and 17 that deal with the Children's Life Fund. I find it very interesting. I was absent from Parliament on the day that Bill was debated. I was on vacation, so I was following the debate on the Internet. I was surprised. I found it rather interesting to see Members of the Independent Bench and the temporary Senator who would have sat in for me on that day, I mean, literally begging the Government to include a representative from the Tobago House of Assembly on the board for the Children's Life Fund.

I found it strange, because it cannot be that you do not know. This seems to be something that is done on purpose, Mr. President, because this is six months into the People's Partnership's term and they have been cautioned on many occasions, advised on many occasions before, and warned as to the importance of the Tobago House of Assembly in Tobago's development. Whether you like it or not, that is the institution that is responsible for Tobago's socio-economic development, Mr. President.

I find it to be cheap politics. I find it to be childish. I find it to be absurd, Mr. President; and if we continue to operate in this way where we purposely exclude the Tobago House of Assembly just because the Tobago House of Assembly is under the People's National Movement at this time, we are going nowhere as a nation. Mr. President, it makes no sense that we get in the media and even come to Parliament and talk about walking side by side and serving the people, and that kind of thing. That would be just talk, because you come time after time and exclude the Tobago House of Assembly.

Mr. President, when I speak about this whole lack of respect for the Tobago House of Assembly, especially as it relates to the Children's Life Fund, we need to understand, as we tear apart and look into the Children's Life Fund legislation, that the responsibility for administering the Children's Life Fund resides in two

places. It resides in the central government and the Tobago House of Assembly. Mr. President, collective responsibility means collective representation; because if the Tobago House of Assembly is also responsible for administering this Children's Life Fund, why would you not put a representative from the Tobago House of Assembly on the board?

Mr. President, if we are a meaningful stakeholder in administering this fund, then the THA should expect nothing else but meaningful representation. So when you exclude the Tobago House of Assembly from the board—

PROCEDURAL MOTION

Sen. Lyndira Oudit: Mr. President, in accordance with Standing Order 9(8) on behalf of the Leader of Government Business, I beg to move that the Senate continue to sit until the conclusion of the debate.

Question put and agreed to.

FINANCE (NO.2) BILL

Mr. President: Sen. Cudjoe, you have another five minutes.

Sen. S. Cudjoe: Mr. President, I was talking about the Children's Life Fund and the appointment to the board. I want to say that when you exclude the Tobago House of Assembly from the board and you place a high ranking or some high level Tobago Organization of the People representative in place, who—has no regard for the Tobago House of Assembly, you are indeed institutionalizing discord. Mr. President, that is institutionalized discord, and this is no mistake on the part of the People's Partnership. This obviously is being done intentionally, because we have come back time after time, constantly having to remind them, having to caution them and warn them to include the Tobago House of Assembly.

What is even more interesting, Mr. President, I wonder where was the representative for Tobago East or the representative for Tobago West when this debate was taking place in the Lower House, when all these plans were being made. Where were these people who love Tobago so much? Where were these people who said, "I would be no dumb dog when I come down to Trinidad. I will speak out for Tobago and the Tobago House of Assembly"? Where were these people, Mr. President?

These two representatives, these hon. Senators, are supposed to be representing Tobago's interest, but instead they have chosen political expediency over responsibility for Tobago. I want to bring this to the fore and sound the alarm

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and caution the Government another time. Respect the Tobago House of Assembly. We have been in existence for 30 years, Mr. President. Respect our 30 years.

I go further on appointment to boards. On June 07, the Chief Secretary would have written a letter to the Prime Minister on appointments to State boards. Over the years, since the inception of the Tobago House of Assembly, it has been ensured that the Tobago House of Assembly would have representation on the boards; especially on the boards that matter most to Tobago's development.

We have had representation on about 90 per cent of the boards throughout the years, Mr. President, and the Chief Secretary would have provided a list of the State boards on which he would have liked to see the House of Assembly represented and even a list of the names of people that the Tobago House of Assembly recommended. Mr. President, let me tell you that not one of these people on the list was appointed to a State board, and the letter informing the Prime Minister and requesting these members to the State board was not even acknowledged. It has not been acknowledged, Mr. President. Instead, we are seeing efforts by the People's Partnership to politicize the management of Tobago through all its actions.

Most of the Tobagonians on State boards right now are high-level officials in the Tobago Organization of the People, which is in opposition in the Tobago House of Assembly. They are on boards on which members of the Tobago House of Assembly have no representation for the THA. They hold positions on boards that are critical to Tobago's development. I am talking about candidates from the last Tobago House of Assembly election; past assemblymen, Mr. President; high-level decision-makers in the Tobago Organization of the People who do not have any regard for the Tobago House of Assembly, Mr. President.

I am not making this up. You would have seen from the contributions that the Members would have made in the Lower House, and even here in the Upper House.

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes.
[Sen. P. Beckles-Robinson]

Question put and agreed to.

Sen. S. Cudjoe: Thank you, Mr. President. Thank you, colleagues. Mr. President, I want to take, for instance, the Tourism Development Company. Tourism is the lifeblood of Tobago's economy, and it is interesting that the People's Partnership

has appointed the Chairman of the Tobago Organization of the People to be the Chairman of the Tourism Development Company. And the list goes on with other high-level Tobago Organization of the People officials on the state boards, Mr. President, and some of them on State boards where there is no Tobago House of Assembly representation.

What I am saying is that the People's Partnership is setting up a network or body parallel to the Tobago House of Assembly to the point that, okay, they feel they do not have to go to the Tobago House of Assembly any more. "We will go to our people in our party." This is not to the benefit of the Tobagonians, Mr. President. This is for political mileage. These are the same people who are trying to get into power in the Tobago House of Assembly.

Mr. President, do not get me wrong. I have no problem with Tobago representation. You can have as many Tobagonians on the board as much as you want, but we cannot get to the point where Tobago representation supersedes House of Assembly representation; because, if you have Tobagonians on these boards speaking on behalf of Tobago, yes, and speaking on behalf of their parties, who is speaking on behalf of the Tobago House of Assembly?

Who is speaking on behalf of the institution that was duly elected by the people of Tobago and is responsible for Tobago's development, Mr. President? This is the first time in decades that the Tobago House of Assembly does not have a representative on the TDC, but the Chairman of the TOP is there and the People's Partnership knows very well that these people do not have any regard for the Tobago House of Assembly, especially under the People's National Movement.

Mr. President, the last time I checked, there were at least 34 boards on which the Tobago House of Assembly had representation prior to the People's Partnership on which we do not have representation now. These boards are critical to Tobago's development. I am talking about boards like T&TEC, Mr. President; PTSC; Nedco; National Sports Company; YTEPP; EMA; the Agricultural Development Bank; National Training Agency; National Self-Help, and the list goes on; all for political mileage, Mr. President.

It seems like the Tobago House of Assembly has to sacrifice some of its dignity and its authority to obtain benefits from the People's Partnership. The People's Partnership is utilizing its resources to demoralize Tobagonians and emasculate the institution—our institution of self-governance. Now, I am not saying, Mr. President, that we have not benefited, for instance, from the laptop initiative and flood relief, and that kind of thing, but it is just the way in which

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things are done when it comes to dealing with Tobago. There is a foul obscenity in the way in which the People's Partnership deals with matters relating to Tobago.

Mr. President, over the past couple of months we have seen a sustained and systematic effort by the central government to erode the Tobago House of Assembly. I talked about the laptop initiative, flood relief and the Children's Life Fund. This is not just insulting. It just seems that, in order for us to get any benefits from the People's Partnership, we have to sacrifice our authority, some of our autonomy and some of our dignity.

We have had similar treatment like this before, Mr. President. Tobagonians will tell you that we are accustomed to this kind of treatment from several administrations. Mr. Hochoy Charles will tell you about his experience with the UNC Government, but you know what is bad about it now, or what is worse, Mr. President? You know what is disconcertingly different this time around? It is that our own Tobagonians are aiding and abetting in dismantling the Tobago House of Assembly.

Sen. Beckles-Robinson: Some of them.

Sen. S. Cudjoe: Some of them, Mr. President. It is in this light that I cry shame on the Tobago Organization of the People and its members; especially those who are representatives in the Lower House; the two of them, Mr. President.

Because I remember clearly, that the Tobago Organization was supposed to be the real Tobago deal. In the days of the People's National Movement, they were always accused of selling out to Trinidad, and letting Trinidadians come to Tobago and do what they want. They say, "I would be no dumb dog when I go to Trinidad. I would speak up for Tobago and the Tobago House of Assembly."

6.30 p.m.

Mr. President, this was an attractive organization to the young person, because when you looked at it you saw Tobago and you saw people fighting for Tobago. Little did we know this was only for political mileage, just to win an election. So this whole side-by-side talk, we do not take this seriously. If walking side by side with Trinidad means we have to sacrifice our dignity, it causes us to question: Is it worth the disrespect and the humiliation? We did not sign up for this, Mr. President. When we cast our votes on May 24th, this is not what we signed up for; this is not what we envisioned. So as a people we are bigger than that. As an institution we have come too far for that.

With that said, Mr. President, and with the few minutes I have left, allow me some latitude to congratulate the Tobago House of Assembly on achieving 30 years [*Desk thumping*] of development—from 1980 to 2010; 30 years in the Tobago House of Assembly. We have accomplished a lot. Tobago has accomplished a lot through the Tobago House of Assembly—under different administrations. I am saying this is not only under the PNM. I am talking about the Tobago House of Assembly.

Mr. President, recently we opened the Buccoo goat race facility, and I want to commend the Buccoo villagers and the people in the Assembly and the MTS Board for making that project happen. That project was completed on time and within budget. It was completed within a year, and the people of Buccoo are very, very proud of it. They were involved in the process from planning it to the actual building of the race facility. I remember the budget debate, where the Member for Tobago West described the racing facility as a goat pen. That is the pride and joy of the Buccoo villagers. And I want to add, when we had the opening day to cut the ribbon, to commission the facility, a letter was sent to the Member for Tobago West—the junior Minister in the Ministry of Tourism—asking him to come—this is in his constituency—and he wrote back a letter to the Chief Secretary to say he is not going to come to the event, because he was not invited to speak. That is what we are dealing with. These are people who claim they love Tobago.

Mr. President, let me continue on some of the recent accomplishments of the Tobago House of Assembly: the Buccoo Community Centre—we opened that on November 9. It is the thirty-first facility of that nature. We have 17 health centres, three more health centres under construction, two outreach centres to be completed before the end of 2010, 22 lighted courts, three more to be lighted in the next fiscal year.

In addition to the Dwight Yorke Stadium, we have five lighted recreation grounds and 27 other community recreation grounds, eight of which would be lighted in the next fiscal year. Whilst in other countries in the region they do not have a single tennis court, we have 16 lighted tennis courts and two more to be lighted and two unlighted tennis courts, Mr. President. And it is not just about physical development. I am talking about improvement in the quality of life. We have maintained an unemployment rate of less than 6 per cent for the last four years, and Tobago's children are going to school well fed, well educated, paying little or no money for it.

Mr. President, I could remember—and I listen to stories where we had to travel on the slow boat; now we have the fast ferry. People talk about power outages and phones not working—non-functioning telephones, unlit streets, dilapidated main roads. There was a time when it was difficult for children to get placed in a secondary school, and schools were dilapidated. The Tobago House of Assembly, especially under the People’s National Movement regime, has dealt with that.

I was travelling on the boat one time with a friend in the July—this was a holiday time. I do not remember the time. I do not want to call a date. I would be lying if I say I remember when it was, but it was one of those long weekends. I was travelling with a friend and I overheard a conversation of some men saying, “Boy you ain’t see the kind ah work done in Tobago? Boy this People’s Partnership doing real work in Tobago. You ain’t see the kind ah work Jack Warner put down in Tobago”, talking about the hon. Minister of Works. Mr. President, they were saying, “The roads were well paved, and if you see the houses in Signal Hill.” And they were talking about so much development that took place in Tobago since the People’s Partnership.

I thought, “Maybe dey pulling mih legs, yuh know.” I thought, okay, they are saying this for me to jump in, and, Mr. President, I was tempted to jump in because I wanted to tell them that these developments were there before the People’s Partnership.” The People’s Partnership has not done anything of that sort for Tobago. The House of Assembly has been working diligently over the years, trying to raise the standard of living and the quality of life for Tobagonians. So when they sat there talking I said, they are joking and they are trying to get me in on this conversation; but, I let it slide.

Mr. President, let me mention that we talk a lot about unfinished projects and that kind of thing, but I want to say that at no time before in the history of this country, and no time before in the history of the Tobago House of Assembly has any administration attempted such an aggressive and extensive development agenda for Tobago; from social programmes to projects like Cove and the library and even the Buccoo facility, the Financial Complex, fixing all the schools and dealing with so much development in Tobago. No administration before the People’s National Movement has done that in Tobago.

Some may say we bit off more than we can chew, and that might be true. We took on large numbers of projects at the same time, projects of a big magnitude, but the fact is that we made the attempt, and we are working diligently to complete these projects and no administration before the People’s National

Movement in the Tobago House of Assembly could boast of that. So talk about unfinished projects all you want, I will tell you that we managed to keep the quality and the standard of life in Tobago high. We have kept our unemployment rate very low. We have maintained a high standard of living. For the most part we can put food on our table and we could send our children to school.

So I call on this Government to reignite confidence in the economy in Trinidad and also in Tobago. You are not hurting the People's National Movement when you neglect Tobago and Tobago's needs for political expediency. You are not hurting the People's National Movement. You are hurting those people who voted for you, and we will not sacrifice our dignity for your goodies. I think we are worth more than that. We will not sacrifice our autonomy for your goodies.

In closing, I am not saying this because I am PNM. I am not saying this because I am a PNMite. Mr. President, I am saying this, one, because I am a young person, and I have many, many more years to go, God spare my life, and I am saying this because I am a Tobagonian. I am a Tobagonian and I would speak out against anything or anyone who undermines the autonomy and the authority of the Tobago House of Assembly and its progress. Even if over the next couple years the administration in The Tobago House of Assembly changes, I will still speak on behalf of the Tobago House of Assembly, because I am a Tobagonian above anything else.

So, Mr. President, I want to say that the Tobago House of Assembly has stood strong for 30 years. Respect our 30 years; our 30 years of development; our 30 years of dignity. You have a Government that has just come into power, has not even been in existence for 30 months, and you are trying to "mash up" the Tobago House of Assembly. Mr. President, no matter what you do, I want to say that we survived and we are going to continue to develop, and we continue to serve our people, we continue to serve the Tobagonians who were entrusted to us, and we call on you to do the same. Mr. President, I sincerely thank you. [*Desk thumping*]

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Thank you very much, Mr. President. Mr. President, I rise to support this Finance (No. 2) Bill of 2010 as delivered by the hon. Minister of Finance, and which is a follow-up to the Budget Statement which was delivered on September 8, 2010. This Bill here is:

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“To provide for variation of certain duties and taxes and to introduce provisions of a fiscal nature and for related matters.”

Before I get down to the gist of my contribution, I just want to make reference to a couple of the statements made by the previous speaker, Sen. Cudjoe, and I will only mention one or two statements that she made in her contribution, because I think other speakers on this side after me will more adequately address the misconceptions that permeate her statement.

In respect of the representation of Tobago on boards, she did make mention of the fact that Tobago is not represented on the Trinidad and Tobago Electricity Commission (T&TEC) Board. As Minister of Public Utilities, T&TEC falls under my responsibility, and I want to say to this Senate that one of the Commissioners on the Board of T&TEC is one Mr. Patino who resides, and I think operates a business, in Tobago. In respect of another board which falls to my responsibility, that is the TTPost Board, I have only this morning written to the Secretary of the Tobago House of Assembly seeking a nomination for membership on that board. So that, insofar as my Ministry is concerned, I think Tobago has representation on boards that fall under my Ministry. A little earlier on—[*Interruption*]

Sen. Cudjoe: Would the Minister kindly give way? Thank you so much, Senator. I want you to get my statement clearly. I did not say that there is not Tobago representation; it is Tobago House of Assembly representation. I think the problem here is the Partnership is getting mixed up between Tobago representation and Tobago House of Assembly representation. You can have as many Tobagonians on boards as you please, I commend that, but Tobago House of Assembly representation is a different thing. Tobago House of Assembly is the institution which governs us. I am sure you will get injury time. Thank you, Sir.

Sen. The Hon. E. George: Yes. I did say that only this morning I wrote to the Chief Secretary of the Tobago House of Assembly seeking his nominee for the TTPost Board. [*Desk thumping*]

The previous speaker also said that this Government was not doing anything, and she could not see which projects were being undertaken, and that, in fact, the Government was a media-happy one and not really involved in doing anything of substance to make the lives of the people of Trinidad and Tobago better. So I want to disabuse the previous speaker about that delusion by pointing out some of the projects that have already been started under my Ministry, and that have brought immediate benefits to the population and to refer to others that soon will.

The first group of projects I refer to is that we have, since coming into power, provided lighting for about 30 recreation grounds throughout the country that would have improved the lives of citizens by allowing them the ability, after work, to pursue recreational activities that they would not have been able to if these grounds were not lighted.

In respect of water, I refer to a project that was undertaken in the Diego Martin constituency, and that has to do with the replacement of a very leaky main along St. Lucien Road—a main that had been in place since the 1950s, and which was crying out since the early to mid '80s for change out. We changed out that main recently, over the period July to the end of August, and we were able, by changing out that main and replacing it with a 12-inch transmission main and an 8-inch distribution main running parallel, to so improve the water supply to people in the area, that, when we held a meeting of the group of people who were served by that main, they all lauded the project. In fact, the amount of water that was saved by our changing out that main resulted in communities whose service we did not expect to improve being improved. So that while we had intended to improve the service of those people along the entire St. Lucien Road, that is into Petit Valley and Blue Range, and so on, we have found that communities as far away as River Estate and Blue Basin have also, as a result, had their service improved. That is on the northern end of Trinidad.

In southern Trinidad, which is the area, in fact, that really suffers from a poor water service, we have been replacing the Navet trunk main. This is about 27 kilometres of trunk main. The Navet Waterworks were done, I think, in 1962, and that 36-inch transmission main has been in existence since 1962. Of course, because it has not been changed since then, it is all leaky, so we lose about 50 per cent of the water produced at the Navet Dam via leaks in that main.

We have set out—and one of my first actions as Minister of Public Utilities was to instruct that that main be changed, and so we are laying parallel mains, one a 32-inch and the other a 22-inch, to replace that leaking 36-inch main, and we expect that, with the water that is going to be saved by that exercise, we will considerably improve the service to communities in southern Trinidad.

I want to say to this Senate that people in southern Trinidad are much more affected by water problems and inadequacy of the water supply than people in north Trinidad. And while I know that we have serious problems in places like Abbe Pougade Street and Scorpion Hill in Carenage, and we also have issues in Belmont and at the upper reaches of Arima and so on, they still receive a better service than people who reside in places like Duff Trace in Penal and Lachoos

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Road in Penal and places in Point Fortin, and so on. So that we have plans to deal with all of the areas, but in particular, we want to pay attention to those areas that do not now have water twice a week. And the intention is that by next year we want to provide a minimum service of two days per week of water at the very basic level to the entire population.

To those who already receive water 24 hours a day, and who receive water four, five and six days a week, we intend to maintain that service, but for those who now receive water less than two days a week, we want to bring their service up to at least two days per week by next year. If we achieve that, then we would go on to improve the service to three days per week, and then four days per week, and so on.

Now, when the Minister of Finance read his budget speech on September 08, in that budget speech WASA was allocated, under the development programme an IDF—and I did make mention of this when I made my address to this Senate in response to that budget speech—that the Minister of Finance allocated to WASA under the IDF and PSIP, a total of approximately \$193 million. I did indicate at the time that our existing projects, our ongoing projects, were estimated to cost WASA \$230 million, which meant that that \$193 million would not have been sufficient to even address the projects that we were doing. So that the plans that we had to bring two days of water to people in a year's time were, to all intents and purposes, pie in the sky.

Happily, we approached Cabinet with a proposal for a one-year programme that we presented, requesting the funding of \$1 billion, which Cabinet recently approved, and which we are now working with Citibank to obtain, and, once we obtain that funding, then we will be able to undertake the larger programme of work that is involved in bringing two days of water, minimum, in that one-year programme that we have outlined. I say to this Senate and to the national community, that one-year programme involves three fundamental aspects. One, we want to address the production issues, because, in order to deliver water to people, you must first be able to produce it.

So that we want to address in that programme the optimising of the production—of all our production facilities: the Navet Dam, the Hillsborough Dam in Tobago, the Maraval Waterworks, the North Oropouche Waterworks and the Hollis Dam. We want to ensure that we do work there that will optimize the production from these facilities. We want our wells to be producing at their maximum, and we want our water treatment plants to be operating at full capacity.

If we get all of these operating at their full capacity, then we will, in total, be able to produce approximately 225 million gallons of water per day, and have this available for the population. Two hundred and twenty-five million gallons per day is enough to satisfy the needs of Trinidad and Tobago for water; but first, as I said, we have to produce it. So that we have a set of works carded for all our production facilities to ensure that we can get all of these facilities producing at their maximum.

I could identify some of the expenditure that is going to be undertaken here. In respect of the Caroni-Arena Water Treatment Plant, we are going to be dealing with fixing the intake and undertaking desilting activities, and we plan to spend about \$42.7 million there. We want to address the Navet Waterworks and plan to spend \$13 million there. At the Hollis Waterworks, we want to spend \$6 million. At the North Oropouche Waterworks, we want to spend \$5.5 million. So, if we can get all of these facilities up and producing, then we would have our production of water optimized.

The next thing that we will have to address, of course, will be our transmission mains and, of course, many of these transmission mains are very old and leaky. I refer, of course, to the Maraval Treatment Plant here, which was established in 1853, and which is a very, very robust plant, because it still continues to produce, even though it was established so very long ago—except that it is producing a little less water now, because of all of the development that has taken place in that Maraval valley, and the effect that this development has had on the ability of the land to produce water.

The Hollis Reservoir was established in 1936 and the main running from Hollis, therefore, is older than most of us here. Since 1936 that main has been brought from Hollis, which is way up in Valencia, and has been transmitting water down to Port of Spain. It is obviously now very leaky and has to be changed. It is no use producing the water—having all of your production facilities producing water at the maximum, or at the optimum, and then you lose the water in transmission. So the intention is to change these mains out.

In respect of the Hillsborough Dam, that was put in in 1952 and we have to do some work on those mains also. As I said, the Navet was put in in 1962 and we are changing that main out now. The main from North Oropouche, which was put in in 1977, and the Caroni-Arena, which was put in in 1980, are not as aged, and therefore do not present as much of a problem, except that in the case of the Caroni-Arena, one will recall that in 1999, I think it was, the 54-inch main ruptured and severely affected the whole of Trinidad and Tobago. While that

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main was repaired, we think that there is some risk, if it ever ruptures again, that we will return to the same situation we experienced in 1999. So one of the items that we have on our agenda is to do some redundancy there by putting another main that will ensure that, should that one rupture, we have a backup.

So that the intention in respect of the transmission mains is to identify the old, leaky mains and seek to change them all out because, as I said, remember these mains are very large, they are 36- and 32-inch mains that are transmitting water under considerable pressure, so the water loss is really significant. And if we produce the water and then lose it in transmission, the production then makes no sense. So we have identified all of these old, leaky, large transmission mains and our intention is to change them out.

We have dealt with production and with the transmission, and now we have to deal with the distribution, which are the smaller mains of, say, 15 inches and less, or 12 inches and less, that now take the water from the transmission mains and distribute it into the various communities. And again, we will have to do a lot of changing out of these mains so that we save the water, and, once we save the water, we think we have enough to address the needs of the population.

7.00p.m.

I want to forewarn the national community that they need to prepare for some considerable civil works that would be undertaken by WASA and to be a little patient with us when their roads are disrupted by the excavation works that WASA is going to be undertaking. We will ensure, as we do all of this, that we minimize the inconvenience to the population, in general, and to road users, in particular, and we want to say the instruction will go out to WASA that, in tendering for these works, the tendering be put out for all contractors to be able to have a fair chance to bid—

Sen. Beckles-Robinson: Mr. President, on a point of order; 35(5). I mean, I enjoy listening about water, but it has nothing to do with the Finance (No. 2) Bill. This has been going on for the last how many minutes. It is totally irrelevant.

Mr. President: You need to relate what you are saying to the Finance Bill that is before us. I know it was Sen. Cudjoe you started off saying gave you the opening, but the latitude is going—

Sen. The Hon. E. George: Thank you very much, Mr. President. Well, you see, sometimes you do not know what to do please the Senators on the opposite side, because they had been saying all along we have been doing nothing to

expand and to encourage economic activity in the country, but I am saying here that we have \$1 billion and we are going to be putting out bids for the expenditure of this \$1 billion and inviting tenders for works. I see that as completely related to the Finance Bill and if it is not, then I do not know what is. So that I make the point that it is via all of these works that we will be taking steps to kick-start the economy and I know that the Minister of Finance will share my viewpoint and perspective on this.

In respect of those areas that are particularly severely challenged by our water problems, we have been instituting measures that will bring relief. For example, works have been going on in Point Fortin and we have been bringing contractors in Point Fortin into the act where they are providing services to Seven Seas, who are the contractors involved in putting down the desalination plant in Point Fortin. That desalination plant, along with current works being undertaken, like the Techier Water Treatment Plant, will together result in considerable improvement to the water supply to those persons and those communities in the Point Fortin area.

All this work we hope to undertake in the next year on the basis of that \$1 billion that the Minister of Finance and the Cabinet have agreed that WASA will use in its one-year programme to bring relief to all those communities which currently suffer from an inadequate supply of water. The intention, as I said, is to bring to those communities a supply of water two days per week, minimum, so that they would be able to at least have a better quality of life. As indicated, once we achieve this, our next stage will be to go on to dealing with improving that service to three days per week and four days per week until we eventually get to the point where we satisfy all the needs of the population for water.

I will end here by once again asking of the population that they be patient when we pursue these works and we have to excavate the roads on which we now travel very comfortably, but which, in using, we may have some challenges when these excavation works take place to put these facilities in.

I want to say one other thing, that recent indications from WASA are that all of our dams are now filled because we have had a very wet rainy season, in particular a very rainy November; but if we have another dry season like we had this year and we do not adopt conservation policies and we do not use our water wisely, then those filled dams will not satisfy our needs over the dry season. So I want to urge the population to ensure that they continue to conserve and use water wisely. It is a finite resource and we have not yet got to the point where we have put meters in, and so on, so we trust that people will use their judgment and, as

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they have displayed earlier this year, they take our urgings to heart and use water wisely so that the water that we have in our dams can last us through the dry season.

Thank you, Mr. President. [*Desk thumping*]

Sen. Penelope Beckles-Robinson: Mr. President, first of all, I want to start by saying that I know the last speaker commented that sometimes you do not know how to please the Senators opposite. It is not that I am not happy to hear about—and I think the entire country is not happy to hear about improvements in the water supply. My point was that the hon. Minister referred to an allocation in the substantive budget contribution of the Minister of Finance as distinct from referring to the measures in this particular Finance Bill, and granted at the end he said that it had to do with kick-starting the economy, if that was the start of the debate, it would have been quite different.

One could be tempted to respond to a number of the things that he has said. Some of them cannot be left without some form of comment and I will only deal with one area, and that is the Diego Martin area where the hon. Minister talked about improvements in the St. Lucien Road/Petit Valley and Rich Plain areas and indicated that that project started in July/August. Now, this Government effectively took office in the month of June, so that, clearly, that project could not have been a project started by the People's Partnership—very simple—and a number of the other projects that he spoke about. So I would not want to waste my 60 minutes going into that particular area, because on another occasion we would have time to talk about the issue of water and lights and all the present improvements that have been done.

I want to go straight into the issue of the CNG raised by the hon. Minister of Finance and to say that I think the measures that the government is putting into place to encourage the use of CNG are very commendable. We all know that this is a matter that has been in the pipeline for some time and, for one reason or another, has not really gotten off the ground, but I suspect that some of the measures that you have put in place may encourage, or should encourage, persons to use CNG.

I want to join with Sen. Ali in suggesting that if the measures that you have put in place are to really materialize then the issue of the additional gas stations becomes an absolute priority. Because, as you know, Minister, if you took your incentives at page 8 of the Bill where you spoke about the new private or commercial vehicle and you even talked about a “used private”, that way you are giving persons some options. I mean, like everything else, let us say you are

leaving Parliament tonight or you are somewhere in Maracas or what have you, the fact is that there really are not enough gas stations, and we live in a fairly impatient society now. If people want to access something, they want to access it now.

So I have listened to the point about the number of gas stations now to offer CNG within that time, and that is very commendable, but I also join with Sen. Ali in saying that that is probably very ambitious. I also want to suggest that the Government should go on an education programme as it relates to educating the population about the benefits of CNG, because it is really going back to your discussion on alternative energy. I do not think that the tax incentive is enough. I really feel that, as we move towards cleaner energy and we move towards alternative energy, you just do not want to say to people, "We are encouraging you to buy a CNG vehicle. We want to say to you, these are the benefits."

You would recall that a couple years ago the government implemented the policy of the removal of leaded gasoline. Of course, that is all in keeping with the Kyoto Protocol and the environmental policy, alternative energy, and the fact that most countries now are under pressure to make those moves, so that going in the direction of CNG is going in the right direction.

I want to suggest the issue of educating the population as to the benefits of the CNG and I also want to suggest that the Government inform the population as it relates to the time frame of the implementation of that project as it relates to CNG in gas stations. I also want to suggest that even the existing gas stations that offer CNG, the public should be aware of them. I mean, whether we accept it or not, people will only be encouraged to get into CNG if it is really marketed. If you know that it is accessible and you do not have to wait in a line and you are not sure whether it is available today or it is not available, people are not going to be attracted by it. So I am just making those suggestions, whilst I agree that the proposal and so is a good one.

I want to move next into your clause 16 (b)(d)(ii) which deals with the issue of the wind turbines and the solar water heaters. My discussion is going to be very similar to the CNG. Now, the question is: why have we really not been able to attract a lot of Trinidadians and Tobagonians to get into the use of solar water heaters? Barbados, Antigua, St. Kitts, a number of those countries, have really put in place not just this particular policy measure, but they have offered a number of tax incentives. I know the Minister of Public Utilities is familiar with that, probably both now and when he was a PS in the Ministry of Public Utilities and the Environment.

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I am sure he probably share that it is not something that has not been considered, but Trinidad and Tobago still offers probably the cheapest electricity in the Caribbean, subject, of course, to your correction, because you would be in a better position to say that now than I would be. So you find that you have the issue where you have to make a choice between the fact that you are paying a cheap electricity bill and then you have to invest in solar water heating.

So I want to recommend as well that the Government look at all the incentives, because the government of Barbados actually offers grants and loans at very minimal cost, so that they encourage the residents to get into solar water heating and I would say almost every house in Barbados has a solar water heater; almost every house in Antigua has a solar water heater. But, again, it is because that government has put into place these measures where they encourage the residents to get into that activity of purchasing solar water heaters at preferential rates similar to what you are doing with the CNG. So I just want to suggest that if that is to be successful, that is a direction that the Government can consider.

The environmental policy that was laid in Parliament a couple years ago—I think 2006—also speaks to the direction of the wind turbines, the solar photovoltaic systems as well as the solar water heaters. So that is there but, really, the decision that you are taking now to take it further, I want to support the decision and I am just giving some suggestions in terms of how you might ensure the success of it.

7.15 p.m.

I also want to suggest that similar to my suggestion in terms of education, that again, this is a matter where you can probably ask the Ministry of Public Utilities to actually do the costing. In this present environment where you are talking about recession and where people are looking very closely at dollars and cents, for people to now go and purchase solar water heaters, it really means that you can ask the Ministry of Public Utilities to do the costing. Tell the public that if they invest in a solar water heater what they will save from electricity or if they have both electricity and solar water heaters. There are times you can use either and I think if that is done, the chances are that you may get the public to buy into this a lot better.

I want to move now to combine a matter with the issue of the concerns as they relate to the Motor Vehicles and Road Traffic Act. Now, you are making this amendment to deal with the issue of the CNG, I want to say that some other measures should be addressed to deal with the whole issue of the Motor Vehicles

and Road Traffic Act. As we speak, Mr. President, there have been 179 road fatalities. There was a reduction last year, 2009, and I am advised that it is because of the initiative where you had a lot more policing and patrols. There are many pieces of legislation that are now in effect, the breathalyser and an increase in traffic offences. So the chances are that people would be a lot more cautious, but again, like everything else, we have to insist on the policing because the minute you do not have police on the road, we know exactly what happens. So that is a matter that the Government would have to look at very, very closely.

I want to move now to some of the issues that were raised directly in relation to some financial issues. The Minister of Planning, Economic and Social Restructuring and Gender Affairs talked about a \$7.7 billion deficit, and I know that the Minister of Finance sometime ago talked about the fact that the Government is going to be paying out some \$100 million in VAT returns. Now, I raised this question sometime ago and probably Sen. Prof. Watson or the Minister of Finance will deal with it: in paying out those VAT refunds whether or not there are any opportunities for offsets; and whether the appropriate audits have been done having regard to the challenges that the Government is facing now in terms of revenue collection if the Government is making sure that as it pays out these VAT refunds that they are sure that those persons do not owe the Government any taxes?

I raise that point because I recall earlier, in the budget, the hon. Minister of Finance talked about this several billion dollars in receivables, and I must say that the measures that have been put in place—the amnesty and the fact that clearly the Government is making some effort to encourage persons to pay their taxes—when I read pages 16 and 17 and subject to your correction, hon. Minister of Finance, this refers to persons who have outstanding taxes as distinct from where you are going to deal with actual persons who are not paying taxes on a regular basis because I think you have to deal with both. You have to deal with those who have outstanding taxes, and you have to deal with those who, for some reason, are hesitant to pay their taxes, or as Sen. Cudjoe said, find some way for people to pay their taxes easier. So I would like the Minister of Finance in his winding up to make some sort of comment on that.

Mr. President, at the end of the day, we must acknowledge that if it is that we have a \$7.7 billion deficit and we are talking about some \$13 billion in receivables and \$2 billion owed to persons in terms of VAT refund, it is quite possible that if we were able to collect that money, then some of the challenges the Government faces, they may not face those challenges. It brings me to the

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point of what is the Government's position as it relates to a Trinidad and Tobago Revenue Authority because at the end of the day whatever position we take, the Government must recognize that we have to improve our system of tax collection.

We had a situation last week and the week before where as a result of the negotiations between the Public Services Association and the Government, you had workers in Customs, Inland Revenue and the Port Authority simply abandoning their jobs for whatever reason. They said that the air conditioning is not working, some are sick, and when we think of the amount of money that the Government is losing on those particular days when they stay away from work, we all know that at this particular point in time we really cannot afford to be losing that kind of revenue. So that raises two issues. One is the need for the Government to deal with the issue of the negotiations as soon as possible, and the second one is for the Government to deal with the issue of training human resource management and to ensure that we put in place the best possible system and management system for the purpose of collecting our taxes. So, I think I have I said enough on that.

The Minister of Finance spoke about a tax charter and indicated that he is looking at the responsibility of The State and the responsibility of the taxpaying public. I would imagine that, similar to my recommendation as it relates to the CNG and the solar water heaters, I think that we also need to go on an education drive to let the public know that whilst you are putting a lot of pressure on the Government to do this and to do that, and you want your taxes, the contractors want their money, that we have an equal responsibility as Trinidadians and Tobagonians as well to pay our taxes. So I will wait for either Sen. Prof. Watson or the Minister to deal with that issue.

Now, I want to come to my last two points. Mr. President, I know that the Government made a promise in the earlier budget to pay \$1,000 to the police officers. That is being dealt with now and that matter should be sorted out, I think, this month. Both the Prime Minister and the Minister of Finance spoke about the fact that that ought to be some incentive for the police officers to work harder, it was a duty allowance and they recognized the challenges that are being faced by the police officers. Now, I just want to say that I do not think anybody would complain about any measure to put additional moneys into the pockets of police officers, because we understand that with the increase in crime you are asking

them to do a lot more, but we must remember that you also have the prison service, the fire service, the coast guard, the defence force and they are, I suppose, looking very jealously at the Government's decision when you pay one particular category of persons this \$1,000.

Whilst we have been debating a lot of legislation in the Parliament to give the police service the appropriate resources so they can do their work a lot better, we also understand that as the Minister of Finance said specifically, that as we debate this budget, it is about where the Government is going to be. At the end of the day he talked about some uncertainty at the present point in time, and I would say that to remove that uncertainty and to build the trust and confidence of the people of Trinidad and Tobago, there are two critical issues that one would normally think of in a country and one is that of your economics and your finance, and the other would be the issue of national security.

Mr. President, we just have to look at any newspapers today and we would see how terrible our situation is as it relates to crime. If you look at the *Express*, the *Guardian* or the *Newsday*—but I am only going to look at the *Express* and if you go through just a few pages, you will get my point. If we start on page 1, it talks about the SIA files; page 3 talks about the SIA files and “priest pounds police”; there is nothing on page 4 about crime; page 5: “Missing woman's burnt car found”, “Relatives of two dead bandits threatened victims”, “Autopsy on skeletal remains inconclusive”; page 8: “\$35,000 fine for ganja”, “Five men face murder charges”, “Seven guilty of drunk driving”; page 9: “...Ish, Ferguson ruling...”, “Relatives baffled by jail hanging”, “Man found dead on beach”, “13 nabbed in Central raid”, “Short-lived celebration for driver”, and if we go on and on there are more articles about crime.

So I raise the point because when we talk about investor confidence, when we talk about what this Government proposes to do as it relates to encouraging persons to come to invest in Trinidad and Tobago, when we talk about the \$27,000 jobs, when we talk about the billions of dollars that the Government is going to invest as the hon. Minister of Finance talked about the road from San Fernando to Point Fortin and the Minister of Public Utilities talked about several water projects, at the end of the day, if we do not deal with the issue of crime, then all of these investments are likely not to have the impact that the Government wants it to. And, Mr. President—[*Interruption*]

Sen. George: That is irrelevant.

Sen. P. Beckles-Robinson: Yes, I know you would like to think it is irrelevant, because you see, whenever you talk about the issue of crime, this Government is not happy to hear about it. So you can say it is irrelevant. I know it is relevant and you can say it is irrelevant, because at the end of the day if it is that every time something happens that Trinidad and Tobago gets blacklisted one way or the next, then that is relevant to investor confidence. When the IMF or the IDB comes to Trinidad and Tobago and they read your first 10 pages in the *Express* or the *Guardian* or the *Newsday*, and you say that is not relevant to the project that your Government wants to do, then it means to say you are not living in Trinidad and Tobago and you do not understand what it is would impact positively on developments. So if you do not want to hear about crime, I am going to talk about it. [*Desk thumping*]

You see, at the end of the day it is not just what happens in your country, it is how you respond to what happens; is how you convince the people of the country that, notwithstanding the fact that you have crime in the country that the Government has it under control. So do not be afraid to talk about crime. You must not be afraid to talk about it because you say that you have the plans to deal with it. "So don't panic. Don't panic and say I am being irrelevant." There is no need to panic.

Sen. George: [*Inaudible*]

Sen. P. Beckles-Robinson: Yes, you are panicking. "Doh panic. Don't panic." You spoke for half an hour on water. That was irrelevance. "Don't panic." [*Desk thumping*]

Sen. Brig. Sandy: "Crime just start".

Sen. P. Beckles-Robinson: Yes, Mr. Minister of National Security, the crime did not now just start.

Sen. Brig. Sandy: "Crime now start." We had no crime before.

Sen. P. Beckles-Robinson: The point about it is this, nobody said that "crime now start." You would recall that last week I made it very clear that when crime takes place in the country, you cannot blame the Minister of National Security for everything that happens. So I hope you understand my point.

7.30 p.m.

When we listen to your contributions and we take what you have to say; when we are making our constructive criticisms, people ought to listen to us as well. One thing I am always very careful to do—as I started, I mentioned very clearly that there were some very positive things in what the Minister of Finance had to say, so why, if I am raising some issues that you all are not happy with, do you have to get upset about it?

I want to make the point that it is how we respond to some of the challenges that exist in Trinidad and Tobago—and crime is a challenge. As we talk about confidence, last week I was making the point that, as one of the persons whose name was mentioned in the wiretapping issue, I had concerns about exactly what happened to the files. We have to remember that when the Minister of Finance speaks in this Senate and says what the Government will do in order to ensure that there is development; that we have new job creation, increased revenue; when the Minister of Finance tells us exactly what the Government is going to do so that we will have a better Trinidad and Tobago, we have every reason why we should believe what the Minister is saying.

At the end of the day we wait and, like everything else, at the end of the year when you have your next budget, we assess the Government's performance. If you have a situation where the Prime Minister says one thing, the Minister of Justice says something else and the Commissioner of Police says a third thing, then that is something that will raise concerns about confidence in the Government and its ability to deliver.

Mr. President, I just want you to bear with me because I am not going to be very long on this topic. When I raised the issue of where those files were and in whose possession—because on more than one occasion the Government has indicated that there has been wiretapping whether the Leader of the Opposition, the Chief Justice, the former Commissioner of Police, and we know the list.

Now we have every reason to believe that when the Prime Minister came to the House and read out the list of persons, the Prime Minister was not necessarily saying she saw any files. All the Prime Minister gave was the list of persons. However, Mr. President, Lennox Grant, in a *Sunday Express* article of November 21, made it very clear that he was invited by a high state official on November 10, and interestingly enough, that invitation came before the Prime Minister made her statement in the Parliament. If I can just read very quickly. Mr. Lennox Grant says:

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“A news story has fallen into my lap; a reporter’s equipment kick-started. And the rest is a story based more on what the official let me read and less on what he made me hear.”

He talks about the fact that in his office, clearly the person was a male—as far as I know it was not the Minister of National Security. The bottom line is that there was a situation where this person invited a member of the press and that person was able to see files, Mr. Minister of National Security. I said it was not you.

You may think that I am saying things that you have to worry about. I am not saying things that you have to worry about. You were not the person who invited; but it was a high state official. There it is the Prime Minister says that she did not see any files—and we have no reason to not believe the Prime Minister. My point is that there are several categories of persons. It could have been businessmen, lawyers, judges; all kinds of people, but people who want to invest in Trinidad and Tobago and who are looking on at what is happening as it relates to how you believe high state officials.

When you come here, whether from the IMF or the IDB, and the Government gives information about what is taking place in Trinidad and Tobago; whether on the issue of crime or finance, they want to believe that information is reliable. When you get that information, you do not get some from Tom, something else from Harry and something else from Dick, that is totally different and you do not know whom to believe. That is what I am talking about as it relates to issues of confidence.

At the end of the day, what happens subsequently is that the Minister of Justice said that this Government met only empty folders. The Minister of Justice said that all the secrets of the last government have been trashed; all they got were a few emails and that sort of thing as far as I know. So what you have is a situation where some people are saying that files existed. You had Mr. Warner saying he was classified as a terrorist; Mr. Lennox Grant saying there were several files. As a matter of fact, he said:

“I set aside the lists and read letterheaded pages of accompanying narrative signed by lesser State officials. And scribbled notes”—about those things.

And you have a Minister of Justice saying: “Hear this! Two Israelis came and they trashed and destroyed everything.” At the end of the day, whom are we to believe? The Prime Minister issued a press release and made it very clear that the Prime Minister had no access to any files:

“...‘regarding the SIA and the recent investigations into this unit, the Office of the Prime Minister wishes to stress that the Commissioner of Police had—and continues to have—sole and exclusive jurisdiction and control over the SIA and all matters...However, the Commissioner of Police, Mr.Gibbs contradicted that and said that the...SIA did not fall under the purview of the Police Service and was a government agency.’”

I am raising this matter because this is a serious matter. We sat until 3.00 a.m. last week—the Independents, the Government, the Opposition—and there were many compromises. Yes, things got a little heated, but one must commend the Government and the Minister of National Security for the speed with which the legislation was brought before the Parliament. We must commend all persons in the Senate for the manner in which and the maturity with which the matter was dealt.

Minister of National Security, having said that, one would have thought that that would put the matter to rest. You would recall that in that debate there were certain measures and positions taken that gave a lot of people a measure of comfort that the matter was being dealt with.

At the end of the day, there is a situation now where the Prime Minister has said one thing, the Minister of Justice something else, the Commissioner of Police something else, and then you have the article by Lennox Grant where he was one of the few people who had the opportunity to see other files and then you had Ashworth Jack in Tobago who said that he had a file—

Sen. George: Mr. President, I refer to Standing Order 35(1).

Sen. P. Beckles-Robinson: Why?

Sen. George: The speaker is not on the subject. The subject is the Finance (No. 2) Bill.

Mr. President: I would ask the Senator to show the relevance and keep on track with the Finance Bill.

Sen. P. Beckles-Robinson: Mr. President, as my colleague did when I raised his irrelevance, I maintain, as I said in the beginning, this is a matter of confidence. When you have persons who represent the highest office in the land making a particular statement and that statement affects the Chief Justice, the existing President, Members of the Senate, hon. Members of the House, that matter ultimately deals with serious issues as they relate to the image of Trinidad and Tobago and convincing people about the comfort with which we invest in Trinidad and Tobago.

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I do not understand how he does not know the relevance of that. You talked about all your water projects from Navet to Diego Martin; Arima to Point Fortin; all over the place. You talked about tendering procedures and contractors. At the end of the day, the people want to believe that whenever the Government—whenever you stand here as Minister of Public Utilities and say that you are going to do something, that someone else will not say that what you have said is not true.

When the Minister of Finance, Mr. Dookeran, who is one of persons people hold in high esteem, comes and says that the Government is going to do this or that, someone else should not get up tomorrow morning and say what he said is not true. That is the relevance of what I am saying. When any Minister here, including the Minister of National Security, who is also somebody who is held in high esteem, says that he is going to do something, someone should not get up tomorrow morning and say it is not true. When you read these articles, you are seeing in the *Express* that they are saying that they are getting exclusive stories from high state officials and senior government officials contradicting what the hon. Prime Minister said, that is the relevance of it.

When Sen. The Hon. S. Panday stands here and defends the Prime Minister, he has the right to do that. I commend him for doing that. I say that when I read something where they are alleging that a senior official in the Government is contradicting what the hon. Prime Minister is saying, I have the right to raise that. If you are of the view, Minister of Public Utilities, that will not affect how people see Trinidad and Tobago and want to invest in it, you wait and see.

The Minister of Finance talked about President Barack Obama and the report and challenges. Sen. Drayton referred to that. It is trillions of dollars that President Barack Obama invested in the American economy to try to change things. At the end of the day, it is the issue of confidence whether it has to do with the war in Iraq, World Cup football; whatever it has to do with, people look at the entire thing that is happening in your economy to determine the way forward.

It is not just the question of dollars and cents. It is not just the question of building a road from Point Fortin to San Fernando. That is not all. It is not about whether you are doing the Navet Dam or something in Diego Martin. That is not all. People want to know that when heads of state and persons who hold high office say certain things, they mean it.

My last point has to do with the Clico issue because that is very similar to what I talked about as it relates to issues of confidence. Whatever you say about the

hon. Minister of Finance, his statement has always been crystal clear. He has never shifted. He came very early in the budget statement and gave his reasons why he has a 20-year plan; why he is going to do this and that. He came back here, on a Motion on the Adjournment that I moved, and maintained his position. He has been consistent and, whether you like what he has said or not, he has been very consistent.

That is my point. Nobody can say Mr. Dookeran said this yesterday and that yesterday. Mr. Dookeran has been consistent; but the issue is that the Government then came and set up a committee under the hon. Minister Bharath and gave the impression that committee was going to meet with stakeholders, all kinds of different people, everybody related to the sector, and everybody starts commending Mr. Bharath, who said he was listening and raised the people's hopes. However, at the end of the day, Mr. Dookeran maintained his position.

7.45 p.m.

At the end of the day, whether you disagree with him for the position he has taken or you do not agree with his logic and his philosophy and you would like him to do differently, he would maintain his position. To me, at the end of the day, that is something to be given credit for. [*Desk thumping*] Senators must understand the point you are making before they jump up and say that you are irrelevant. That is my point.

Mr. President, I just want to say to Mr. Dookeran that I do not agree with everything that he has said, but Trinidad and Tobago has a saying: "Is who in the kitchen will feel the heat", and you are feeling the heat. There are many things that you know that I probably do not know, and you did not say everything. I would make my point and say that a number of persons do not feel satisfied that sufficient explanation has been given as it relates to the existence of Clico assets. Many persons are not satisfied that you have given an explanation as to whether those assets could satisfy the existing debt.

Some persons are of the view that the Government may not have to get into a position where they are recommending the 20-year bond. Some people feel that it is not necessary to go that way, because Clico may very well have enough assets to offset policyholders of the EFPAs. Now, I am not in a position to say that, because I do not have that data. I am just saying that people are not comfortable. They are not satisfied that the Government has given enough information to satisfy them.

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So, in one way or another, if you are maintaining your position, clearly you have a lot of information. We are aware that people came to Trinidad and Tobago and you had special consultants here and they have advised you. So, clearly, you may be in a better position than all of us. At the end of the day, I am just saying, as a citizen—I am also declaring that I am an EFPA policyholder—advisedly, one would like the best possible package. If at the end of the day the Government is going to take that position knowing very well that there is going to be a legitimate expectation by the policyholders, and, like everybody else, they would want the best for themselves; we know, as it relates to this matter, it is not going to be completed within a short space of time even if the Government sticks with its recommendation.

One must remember that in setting up a commission of enquiry if there is one commissioner, if something goes wrong—if I did not point out the issue of Mr. Lightman and that commission had started, we all know what would have happened. At the end of the day, if you go back and have one commissioner, you cannot turn to anybody else, because you do not have two or three commissioners. The Government must be conscious of that. I do not know why it has decided to go with one person but, clearly, we know there are challenges and risks in having one sole commissioner.

Sen. The Hon. Subhas Panday talked about the Uff Commission of Enquiry, and one would recall there was the issue of Mr. Israel Khan, but, you had other commissioners. The issue was debated, if you removed Mr. Khan, whether or not the commission would have been valid, but there were commissioners so the enquiry could have continued. I raised the issue of Mr. Lightman and one would hope that nobody would raise the issue of the new commissioner has been appointed. Clearly, that is a matter that the Government must have considered.

One must remember that once you have this commission and you have a report, everything will become sub judice. So what happens when people take these matters to court? I am sure the Minister of Finance knows one way or the other that whatever decision is made there, there are lawyers waiting to go this way or that way. So these are all the issues that I needed to raise.

Mr. President, with those few words, I thank you very much. [*Desk thumping*]

Sen. Prof. Patrick Watson: Mr. President, thank you very much for allowing me to speak on this Bill. I should say that although this is not my first time speaking here, I think it is the first I am speaking in your presence. I am tempted to say, when I did speak, I will not say it—there was a much more charming person sitting there—there was another person sitting there. I use the right of the calypsonians.

Mr. President, as far as I am concerned, I want to speak on the notion of confidence today, because it is what underlies what the hon. Minister came to speak to us about. Many persons on the opposite and, indeed, on our side raised the issue, even Sen. Beckles-Robinson just raised it, and I am going to say a little about it. My own view—and I think this is shared by everyone on this side—is that the People's Partnership had laid a platform for take-off into sustainable growth. I genuinely believe that. I am happy that Sen. Beckles-Robinson raised the point of steadfastness of the hon. Minister, because we have taken all the necessary steps to quell the disquiet in the financial sector. There are still some hurdles to overcome. More than that, we have presented the Public Sector Investment Programme which, overall when you take into account the state enterprises, is about \$14 billion. I want to encourage the private sector that they should follow suit with us.

We have identified five growth poles and work has already begun with at least one of them. I am going to say a little about the brick and mortar activities that the hon. Minister spoke about, and what we see as the point of stimulating the economy. Of course, confidence is a complicated thing. It has been in free fall for some time now, and it is not only when the People's Partnership came into office. I do not want to dwell on that, but it is very difficult to turn around.

You have to understand that confidence is also related to what is going on in the international arena. For instance, you could imagine the producer of Chubby who sells many of his products in the Caribbean market, why would he not want to expand the production of Chubby? The demand for it elsewhere is low. It is not the confidence in this economy alone, because whatever he could produce would be too much for this one economy, and he produces for an international market. Confidence, therefore, has to be built. Yes, we must do it—we are not backing away from it as the hon. Minister has told you—but this is not something where we can wave a magic wand to restore it. I think I heard words to that effect coming from the opposite side. It is not such an easy matter at all. I think, in many respects, much of what we have done so far has worked toward the restoration of that confidence. Whereas it may not be easy to see the little step by step that we have been taking, I think it has been working.

I am also a little worried that very often in this Senate—whether for good reasons or not—Senators speak about the lack of confidence, if we do not ourselves add to that possibility, that confidence becomes a little more difficult to restore. I am saying that very soon, and coming in the year 2011, we are going to begin to see the restoration. The indices are going to show. This is not going to happen in a radical manner. In fact,

this has been predicted by the International Monetary Fund who did come to us. If I get the time—I promised my colleague not to go for too long, because I do not want to be the reason for keeping you back from getting home tonight.

The energy sector was raised. We on this side do not believe that energy is a curse. I want to support Sen. Terrence Deyalsingh that we have benefited tremendously from it. We use the word “curse” to the extent that the literature refers to it as a curse, and the academics as we are, the word comes out. They speak about resource curse, the Dutch disease and so forth. It is only in that context that we speak about it.

In fact, in the Minister’s budget presentation—you will also see it in the quantification of his document today—there is evidence that we have given incentives to the traditional hydrocarbon energy sector. We have done that and they have expressed pleasure in it, and we suspect that they are going to go after it. We suspect, and I suspect that most of us do, that far from being a curse, in the next 10 or so years or probably beyond that, oil and gas are going to play a major role, if not the major role, in the running of this economy. What we do not surrender to and what we do not want to convince ourselves of—many persons in the past administration would have us believe so—is that we do believe that there is a finite life, and even if there was not a finite life, we think it is dangerous to live in such a bipolar economy—one day up; one day down, depending on the vagaries of the fortunes of energy.

It was mentioned today by the Minister of Planning, Economic and Social Restructuring and Gender Affairs, that although oil is rising, over the last few years we have become a gas-based economy and that price is pretty flat, and it is not going much beyond the magical figure of \$4, and reasons were given for that. We have given incentives to the energy sector, the traditional one, not simply to restore the economy, but we have put in place incentives to put us on the path of long-term sustainability and development. It is not just stemming the flow—restoring confidence does that—but we have to think about the future. We have to put things in place that will allow us to do that. Whereas we must depend on oil—some of the incentives have been put into figures in the document that is before us in the Finance Bill, like the incentives for using alternative sources of energy. There is ample incentives for both industry and domestic use for solar energy and wind energy and so on.

Sen. Beckles-Robinson mentioned cheap electricity, and I remember about four years ago when the old heater we had was expiring—I may have said this before, so excuse me—I made a simple back of the envelope calculation—and

that is called the payback period—for a solar system and it was 15 years, because of the price of oil. I wondered if I could have waited so long to be repaid on my investment, so I took advantage of the cheap subsidized electricity and went along with it. I am going to look at that again, based on your recommendation, because the “fella” I have, the heater, is about to expire, and I want to look at that in a more meaningful way.

I am happy that the Senator supports the move towards CNG. If I am not mistaken, the then Prime Minister who was a former Minister of Energy and Industries—the former head of your government—had put CNG into his car. When Sen. Deyalsingh raised the point about the dual thing I, myself—although I am tempted and would certainly be tempted if only to lead by example—would not for the reasons outlined by Sen. Beckles-Robinson want to go up to Maracas only to find that on my way back I have no CNG and I have no liquid gas to turn to.

I think, whereas your reasoning is good, until we put the relevant plants down, that is not going to happen overnight, although we are moving in that direction, it is not likely to happen. I have to stress, in addition to the obvious pocket economies that we are likely to gain from this, there is the long-term impact on the environment that things like wind energy, solar energy and CNG would have and we must not ignore it.

There is a cost involved in this, and we do not put the figures in all the time in the budget, but it is a tremendous cost that economists around the world put into figures all the time. If we put these things into figures, my payback period would have been much shorter. I did not do that. I simply looked at what was coming out of my pocket and, as I suspect, most people would do.

It has also been brought to my attention—I intend to raise it with the Minister of Planning, Economic and Social Restructuring and Gender Affairs and the Minister of Energy and Energy Affairs—another form of non-traditional energy that is called stream energy. I am not sure of the validity of it, but I understand in the Columbus Channel, which is to the South of the island of Trinidad, there is a source of energy because of the streams that flow through there. I cannot verify or not verify, but I have been asked to look at it, and I am certain that we are going to be looking at it in the near future.

8.00 p.m.

In an effort to restore confidence, again, I have heard the talk today about one Minister saying this and one Minister saying that, but we are committed to sorting out the matter of the contractors. In defence of the hon. Minister, because I know I

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had discussions with him, we had decided a long time ago that they were going to be paid. It may have appeared that it was when the IMF said it, but it just happened that way. The one problem we continue to have is that we cannot determine the total figure. As soon as that is worked out, and he mentioned that today, as soon as we are able to determine that you, for instance, are a bona fide creditor of the Government, it will be repaid in cash.

In addition to the activity within the PSIP that is planned, and I am going to speak to that in a little while, we are hoping—I spoke to one of the contractors a few days ago and he said something very strange. He said that he was unable to bid for new projects. Why was that? He was unable to pay tax because he has no money to pay his taxes. But when you put in a bid for a government contract, if you have not paid your taxes you are not going to be considered. So there is a kind of catch-22 situation, where in order to bid and carry on activities, they need the moneys that are outstanding. It is something that is a great priority of this administration, to pay the contractors as fast as possible.

In fact, whereas I do not want to put a priority on it, it is a high priority. I would not want to say number one, but it is an extremely high priority, if only because we recognize the role that the bricks and mortar we talked about will play in the stimulation of this economy and putting things back on an even keel.

I want to say a few words again about the growth poles that were mentioned. They have received some discussion here. You know that there were five growth poles mentioned; one in Central Trinidad, the five Cs as it was called; the south-western peninsula; the north coast of Trinidad; the north east region of Tobago, and so on. You may have seen in the newspaper that first off the mark was the south-western peninsula. Sen. Beckles-Robinson referred to it in a not so positive context, although I am sure she did not mean it was a negative thing, but being from the south herself, she understands the necessity. Those of us who know where Point Fortin is, like to go there because the people of the south have a lot of relatives in that part of the world and we like to get there quickly. Those of you who know the tortuous route that it now takes to get to Point Fortin would understand that fully. [*Interruption*]

Sen. Beckles-Robinson: Whatever view you may have formed, I support the project 100 per cent.

Sen. Prof. P. Watson: I understand that, Senator. You said it in the context, as Sen. Panday said, where you were riled up. I just wanted to make sure that the

listening audience did not misinterpret you. I am happy for the explanation that you are supporting this very, very laudable project.

Immediately there will be an increase in employment as a result of this activity, which is going to start very soon, of over 20,000 people, and when we add to that the Mamoral Dam, which is going to be built in Central Trinidad, we are looking at a lot of spending that is about to take place.

I genuinely believe that the private sector must now put its own house in order, in that regard. The Government is doing what they have asked us to do. We are spending the money; we are turning night into day to make sure that—we had the “bol face” language of the Minister, when he said, “We have the money; we are going to pay in cash.” That is something I want. We want the private sector to understand that we are not inattentive and uncaring at all about their cares and fears.

It has been a difficult road. As you know, we have been fighting fires along the way, not the least of which is the Clico fire. I want to read a little extract from the article for consultation from the IMF mission. I just want to put some things in context here. It said:

“Notwithstanding the global recovery which is proceeding at an uneven pace across advanced and emerging market economies, real GDP contracted in the first two quarters of 2010. Real economic activity is projected to stagnate in 2010.”

We recognize that and we are working on it so that this gets converted into the next year. It said that the ongoing uncertainty related to Clico and the weak regional outlook—I want to stress that our dealing with Clico and the fact that it is a thorny issue is not one that we should play footsie with.

I think Sen. Deyalsingh raised a point about the Unit Trust. One of the reasons for the Unit Trust putting out that article was because, I think, the Member for Diego Martin East in the other place made a statement that the Unit Trust was exposed to the EFPAs, which was not true. If you go back to the ad, Senator, you would see that the Unit Trust is saying, “We are not exposed to the EFPAs.” In fact, I think they said they had no exposure to it at all, although they had some exposure to assets in the CL Financial group, but not in Clico’s EFPAs. These are real issues of confidence associated with Clico. It is not just the payment of the deposit holders. I want to make sure that we sort this thing out in a way that is going to be suitable to all.

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It does not help when we see that the current Chairman of Clico is telling us that the memorandum of understanding signed in February 2009 may be flawed and that certain people who we thought we could live without, we are living with. It is a serious concern to this Government that for those who are asking us to sell the assets, we may not have the power to sell those assets. It is as simple as that.

I saw it in the press. We have to understand that this is something we have to deal with on an ongoing basis. When I say “this” I mean the outlook for the rest of the region. Never forget that the manufacturing sector in this country, which Sen. Dr. Henry mentioned was in decline, that decline started a long time ago. It continues because of the problems associated with the major foreign markets of our manufacturing sector, which is the Caricom region. The Chubbys are not selling. I am sorry if Chubby is not a case in point, but our products are not selling as much as they used to in those markets.

To the extent that the American economy does not pick up and tourists do not start to go there, we may still find that difficulty. We cannot ask Mr. Jaleel to make more Chubby to sell to a local market which will not be able to absorb it. So the confidence factor is linked both locally and internationally and we must bear that in mind. We are up to the challenge. I am not in any way throwing my hands in the air, but the fact that we are taking these measures, putting them into figures, coming here boldly and defending these positions and encouraging the private sector to run with us, to take up the mantle with us and to move forward, it is that we have confidence in restoring confidence. That is as important as it should be.

We are committed to diversification of the economy. That was raised by Sen. Deyalsingh. I want to raise a few points on that as well. The Economic Development Board which one Senator, I think it was Sen. Drayton, referred to it, is going to be put in place. It is going to be a key element of our development strategy which includes innovation, and that is going to be put in place very, very soon.

We have put in place this very small innovation fund which I encourage the young entrepreneurs to come, in particular, those who wish to come and try their hands at some wild idea that they may have. We are willing to finance it in much the same way as the people have been doing, for instance, in microfinancing. The only thing is this will be a bit bigger.

Moving away from oil and gas, on the question of diversification, I would like Sen. Deyalsingh to refer to page 25 of the budget where it says, more or less, that the IFC, the International Financial Centre, was, at best, a very bad idea. We have

moved away from it and have put in its place what we call an International Business Centre where we are encouraging all kinds of activities, including the financial.

I want to wrap up before Sen. Panday pulls me down as in the old calypso tents. [*Interruption*] I will keep that in mind.

I always enjoy your contribution, Sen. Deyalsingh.

Sen. Al-Rawi: And we yours. [*Desk thumping*]

Sen. Prof. P. Watson: I like your honesty; I genuinely do and I feel it as you speak. There are some things I think, about the facts, you may not know, and I am going to tell you. There does exist on paper a Caricom Stock Exchange existing since 1989. Sen. Dr. Henry would tell you that. I think it is 1989. It was the Grand Anse Declaration of 1989 that brought it into being. The consequence of that is we do allow, for instance—notwithstanding the fact that there is not a physical building, it is an entity. You are correct, there has to be a harmonization of rules to make it really effective. There is a lot of cross-border trading. I myself am a great advocate of the development of the stock market, as was pointed out and was part of this Finance (No. 2) Bill as well. You may know that in the budget we put in place, and we are thinking of having, other shares go onto our own local market for trading here. Of course, because we allow the cross-border trading, I suspect that those in the other Caribbean countries: Jamaica, Barbados and the Eastern Caribbean stock market, could trade in these shares as well.

So it does exist. It is not formalized and it is probably going to come into being. We are actually studying it at the University of the West Indies, and the whole notion of integration and things like that.

Finally, there is one point again. I would like to correct these errors with the wages settlement that Sen. Dr. Henry referred to. He himself is 10 per cent richer. [*Laughter*] Do not worry with him; I am telling you it is about 10 per cent.

Sen. Beckles-Robinson: He said five.

Sen. Prof. P. Watson: We, yes, of course, are richer. I want to tell you that I had nothing to do with that. It was a settlement signed by my union, although I am happy both for the increase and the back-pay to come, however small. I am sure Sen. Dr. Henry is as well. [*Laughter*] Yes, it has been settled and it has been a tortuous thing. It is something we inherited, as you very well know, Mr. President.

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It has now been settled. It is not related, but the Telecommunications Services of Trinidad and Tobago (TSTT) matter has now been settled. You may have seen that today in the newspaper; it says there has been a settlement. So the industrial situation is restored, coming back to calm.

I have no doubt that under the astute leadership of the Minister of Finance and the Chief Personnel Officer, we are going to sort out this business of the PSA. That is on the books. We have no problem with paying the employees of the Government. We want them to be happy. You are quite right, Sen. Beckles-Robinson, we are mindful of the loss in revenue that we get. We are mindful of the loss in human energy as well that we want to avoid.

Let me close. I want to stress once again that we are convinced that the platform for take-off for diversification and for development has been laid down, but clearly there is more to be done. In six months we cannot do what ought to have been done over 60 years; that is the reality. I call upon the private sector and the representatives of the private sector to capitalize on the plans of this Government, to take advantage of the incentives offered, to take advantage of the boost that we are giving to the economy through the Public Sector Investment Programme and come forward themselves with their own initiatives. There is money in the system that they could use.

I look forward, as I am sure most of you do, in the next year, to a growing economy, a falling rate of inflation—that is already the case—and a serious diversification effort which itself is a guarantee to sustainable growth and development.

Thank you, Mr. President.

8.15 p.m.

The Minister of Finance (Hon. Winston Dookeran): Mr. President, as we come to the close of this debate, I must express my genuine appreciation for the contributions that have been made here today and in the other House. We ended the debate with a serious suggestion, that in spite of all that we may put together, the issue of confidence remains paramount and I am delighted that Sen. Prof. Watson put in context all the measures that have been put in place to generate this confidence for the future.

I just want to make one additional point. I believe what we are facing here is really in the realm of the politics of confidence, and the politics of confidence in a society like ours is a hurdle that we have to overcome as a nation, because the

antidote to confidence is skepticism. Because of the large dose of skepticism that our political conduct has generated in the society in the past, it is very difficult to overcome skepticism to move into confidence. The politics of confidence is what I had in mind when I opened my budget presentation by saying, "I thank the hon. Prime Minister, Kamla Persad-Bissessar, our Prime Minister who skillfully steered the early transition from a discredited conduct of politics to a new pathway to good governance and inclusive development". [*Desk thumping*] That is a huge undertaking.

That was a huge undertaking and we are about taking one step; one step against the society that has always disbelieved politicians, one step in a society that has always felt that the conduct of politics has been dishonourable, one step in a society that has great doubt and skepticism of anything that comes out of this Parliament or any government in this society. That is why the confidence issue has emerged in this debate. It is not because the programmes that we have put into place are geared for new momenta. It is because we are fighting our own politics in Trinidad and Tobago and I hope that this debate and what we had here today will give us some momentum to get over the skepticism that was part of our society.

It is in that context that I listened very carefully to all the comments that have been made and I will try to address just a few, for I do not intend to hold this Senate very much longer, after such a wonderful day of debate. Let me first of all say that there are some issues that require some explanations and one of them has to deal with the omission of the minimum wage legislation. I believe this was raised by Sen. Helen Drayton. She is right. The Finance Bill before us does not have provisions for the minimum wage which was announced in the House of Representatives, but the increase in the minimum wage is not reflected in the Finance Bill as it is being effected through the Minimum Wages Order made under the Minimum Wages Act.

Hon. Senators are kindly asked to note that the proposed Minimum Wages Order was published by way of notification in the *Gazette* and in the daily newspaper on November 04, 2010 for public comment. The final order will bring the minimum wage to \$12.50 per hour and would take effect from January 01, 2011. So, it is not that we have omitted it; it is just the route for its legislative authority is somewhat different.

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Another very important contribution was made with respect to the ESOP programme, and I understand it is Sen. Deyalsingh and, indeed, Sen. Drayton raised this issue with respect to ESOP. ESOP is a very important instrument that we have expanded in order to increase workers' participation in share ownership in their companies. What we said at that time, and what legislation has been effected in the Finance Bill, is the legislation currently requires that a minimum of 40 per cent of the annual bonus distribution to employees must be allocated to ESOP. We would reduce, as indeed we have, the 40 per cent threshold to 25 per cent in order to make ESOP more attractive to employees. That provision is indeed included in the Finance Bill, but both Senators are indeed correct.

The other provision with regard to the parent companies which was indeed announced in the budget speech was not included in this Bill. The reason for that has to do with the requirement for some greater investigation into the impact of including it in this Bill and its impact on other taxation legislation which has not been completed. So, one deals with the extension of the benefits to parent companies and the other deals with the non-taxation and distributions prior to retirement being restricted to initial investments only. We have and I have carefully noted the comments of the Senators Drayton and Deyalsingh and wish to inform you that these two issues need to be revisited for a further examination of the policy and its impact on other similar provisions in the taxation legislation which must also be reviewed.

So we are not oblivious of the need to introduce it, just we have to ensure that there is a sense of harmony between what we introduce here and other taxation legislation. However, we have indeed introduced the fundamental issue of opening up ESOP to a greater number of workers in Trinidad and Tobago.

Mr. President, I took some notes of the contributions that were made and it required some form of explanation. What I detected more often than not was a serious call for education. I felt very happy that this honourable Senate would like to see elaboration on many of the measures that we have put into place. As I listened carefully and I heard Sen. Penelope Beckles-Robinson talk about the need for information on the CNG as well as the need for education on the tax proposals, she is right, the proposals before us do indicate what we would be doing with respect to taxation and if I can just go back to the submission in the budget debate, we would see an elaborate plan that was put forward in order to deal with the establishment of a covenant with taxpayers of Trinidad and Tobago. The foundation of this covenant will be that the revenue collection agencies of

Trinidad and Tobago will be open, transparent and accountable; will be professional, responsive and fair; will take into account taxpayers' circumstances and previous compliance, that is taxpayers who comply regularly will not be subject to repeated audits; will make it easy as possible for taxpayers to comply with their obligations; will be firm with those who try to avoid the obligations and effective in bringing them to account.

In fiscal 2011 we indicated that the Inland Revenue Department and the Customs and Excise Division would develop a detailed plan to make the system efficient and honour the covenant with taxpayers. It is a return to the days when we can, in fact, build a society based on honour; honour on the part of citizens of this country to meet the obligations to the State and honour on the part of the authorities in this country to treat our citizens equally, fairly and transparently. It is part of the philosophy of the People's Partnership Government in this departure for new politics in Trinidad and Tobago.

So, Mr. President, there is indeed need for further elaboration of that covenant which is, in fact, being prepared and on the outcome of this deliberation today, the Inland Revenue Authority would now have the legislative authority to take the appropriate action. I have been given a whole programme of action that they have already worked out that would be put into place subsequent to this Bill becoming law in Trinidad and Tobago.

There is also the issue with respect to education, not only with respect to the issue of taxation, but also with respect to the issue of littering. I believe some Senators have said that while that may be a good measure, it is necessary to take the preemptive step of educating the society. I believe it was Sen. Cudjoe who made this point earlier on in her contribution, that there should be the preemptive step of ensuring that there is proper education so that the laws can be enforced with a greater amount of efficiency.

On the issue of education, I have also noted many of the other Senators have called for education, not only with respect to the issues I have raised, but I believe it was Sen. Deyalsingh who wanted more information on the growth poles. Beyond what we have said in the budget statement we have already engaged in a detailed discussion with the professional people in the Ministry and elsewhere to bring forth the philosophy and the mechanics of the growth pole development in Trinidad and Tobago and we would be taking your cue and moving towards education.

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In this respect, we have also engaged an international body that is involved in helping develop business plans for the alternative energy sector so that we can have that facility open to the business community. I applaud the call by Sen. Prof. Patrick Watson for the private sector to now get engaged in developing their own investment sector plans that would be in response to the new initiatives that have been outlined here today. In that respect, I have noticed that even people in the private sector are not aware of the fiscal incentives that have been put into place. When we met with them recently, when the Prime Minister and a number of Ministers met with the private sector, it was very apparent that they were not familiar with the new measures.

So the Ministry of Finance would be undertaking some active promotion of these measures. Something that we have not done in the past but we intend to do that now so that everyone would be aware of the opportunities that have become available, and, therefore, the skepticism that the private sector has must also be removed, for in a situation, as rightly pointed out by Sen. Dr. Lester Henry, that the excess credit and liquidity in the system must find a place to go and it must not go in Government borrowings and paying interest on Government borrowings. To much of the financial sector their survival depends on Government borrowings—their survival should depend on business loans—and that is the challenge we put out to the banking sector and the challenge we put out to the private sector to now utilize the opportunities available to them.

Get over the crunch of skepticism, get into the act of confidence and we ourselves must not instill in this country a sense of skepticism which is what we are fighting.

8.30 p.m.

I believe it is also Sen. Cudjoe who spoke about the issue of credit, or rather, the issue of Tobago, sorry, and I think that she is really speaking to voices that are willing to hear. It is true that Tobago has special and unique circumstances and requires proper representation; and it is also true that this has been one of the tenets of the People's Partnership Government. I remember in our discussions and deliberations on the issues of representation, we have always sought to include proper representation from the sister island of Tobago because of the unique circumstances in which it is placed. The issue with respect to the PNM, I leave that to be dealt with in other forums, but in this forum we represent the Tobago interest in the People's Partnership Government. [*Desk thumping*]

In some of the issues, or most of the issues raised here, there was a suggestion that we need to deal with the Clico bond issue in due course, as indeed people are finding

out more and more how sensible the plan we have put forward is; how we have, in fact, spread the debt burden of the country for 20 years. That does not mean that people will have to wait for 20 years in order to secure their capital.

I want to just stress that point because it has been a concern of the population that they have to wait for 20 years. The purpose of the 20-year bond was to spread the debt burden over a 20-year period so that we would not have the burden crunching upon us in the short space of time and put at risk our entire macro position, of which I am sure Dr. Henry knows. The issue with respect to how this will play out will be made more and more open as we move on.

Sen. Dr. Henry: Hon. Minister, thank you for the clarification, but my question was more along the lines of the financing of the 20-year bonds, and so on.

Hon. W. Dookeran: I was about to say that the number of issues raised by Sen. Dr. Lester Henry has led me to believe that he is indeed in need of the education that they are calling for in Trinidad and Tobago. [*Laughter*] [*Desk thumping*] Because in the notes that I have taken on the points that he raised—and I will come to that specific point—when he argued that Trinidad and Tobago has not been able to achieve economic change in six months; that Trinidad and Tobago must not compare itself with the worst performer in the world, like the United States; that Trinidad and Tobago, in fact, has had no real progress and that we have had a situation in which confidence is not being expressed by the IDB commitment to Trinidad and Tobago in two months, all of these, I was somewhat surprised that Sen. Dr. Lester Henry, who is a teacher of economics, would have drawn these conclusions from little empirical data. I am sure that we can talk outside of this forum on the true facts before us.

With respect to the very specific issue of the financing of the Clico bonds, it is very clear, and I have made it obvious on more than one occasion, that the initial payment, or rather, I should not use the word “payment”, but the initial offer that has been made by the Government will be funded from our resources that we have allocated in the 2011 Budget. That amounts to \$1.45 billion.

The subsequent payments will be made over this 20 years by a fixed amount which I believe has been calculated to be about \$500 million a year, which amounts to 1 per cent of the GDP over the 10 per cent here, and that is what I meant by smoothening the debt curve so that it does not become an onerous aspect of it. How will we finance that over the years? We will do it in the same way that we have financed our budget, as it is, and there are proposals that we

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may find innovative ways to invest in order to be able to provide the return for that kind of income that will be required to finance it. That is under consideration at this point in time.

Mr. President, I believe these are the critical issues that were raised on this debate, but in general I am very, very pleased. There was one point that I intend to put on the record, and that has to do with my comment regarding the fact that we were called upon to extend our credit facility for the Rapid Rail Project. I said that this has been a project that has cost this country a lot, and a lot of bank financing has been put into place. The end result of that project is that there may have been design plans but it certainly was never on the books.

Since this comment was made, and I believe it was also Sen. Dr. Lester Henry who asked me to give him some facts on this situation, I have received during the break a full report on the Rapid Rail Project. *[Interruption]* Well, maybe not you, I am sorry. I had it written down. Someone asked for this information; a full report on the Rapid Rail Project.

Let me reiterate what the figures are. I would not go into the details, but, in terms of the expenditure—and this is for the design work. This is not for construction. This is not for acquisition of property. There was no physical work. There was design work, and how far those design works went, we still do not know. They are available but no one has studied them since we decided not to pursue that project. The cost of those design works was in the order of \$563 million.

Hon. Senators: Wow!

Hon. W. Dookeran: It was \$563 million and, on top of that, I was advised since—because that is the figure I used in the budget—that there was an additional \$103 million that was made available to Nidco to deal with the project management aspect of this loan. So we are talking about \$666 million that was spent on the Rapid Rail Project. It was estimated at that time that if it were to be put into effect, it would have cost the Government \$22.5 billion.

Sen. Panday: Wow!

Hon. W. Dookeran: I could not imagine how a government, knowing that that is the cost they were going to incur, would even consider spending upfront \$666 million in order to put this country in an expenditure that we know we could not afford; and \$22.5 billion would not have been the cost in the end. The operating cost of that was never ever calculated.

Sen. Karim: Six, six, six.

Hon. W. Dookeran: So, \$666 million has been sucked, but that is not all. Now the banks which funded this are calling on the Government to honour its obligation to extend the credit facility. That is what I was talking about earlier when I spoke about the credit facility. We have to honour these obligations because they were obligations made by the Government; obligations which we know are useless and worthless but obligations which, if we do not honour, put our own credit rating at risk.

Mr. President, when we talk about where we have come from and where we are today, these are the substantial figures before us to substantiate that we have walked a long way in the last six months in Trinidad and Tobago on financial management. [*Desk thumping*]

Let me just conclude these remarks by talking about what I am sure Sen. Dr. Lester Henry spoke about, because he met with the rating agency with his group, and they met with us. I was assured that he did nothing to “bad-talk” Trinidad and Tobago. I accept that word, and we look with great anticipation to the rating agencies, in fact, doing a professional job in this matter.

I say no more at this point in time, except that two missions that have come to Trinidad and Tobago—one was an international mission dealing with the financial stability of the banking system, now and projected; and the other one with respect to the economic direction of Trinidad and Tobago in the next year and beyond; both of which ended up with some qualification, but generally, with positive remarks. The qualifications were, of course, necessary, because we are not starting from an initial position that is really buoyant as it has been before.

You will recollect that we had 15 years of positive growth, but in the last two years we have had negative growth in the country and we are now turning it around. That is why when I believe some have argued that we should not turn around the economy, which is what I call the Budget statement, “Facing the Issues, Turning the Economy Around,” God help us if we did not start to turn around this economy, where we would have been today.

Mr. President, I believe these are the essential points that have been raised. I generally want to thank all the hon. Senators for their contributions. I think, in general, they were all done in a very positive and very nationalistic spirit, and a spirit that I feel very happy about. I do not always get that feeling in the Lower House, but in the Upper House I do get that feeling. [*Desk thumping*] With these words, I beg to move.

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Question put and agreed to.

Bill accordingly read a second time.

Hon. W. Dookeran: Mr. President, in accordance with Standing Order 63, I beg to move that this Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to, That the Bill be read a third time and passed.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Thank you very much, Mr. President. I beg to move that this Senate be adjourned to Tuesday, December 14, 2010, on which day we shall complete the Firearms (Amdt.) Bill and also a Motion on the Adjournment of the House by Sen. Penelope Beckles-Robinson. We hope to complete by 5.30 or 6.00 because I think there is an appointment with Members of the Senate and the staff.

Mr. President, I beg to move that this honourable Senate adjourn to Tuesday, December 14 at 1.00 p.m. Thank you.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 8.45 p.m.