

*Leave of Absence**Tuesday, June 05, 2012***SENATE***Tuesday, June 05, 2012*

The Senate met at 1.30 p.m.

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

Mr. President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Verna St. Rose Greaves, Sen. The Hon. Fazal Karim and Sen. Prof. Harold Ramkissoon who are all out of the country.

At present, we have one Senator required to take the oath. Please stand, Hon. Senators.

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. 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/ George Maxwell Richards
President

TO: MR. ALBERT WILLIAM BENEDICT SYDNEY

WHEREAS Senator Professor Harold Ramkissoon 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 44(1)(a) and section 44(4)(c) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ALBERT WILLIAM BENEDICT SYDNEY, to be temporarily a member of the Senate, with effect from 5th June, 2012 and continuing during the absence from Trinidad and Tobago of the said Senator Professor Harold Ramkissoon.

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 4th day of June, 2012."

Mr. President: There is an expectation that we will receive further correspondence, but I will defer that to later in the proceedings.

OATH OF ALLEGIANCE

Sen. A. Sydney took and subscribed the Oath of Allegiance as required by law.

FINANCE (SUPPLEMENTARY APPROPRIATION) (FINANCIAL YEAR 2012) BILL, 2012

Bill to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending 30th September, 2012, of the sum of the issue of which was authorized by the Appropriation (Financial Year 2012) Act, 2011 brought from the House of Representatives [*The Minister of Finance*]; read the first time.

Motion made: That the next stage be taken later in the proceedings. [*Sen. The Hon. E. George*]

Question put and agreed to.

ASSOCIATION OF REAL ESTATE AGENTS (INC'N) (NO. 2) BILL, 2011

Bill for the Incorporation of an Association to be known as the Association of Real Estate Agents and for matters incidental thereto, brought from the House of Representatives [*The Minister of Planning and the Economy*]; read the first time.

Motion made: That the next stage be taken at the sitting of the Senate on Wednesday, June 06, 2012. [*Sen. The Hon. Dr. B. Tewarie*]

Question put and agreed to.

NATIONAL RAMLEELA COUNCIL (INC'N) BILL, 2011

Bill for the Incorporation of the National Ramleela Council of Trinidad and Tobago and for matters incidental thereto, brought from the House of Representatives [*The Minister of Planning and the Economy*]; read the first time.

Motion made: That the next stage be taken at the sitting of the Senate on Wednesday, June 06, 2012. [*Sen. The Hon. Dr. B. Tewarie*]

Question put and agreed to.

PAPERS LAID

1. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Eastern Regional Health Authority for the year ended 30th September, 2007. [*The Minister of Finance (Hon. Winston Dookeran)*]
2. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Eastern Regional Health Authority for the year ended 30th September, 2008. [*Hon. W. Dookeran*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Eastern Regional Health Authority for the year ended 30th September, 2009. [*Hon. W. Dookeran*]
4. Annual audited financial statements of the Palo Seco Agricultural Enterprises Limited for year ended 30th September, 2011. [*Hon. W. Dookeran*]
5. Administrative report of the Statutory Authorities' Service Commission for the period 31st October 2010 to 30th September, 2011. [*The Minister of Public Utilities (Sen. The Hon. Emmanuel George)*]
6. Certificate of Environmental Clearance (Designated Activities) (Amdt) Order, 2012. [*Sen. The Hon. E. George*]

JOINT SELECT COMMITTEE REPORTS

Mr. President: I understand there is a report from Sen. Subhas Ramkhelawan. Should we pass over that one? [*Interruption*] I call on Sen. Corinne Baptiste-Mc Knight.

**Legal Aid and Advisory Authority
(Presentation)**

Sen. Corinne Baptiste-Mc Knight: Mr. President, I beg to present the following reports:

Third Report of the Joint Select Committee on Ministries, statutory authorities and state enterprises, (Group 1), on the administration of the Legal Aid and Advisory Authority.

**National Schools Dietary Services Limited
(Presentation)**

Fourth Report of the Joint Select Committee on Ministries, statutory authorities and state enterprises, (Group 1), on the administration and methods of functioning of the National Schools Dietary Services Limited.

ORAL ANSWERS TO QUESTIONS

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I crave leave of the Senate to defer question No. 78, [*Laughter*] but we are prepared to answer questions Nos. 92 and 93 on today's Order Paper.

The following question stood on the Order Paper in the name of Sen. Fitzgerald Hinds:

**Colour Me Orange Programme
(Details of)**

- 78.** With respect to the Colour Me Orange programme, would the hon. Minister of Housing and the Environment please indicate:
- (a) whether the programme has come to an end;
 - (b) whether there is any plan or intention to extend the programme;
 - (c) precisely how much was expended on this programme;
 - (d) the number of jobs created by the programme;
 - (e) what was the Government's rationale for its activation; and
 - (f) did the programme achieve its objective?

Question, by leave, deferred.

**Piarco and ANR Robinson International Airports
(Details of upgrade)**

- 92. Sen. Fitzgerald Hinds** asked the hon. Minister of Transport:

With respect to the contracts for the upgrade and improvement of the runway lighting system at the Piarco and ANR Robinson International Airports, could the Minister indicate:

- a) whether the final awarded contract prices were the same as originally stated by the Minister in the Ministry of Works and Infrastructure, hon. Stacy Roopnarine on May 10, 2011; and
- b) if the answer to (a) is in the negative, could the Minister indicate the revised prices of the final awarded contracts and provide an explanation for the difference in prices?

The Minister of Transport (Sen. The Hon. Devant Maharaj): Mr. President, this project was initially tendered as the replacement of the field electrical cabinets, or FEC, and upgrade of the airfield lighting at the Piarco International Airport and the Crown Point International Airport, as it then was. The project was subsequently split by the then Ministry of Works and Transport to expedite the project. Project one: airfield lighting control and monitoring system and field electrical cabinet at the Piarco and ANR Robinson International Airports at a cost of \$35,402,400.62; project two: upgrade of the airfield lighting system at Piarco International Airport at a cost of \$47,785,768.92. The projects were approved by the board of the Airports Authority in December 2010 and work began in January 2011.

The final awarded price was the same as originally stated by the Minister in the Ministry of Works and Infrastructure, hon. Stacy Roopnarine on May 10, 2011 and as such Part (b) is not applicable.

Sen. Deyalsingh: Supplemental, Mr. President. Could the hon. Minister tell this honourable House if there was a board in place at the time that this contract was awarded or whether these contracts were awarded with or without board approval?

Sen. The Hon. D. Maharaj: Mr. President, I repeat the last line of my answer to this question. The projects were approved by the board of the Airports Authority of Trinidad and Tobago in December 2010, and work began in January 2011.

Sen. Deyalsingh: Supplemental, Mr. President. Could the hon. Minister say who was the chairman of the board?

Sen. The Hon. D. Maharaj: The chairman of the board was Capt. Varman Bajnath.

Sen. Deyalsingh: Thank you.

1.45 p.m.

Prison/Correctional Facility at Santa Rosa (Details of)

93. Sen. Fitzgerald Hinds asked the hon. Minister of National Security:

Would the Minister kindly advise as to the name of the contractor(s) who was/were contracted to carry out the preparatory and refurbishment works at the site of the new prison/correctional facility at Santa Rosa upon its acquisition by the Government?

The Minister of National Security (Sen. The Hon. Brig. John Sandy): Mr. President, this question seeks to have the name of the contractors who were contracted to carry out the preparation and refurbishment works at the site of the new prison/correctional facility at Santa Rosa upon its acquisition by the Government.

Consequent to the declaration of a state of emergency on August 21, 2011 by His Excellency the President, there was urgent need to provide accommodation for detained persons. In order to expedite the process of locating a suitable facility, the Commissioner of Prisons was mandated to convene and chair a working group to urgently find a suitable alternative to house persons detained.

The working group considered several possible sites and decided that the old Neal & Massy plant owned by Wala Wala Limited, which consists of two buildings situated at the 26-kilometre mark, Churchill-Roosevelt Highway, Santa Rosa, Arima, was the most suitable and viable option for quick modification.

Cabinet agreed to lease the facility at Santa Rosa, Arima, and to the establishment of the said facility as a district prison now known as the Eastern Correctional and Rehabilitation Centre. In order to ensure that the facility was in compliance with international standards, certain modifications and refurbishment works had to be undertaken. These included: construction of 12 general population housing units; refurbishment/upgrade of the existing office space; construction of an airing yard; construction of perimeter fence; procurement and retrofitting of 16 containerized segregation housing units; electrical upgrade of the facility; construction of an infirmary; and construction of a prison officers dormitory.

Given the urgency of the situation and the urgent need to make the facility ready to accommodate prisoners, engaging in tendering procedures and other methods of procurement would have been impractical. As a consequence, two contractors—namely, Southern Logistics Limited and Mootilal Rahmit and Sons Contracting Limited—were recommended by the inter-ministerial committee to undertake the project. Southern Logistics Limited was contracted to complete the containerized steel works and Mootilal Rahmit and Sons Contracting Limited was contracted to complete the concrete works.

Mootilal Rahmit and Sons Contracting Limited was recommended by the inter-ministerial committee on the basis of the company's effective completion of concrete works on behalf of various government departments in the past. In addition, this company was the only supplier with a capacity to provide the requisite human and physical resources to complete the job within the stipulated time frame.

Mr. President, Southern Logistics Limited was engaged since it was the only company at the time that could provide containerized cells on short notice to the desired specifications, and no reasonable alternative or substitute existed. In addition, the company had previously completed similar work for the Ministry of National Security which was of a high quality and within the stipulated time frames. Consideration was also given to the temporary and movable nature of the containers that could have easily facilitated the requirements at the time.

Sen. Hinds: Supplemental, Mr. President. Is the Minister able to tell this Senate, after all of that, and when I said all of that I meant—earlier the Minister had indicated that the Government had expended \$60 million on that facility and is now spending close to \$1 million a month in rental—those refurbishment works of which you just spoke are separate and apart from the \$60 million that you had earlier told this Senate about?

Sen. The Hon. Brig. J. Sandy: No, it is not. It included the refurbishment works for the facility.

Sen. Hinds: Well then, the supplemental I must now ask is: in light of all of that expenditure and work, is the facility now hosting inmates or prisoners up to optimum capacity?

Sen. The Hon. Brig. J. Sandy: No, it is not up to optimum capacity, it now houses 117 inmates.

Sen. Hinds: Therefore, the Minister would agree that that kind of expenditure is not providing the country, the citizens, with value for money?

Sen. The Hon. Brig. J. Sandy: I do not agree.

Sen. Deyalsingh: Further supplemental, Mr. President. Could the hon. Minister inform us as to which of the contractors—Southern Logistics Limited or Mootilal Rahmit and Sons Contracting Limited—was responsible for the refurbishment of the roof of the facility?

Sen. The Hon. Brig. J. Sandy: Mr. President, that is an additional question and I would love to answer it at a later date.

Sen. Al-Rawi: Further supplemental, Mr. President. Could the hon. Minister please advise us who comprised the members of the inter-ministerial committee?

Sen. The Hon. Brig. J. Sandy: The inter-ministerial committee was formed by members of the National Security Council.

Sen. Deyalsingh: Further supplemental, Mr. President. The Minister spoke about containers—I think Southern Logistics Limited was able to supply containers at short notice, could you explain whether the containers alluded to are the containers that we use to ship goods, because you said the containers are movable? Just kind of define for me what those containers are.

Sen. The Hon. Brig. J. Sandy: They were shipping containers.

Sen. Deyalsingh: Mr. President, am I to understand that we are housing prisoners in shipping containers? Is that what the hon. Minister is saying, that we are housing prisoners in shipping containers?

Sen. The Hon. Brig. J. Sandy: Mr. President, I am sure the hon. Senator is aware that there are a number of containers that are used; they are modified, they are refurbished, and they make fine accommodation for situations like that.

Sen. Al-Rawi: Further supplemental, Mr. President. Insofar as those containers are being utilized as refurbished, would the hon. Minister please tell us whether they have met with compliance to international standards that you spoke of?

Sen. The Hon. Brig. J. Sandy: Yes, they have.

Sen. Al-Rawi: Further supplemental, Mr. President. Could the hon. Minister please advise us—in view of the urgency which caused this decision to be made as described by the hon. Minister—whether the Cabinet decision to constitute this as a prison was conditional as it relates to the permanence of the facility?

Sen. The Hon. Brig. J. Sandy: At the time there was no permanence of the facility because we leased the facility on that occasion.

Sen. Deyalsingh: Further supplemental, Mr. President. Could the hon. Minister tell us—after the leaks appeared in the roof which made the facility unusable—whether the additional funds expended to fix those leaks came out of the contract price to either Southern Logistics Limited or Mootilal Rahmit and Sons Contracting Limited?

Sen. The Hon. Brig. J. Sandy: Mr. President, the roof was repaired by the owners of the facility.

Sen. Al-Rawi: Further supplemental, Mr. President. With respect to the lease, is the hon. Minister able to assist us as to whether the lease was a written lease and, if it was not written, and in any event, what the length of the lease is?

Sen. The Hon. Brig. J. Sandy: The original lease was for three months and it was extended for a further three months.

Sen. Deyalsingh: Further supplemental, Mr. President. Is there any intention on the part of the Government to purchase this facility?

Sen. The Hon. Brig. J. Sandy: Mr. President, that is being negotiated as we speak.

Sen. Al-Rawi: Further supplemental, Mr. President. In view of the transience of the lease—being a period of three months—and in view of the expenditure of some \$60-odd million, was there any condition relative to the capital investment that was put out by the Government of Trinidad and Tobago into that property as factored into the lease arrangement? So, in other words, having invested \$60 million into a three-month lease, was it a condition of the lease that we would obtain any rebate back by way of return from the owners?

Sen. The Hon. Brig. J. Sandy: That, too, Mr. President, is being negotiated as we speak.

Sen. Al-Rawi: Further supplemental. Mr. President, is that negotiation now happening, or was it something which was conditional at the time of the negotiation of the lease?

Sen. The Hon. Brig. J. Sandy: Mr. President, that is a new question and I will be willing to answer at a later date.

Sen. Hinds: Finally, hon. Minister; this is not about sport, but let me ask: once the Government purchases the facility which, as you indicated is being negotiated now, does the Government intend to retain the containerized housing of inmates or is it intent on creating more permanent structures?

Sen. The Hon. Brig. J. Sandy: That is something to be decided upon. I have not the final say.

Sen. Al-Rawi: Further supplemental, Mr. President. With respect to the district certification as a district prison, is the hon. Minister able to assist us as to whether environmental and other town and country planning standards were obtained with respect to the initial set-up of that prison in August 2011?

Sen. The Hon. Brig. J. Sandy: Mr. President, that was espoused here during a Motion moved by Sen. Penelope Beckles; if the Senator was not here I am sorry.

Sen. Deyalsingh: Further supplemental, Mr. President. At the time when prisoners were held—I am hearing now—in containers, there was also talk about gypsum walls being damaged, is it that one of these contractors actually used gypsum walls in the construction of holding cells?

Sen. The Hon. Brig. J. Sandy: Mr. President, I have no information on that.

Sen. Beckles: Mr. President, just one final supplemental. I just would like to ask a clarification: is it therefore that, for the purposes of construction of this facility, there was no tendering procedure?

Sen. The Hon. Brig. J. Sandy: No, there was not. I said so earlier on.

SENATORS' APPOINTMENT

Mr. President: Hon. Senators, at this point I propose to revert to Item 3 on the list and then followed by Item 7 which we deferred earlier.

Hon Senators, I have received the following correspondence from His Excellency the President, Prof. 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/ George Maxwell Richards
President

TO: ARCHBISHOP BARBARA BURKE

WHEREAS Senator The Honourable Verna St Rose-Greaves is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ARCHBISHOP BARBARA BURKE, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator The Honourable Verna St. Rose-Greaves.

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 5th day of June,
2012.”

Senators' Appointment

Tuesday, June 05, 2012

“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/ George Maxwell Richards
President

TO: MR. JAMAL MOHAMMED

WHEREAS Senator The Honourable Fazal Karim 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 44(1)(a) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JAMAL MOHAMMED, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator The Honourable Fazal Karim.

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 5th. day of
June, 2012.”

OATH OF ALLEGIANCE

Senators Archbishop Barbara Burke and Jamal Mohammed took and subscribed the Oath of Allegiance as required by law.

2.00 p.m.

**SELECT COMMITTEE REPORT
(Presentation)**

Sen. Subhas Ramkhelawan: Mr. President, I have the honour to lay on the table the following report as listed in the Supplemental Order Paper in my name:

The First Report of the Joint Select Committee established to enquire into and report to Parliament on Municipal Corporations and Service Commissions with the exception of the Judicial and Legal Service Commission.

**FINANCE (SUPPLEMENTARY APPROPRIATION)
(FINANCIAL YEAR 2012) BILL, 2012**

The Minister of Finance (Hon. Winston Dookeran): Thank you, Mr. President. Mr. President, I beg to move that a Bill to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending 30th September 2012 of the sum of the issue of which was authorized by the Appropriation (Financial Year 2012) Act, 2011, be now read a second time.

Mr. President, this is a Finance Bill and has been passed in the other place after extensive debate. The Bill provides for the supplementation of the 2012 appropriation in the sum of \$1,543,590,700 to fund urgent and critical recurrent and capital expenditure to September 30, 2012.

The increase is earmarked in the following heads of expenditure:

Heads of Expenditure to be Increased	Amount
	\$
13 Office of the Prime Minister	11,900,000
18 Ministry of Finance	1,108,118,000
22 Ministry of National Security	63,072,700
34 Ministry of Transport	50,000,000
54 Ministry of Science, Technology and Tertiary Education	45,000,000
61 Ministry of Housing and the Environment	260,500,000
63 Ministry of the Arts and Multiculturalism	5,000,000
Total	1,543,590,700

Mr. President, the seven heads of expenditure requiring supplementary resources, as I have identified, have been due to a number of expenses that have become necessary to have an allocation for. The office of the Prime Minister will require an additional \$11,900,000 to meet the cost of legal fees and remuneration to the chairman and members of the commission of enquiry into Colonial Life Insurance Company Limited, the Hindu Credit Union and events surrounding the attempted coup on July 27, 1990.

In the case of the Ministry of Finance, additional funds are required for the following: \$30 million to meet the cost associated with the procurement of legal, financial and commercial consultancy services in respect of a restructuring solution for

Clico; \$686,658,000 to facilitate the execution of an agreement between the Government of the Republic of Trinidad and Tobago and the Andean Development Bank for the subscription of common capital stock and the incorporation of the Republic of Trinidad and Tobago as a special member country; \$273,510,000 to meet expenditure with respect to the fuel-hedge mechanism for Caribbean Airlines Limited; \$40 million to provide additional equity to the Export/Import Bank of Trinidad and Tobago Limited; \$25 million to satisfy claims already made and those anticipated up to September 30, 2012 under the State Liability and Proceedings Act; \$52,950,000 for deposits into the Infrastructure Development Fund to facilitate upgrading construction of fishing facilities in the following 12 communities: Blanchisseuse, Orange Valley, Cumana, Brickfield, Fullerton, Salybia, Otaheite, Grande Riviere, Carenage, Point Radix, Las Cuevas and La Ruffin.

Mr. President, by way of elaboration, Trinidad and Tobago has been a member of the Andean Development Bank since 1994, as a holder of series C shares. The investment of \$686 million in equity will upgrade the country's status to normal membership, holding series B shares. Some of the benefits to be derived from this new status would include opportunities for:

- (a) furthering of regional integration with Latin America through the adoption of mutually supportive and private sector-driven arrangements;
- (b) securing long-term financing resources for the development of the country as well as technical assistance for managing and leveraging the various opportunities which will be generated;
- (c) to facilitate exports and the associated search for markets which will widen the country's economic space.

As an indicative, the pipeline of infrastructure and technical cooperation projects at this point in time has been estimated to have a value of US \$900 million and it is being developed for financing by the Andean Development Bank. The terms and conditions of such financing are very favourable and it affords us an opportunity to deepen our financial and commercial relationship with the Latin American countries.

With regard to the Ministry of National Security, an additional \$63,072,700 is required to meet interim financing related to the acquisition of four AW 139 medium twin-turbine helicopters and associated training and maintenance support programme.

Finance Bill, 2012
[HON. W. DOOKERAN]

Tuesday, June 05, 2012

In the case of the Ministry of Transport, an additional \$50 million is required for the following purposes: \$5 million to meet operational and maintenance cost of the Water Taxi Service; \$35 million to assist the Public Transport Service Corporation to meet the cost of the recruitment of additional staff and the provision of increased security services and the maintenance of the former VMCOTT compound in Tobago as well as the maxi taxi hub in Port of Spain; \$10 million to enable the Port Authority of Trinidad and Tobago to meet a shortfall in salaries and allowances emanating from the recently concluded industrial agreement with the Seamen and Waterfront Workers Trade Union and to meet management costs to the end of fiscal 2012 in respect of the container examination station.

With regard to the Ministry of Science, Technology and Tertiary Education, \$45 million is required to facilitate the commencement of work on phase one of the University of the West Indies South Campus.

Mr. President, an additional \$260.5 million is being provided to the Ministry of Housing and the Environment to meet the costs associated with the expansion of the operations of the Community-Based Environmental Protection and Enhancement Programme to provide employment opportunities for more persons in the lower socio-economic brackets across all communities as approved by Cabinet on December 01, 2011.

Finally, \$5 million is being provided to the Ministry of Arts and Multiculturalism to meet costs associated with upcoming national days and festivals.

Mr. President, in presenting the 2012 budget in October of 2011, I then announced the total expenditure of \$54,634.4 million and the revenue of \$46.992 billion yielding an overall deficit of \$7.642 billion or 4.89 per cent of the Gross Domestic Product as calculated by the CSO. The adjustments included in the proposed Supplementary Appropriation Bill combined with the proposed transfer of \$345.9 million to the Heritage and Stabilisation Fund will increase the expenditure by \$2.1 billion. When this increased expenditure is matched against the projected increase in revenue of \$779.8 million and analyzed against the backdrop of savings and adjustments within the heads of expenditure, it results in an increase in the projected overall deficit on fiscal operations from \$7.6 billion to \$8.9 billion or 5.78 per cent of the GDP.

2.15 p.m.

Mr. President, these figures that I have outlined must be seen in the context of the fiscal policy position which this Government has been dealing with over the last two years. You would recollect that in our first budget presentation, which we titled “Facing the Issues: Turning the Economy Around”, we identified candidly what were some of the issues that this economy had to grapple with and that this Government had to take up.

On the financial side, we identified very clearly that the Clico situation was indeed posing a serious risk to our financial system, and had in fact placed thousands of our citizens in a situation due to no fault of their own.

We recognized also that the credit unions had in fact found themselves in a similar exposure, and the Hindu Credit Union was a special case. But, there were many other credit unions that were facing similar exposures.

We recognized that the public service wage negotiations, which we had to undertake were due for a period from 2008 to 2010. It was necessary to deal with that in order to set the stage for the resumption of a sustainable growth path in the economy.

We also had recognized that Alutrint and Rapid Rail were two multi-million-dollar projects that had posed immense environmental and other risks to the economy and it was necessary to take hard decision on these matters.

We indicated at that time also that there were substantial funds that were owed—based on the previous expenditure that we had inherited—to contractors. And that VAT refund payments were indeed at a very high level.

We also recognized—number six—that the financial regulatory system was in need of institutional change in order to protect it from the loopholes which led to some of the problems that we had in fact inherited.

Finally, we looked at our cash balance position and we saw an accelerating decline in the level of cash balances in the two previous years prior to this Government assuming office—from a level of near \$17 billion—and at the time the Government came into office the cash balances had been at the level of \$5 billion.

It was therefore important for us to design a financial plan that would address these issues, and in addressing these issues to ensure that there was financial stability in the country and also set in train the new impetus for a different growth perspective.

Finance Bill, 2012
[HON. W. DOOKERAN]

Tuesday, June 05, 2012

Without going into great detail at this point, I want to refer you to the fiscal provisions that were outlined in the first budget presentation to deal with these issues and to be able to ensure fiscal stability and set the growth path on the road.

By the time we came around to the second budget, which we titled “From Steady Foundation to Economic Transformation”, we began to see that we were able to restore the financial balance sheet of the central Government and indeed—in so doing—contribute to the national balance sheet of the country’s stability. Then it was time now to move on in earnest towards developing an economic transformation programme that would widen the economic space in which this country must operate, that would provide public offerings to the population so that they could benefit from the experience of growth in the future and that, at the same time, would adopt major reform measures to restructure the activities of the Government.

It is in that context that I thought that these particular revisions, which are a normal process, had taken place. I would not go into any great detail on some of the measures that we have taken, except to say, Mr. President, that during the last two years, we had to account—and bring to account—somewhere on the order of \$9 billion to deal with the solution to the Clico fiasco, affecting 10 per cent of the economy.

We also had to deal with the contractors’ claims. Our estimates are that—while at that time we estimated it to be about \$4 billion—we have, in fact, dealt with most of that during the last two years. There are some still outstanding here and there, subject to verification.

We are also very conscious of the fact that VAT refunds were inhibiting the cash flow of the private sector and that was an important restriction to the flow of investment opportunities. During the course of the last two years, we earmarked an additional amount of funds to deal with this issue. The information that was given to me as of yesterday is that near to \$5 billion was spent in 2011 in order to handle that situation. Since the fiscal year 2012, we have extended a further \$2.8 billion.

When we add up these extraordinary interventions of a financial nature, we will see that we were faced as a country, not only to maintain the recurrent and capital expenditure that is normal, but also to meet these new expenditures amounting to nearly \$20 billion in the last two years.

I am happy to state to you, Mr. President, and to the Members of this Senate that we have been successful in negotiating a financial solution that has taken us to the edge, having been able to meet the \$20 billion additional expenditure while at the

same time having to maintain our revenue and also to increase our expenditure and provide the necessary stimulus that this country needed to begin the growth process. [*Desk thumping*]

It is therefore in that context—and I will elaborate only briefly at this point but I am sure the debate may generate a different interpretation. I look forward to any interpretation that can come forward because I know the interpretation that we have in the Government of Trinidad and Tobago is one that is based on sound analysis, one that is based on a clear assessment of the risks facing us and one that is based on confronting the situations as they arise, not hiding from the truth but seeking to clarify to this country how we can bring this country back to where it ought to be. [*Desk thumping*]

There has been a lot of discussion recently when the Monetary Policy Report was in fact announced to the nation by the Governor of the Central Bank. I would not go into the details of the media presentation of it, but I want to point out that the report indeed is a very analytical and solid document. It identifies the risks that we are facing ahead. It identifies some of the current challenges that have in fact been placed on the agenda, but it also points out what were some of the changing trends that have been taking place in the Trinidad and Tobago economy over the last two years. Clearly, that part of the report was not given the kind of press coverage as it should have been.

I recognized that the first observation in the report is that a growth rate once projected by the Central Bank at 1.5 per cent should now be reduced to near to 1 per cent, and even at that there may be risk. Let me add that this phenomenon—and it was pointed out in the bank report—is not only a phenomenon facing us in Trinidad and Tobago. Within recent times, we have seen a global reaction towards expected high growth rates. Just to put the record on the *Hansard*:

In Brazil, the growth rate was predicted at 4.2 per cent, one year ago. Today the prediction is .8 per cent.

With respect to China, one year ago, it was forecast that the growth rate would be 9.7 per cent—this is one of the countries that as able to keep the global economy alive—and today it is now forecast to be 8.1 per cent.

With respect to India, another one of the major economies that was providing sufficient impetus for restoring the growth possibilities—the country had predicted a growth rate 7.8 per cent, one year ago. Today, they have revised—very recently—the figure to 5.3 per cent.

South Africa had predicted a growth rate of 3.4 per cent; today they are anticipating a growth rate of 2.1 per cent.

The United Kingdom: 1.5 per cent, similar to what we had predicted here in Trinidad and Tobago, to a level of .5 per cent as of today.

The United States of America: 2.2 per cent, one year ago; it is now expected to grow by 2 per cent.

Interestingly, Singapore—and one that has not come to the attention of the front pages—one year ago predicted the growth rate of 9.1 per cent; today it is now forecasting a growth rate of 1.6 per cent.

Germany—the main and strongest economy in Europe, faced with all the problems that they have encountered—had predicted one year ago a growth rate of 4.7 per cent, and today they are now expecting a revised prediction of 1.7 per cent.

France: 2.1 per cent, one year ago; today that figure has been changed to .33 per cent.

Eurozone, in general, predicted 2.4 per cent one year ago and today they are now predicting .7 per cent.

Even Canada, one of the most solid economies in the world, had predicted a growth rate of 2.9 per cent one year ago, and today they have revised that figure 1.8 per cent.

I raise these statistics, Mr. Speaker, not to get solace for what is happening in Trinidad and Tobago but to reinforce the view that we are not “an island unto ourselves.” In the new interconnected world in which we all live, we too must face up to the possibility that we are not fully insulated from global developments.

2.30 p.m.

One of the hallmarks in managing the economy has been to look ahead, identify the risks and take appropriate steps. It is in that context, Mr. President, that the revision of the Central Bank estimates—they are still estimates—from 1.5 per cent to 1 per cent must be seen as a global phenomenon. There are some local policy issues that have accentuated that situation, but before I do so [sic] let me reinforce what the International Monetary Fund, themselves, had predicted in their assessment of Trinidad and Tobago, and I will quote two or three paragraphs from a document that is widely distributed today, as one of the documents that instil confidence, or lack thereof, with respect to a country’s performance. This is what this document of March 14, 2012 had to say about Trinidad and Tobago:

“The economy is turning the corner and growth is expected to resume in 2012. The recovery comes after an extended slowdown lasting three years. Supportive fiscal and monetary policies and restoring financial confidence are essential.”

Secondly: “Notwithstanding an overall balance in 2010/11, the deterioration in the non-energy balance implied a substantial fiscal stimulus. The near-term priority is to sustain the stimulus by implementing the investment program in the 2011/12 budget”—and there are great details on that programme—”and developing new state enterprise investment”—programmes.

In other words, both the Central Bank and the analysts who came to do the Article IV Consultation had agreed more or less on the projections of the growth at 1.5, and I believe the IMF, in fact, went on to suggest it was 1.7. The numbers, the points, do not really matter.

The point I am really making is that it is not really cause for any panic as it may have appeared when the report was in fact announced to the country, not in the report itself, but indeed in the news forecast on this report. But there is cause for some concern because that concern will indeed have to influence how we look beyond.

The budgetary proposals which I proposed are being done in that context, and without going into great detail at this point, the Monetary Policy Report identified that there were indeed some risk ahead of us. The worsening crisis in the Euro area was identified as one. The current industrial relations climate constitutes a risk to the achievement of an economic recovery programme. The fact that productivity is declining and, therefore, competitiveness is not rising, has been identified as a structural problem that continues to be part of our challenges.

Finally, they indicated that the overall crime situation in the country, there is still room for not restoring full confidence. But let me point out just a few comments from the Monetary Policy Report that will put into perspective what really is happening. While the overall growth perspective may have been reduced, we recognized that we have moved from a period of negative growth and we are now trying to move the economy back into a positive growth path—as you are well aware, substantial negative growths preceded this Government’s election into office—but in order to do that, you have to change the trends.

In my view, you have to try to take policy measures that will create a new direction and a new trend, and what we are seeing in the report is evidence that that trend is beginning to change. Let me just read a few of the quotations from the Monetary Policy Report:

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“Private sector credit which had begun to show signs of recovery since mid 2011 following 20 consecutive months of decline, gained momentum later in the year. By December, private sector lending was up by 3.7 per cent (year-on-year) compared with just 0.9 per cent in May 2011 and”—an actual—”decline of 2.2 per cent in the year earlier.”

So we have seen an incipient change with respect to private sector credit.

On page 16 of the report:

“...business credit began a recovery in October 2011. Encouragingly, the growth in business lending has continued into 2012 with an increase of 4.8 per cent being recorded in March.

Consumer lending, which has been growing steadily in 2011, continued its steady path of recovery, expanding by 2.2 per cent (year-on-year) in March 2012.”

Even in the issue of the stock market—and I know we have very eloquent spokespersons on that issue in this Chamber—the downwards stock market enjoyed a bullish run throughout 2011, providing investors with attractive returns, but has been hard-pressed to sustain the performance in 2012 so far.

It is interesting to note, Mr. President, that the mortgage lending industry has also begun to improve its performance.

“The real estate mortgage portfolios of commercial banks have continued to expand at a relatively strong pace, supported by historically low mortgage rates. On a year-on-year basis to March 2012, the value of real estate mortgage loans outstanding on the books of commercial banks, the main lenders in this market, increased by 10.5 per cent to \$10,620 million.”

Mr. President, in the midst of what is happening in the Caribbean region, what are the risks facing us as a small economy? We were very careful in charting the financial strategy to ensure that we deal with the issues frontally and restore financial discipline in the affairs of the State.

We are also very conscious that we must not put at risk the overall picture of Trinidad and Tobago as we see now in many parts of the world—and maintaining our debt profile—but at the same time providing a stimulus for growth to take place. That, therefore, in a nutshell, has been articulated in the very many measures that have been outlined and have been put into effect in the last two years.

The proposal before us today is done in that context. For what you will note in the proposal is a new emphasis on financing of infrastructural development. We have already done some of that, but we know it is necessary to improve that even further and, therefore, we have introduced financing measures to increase our capacity to handle the financing of infrastructure in the future.

These things do take time, but we are concerned not only about solving the problems of today as they arise, we are also concerned about setting the foundation for tomorrow's sustainability. [*Desk thumping*] That is why in solving the problems of today, sometimes the noise levels are themselves a reflection of the disquiet and discontent in our contemporary situation and we must indeed address them, but we cannot address them at the expense of setting that foundation for the future.

Society sometimes looks forward to immediate solutions, but we have been able, with respect to the pension arrangements—I only make reference to that because of the currency of it—not only to have reintroduced a minimum pension, but to also introduce a \$3,000 pension for NIS beneficiaries. We have been able to put into law a provision to protect all pensioners, to protect the incomes that they were receiving before the introduction of the NIS increases. It is part of the law.

Mr. President, I would not go into too much greater detail at this time, but merely to indicate that the supplementary appropriation that we are seeking is to promote human capital development, is to promote infrastructural development, is to create the possibilities that this country can have a medium-term sustainability. But, I do not want, in making this presentation, to let it be said that all is rosy. We recognize the risk ahead of us, we recognize that it is necessary at this time to carry forward with the equation and that a growth momentum must in fact be restored.

If those projections are not realized, as indeed has happened in many parts of the country, then we must be prepared to take hard policy decisions as we chart our financial stability in the next three years. That, I can assure you, this Government is prepared to do in the interest of the benefit of the future of Trinidad and Tobago. At this time we have been able to navigate—navigate a financial framework and package that ensures stability, that removes risk, that deals with the problems of today, that brings about changes where changes are required and set in motion that sense of fiscal sustainability.

Many have asked: Is this a further increase in fiscal deficit from 4.8 per cent to 5.8 per cent or thereabouts? Indeed, it does represent that, but a fiscal deficit has to have a strategy that will provide the stimulus in the economy that will ensure that the growth does take place and, therefore, reduce the need for it. That is why I am very conscious of the fiscal sustainability plan over the next three years.

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We recognize that in large part—and it was pointed out in the Monetary Policy Report—an expected decline came from the energy sector, both in terms of the returns to the investment of previous years that are now reflecting itself in the production, and we have details on that—I believe the Minister of Energy and Energy Affairs would be speaking on that issue—and also in terms of some slippages with respect to energy investment.

We recognize—and this was pointed out in the report—that that was the main source, but what it showed is that there was an incipient growth in the other sectors of the economy and, therefore, moving this economy from a period of negative growth to a period of positive growth, or at least flat growth, is itself what we were challenged with.

In a global arena in which there is much uncertainty, but in an arena in which we have never blamed the society, or the external society, for what has happened, we take that as given and we navigate.

2.45 p.m.

We have started a debate—and I will end on this point, Mr. President—on the international front. We have said that the Caribbean economies are economies that we have for too long been classifying as vulnerable, as open, as countries that are subject to external shocks. We have started a debate in the international fora. When we attend those meetings that are taking place in which we are members and are invited, we make our voices heard. We argue that the buffers facing small economies are too limited. In one instance, they do not have buffers at all locally.

We are fortunate that we had put into place the Heritage and Stabilisation Fund, and that provides a major buffer to our financial stability today which is in the order of some US \$4 billion. But external buffers need to be reviewed not so much for ourselves, but indeed for our current sister countries in the Caribbean and other small economies.

Very recently, I was pleased to receive information that the voices which we have been carrying have begun to be listened to. Small economies in the global situation—with large economies now preoccupied with their own survival, there is very little patience to listen to other countries' plight and concerns. We were able in the G24, which is one of the major fora on the international scene to deal with developing countries, in which Trinidad and Tobago is a member—got them to include in paragraph 15 of their recent communiqué that adequate attention to small states must be given, taking due account to the high levels of fragility and vulnerability to natural disasters and economic shocks as well as constraints linked to their size.

The G24 welcomed the establishment of a working group of executive directors, representing small states, to give greater visibility to the concerns of these countries. We called for appropriate adjustment and enhancement for financing facilities and policy frameworks to respond to the particular circumstances of small states.

Mr. President, this battle will not be fought only in the local arena. This battle of trying to ensure fiscal sustainability of this country will have to be reinforced by the events that are taking place elsewhere. That is why we welcome this move. I can say to you here today that we received enormous support from many countries, small and large, in our quest to ensure that these concerns are addressed.

So what is the practical significance of it? As I speak today, this informal committee, that working group that has been established, is looking at buffers for small economies—how they can be reinforced, how they can be enhanced, so that our countries in the Caribbean can at least access some of those resources.

In the final analysis the question is about the flow of resources. The question is about whether you have more resources coming in or more going out. In times of difficulty and strain when shocks do take us, we must have the necessary buffers. That is why I made the point earlier that we are concerned about establishing that platform for medium-term sustainability. We recognize that a new diplomacy is now required in order to be able to reinforce that argument. Trinidad and Tobago is not going to be determined by the noises here alone—the future that is—it is going to be determined by how we negotiate a better deal beyond our borders.

I raise that as a final point in this presentation if only to conclude by saying that the appropriation we are seeking here on the order of \$1.5 billion is relatively modest. It is aimed at improving access to infrastructure financing; it is aimed at improving the development of human capital, and it is also aimed at dealing with some of our recurrent expenditures which have been beyond our expectations. But in the scheme of things it is a relatively small amount. Some have asked, in the other House, where is the financing for it? We did provide, in the information to all Members, how the financing will take place in great detail, and if necessary I will elaborate on that later on.

So let me end, Mr. President, by saying that the Appropriation Bill before us is rooted and grounded in solid analytical work. It is based on assessment of the reality. It is based on a measurement of the risk ahead of us, and it is based on

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taking this country forward. While I say that there is room for comfort, because our unemployment levels have remained relatively constant, we still recognize that there is a problem with youth unemployment, and we still recognize that there are some problems with respect to the measurement of employment itself. This is a problem that we have in fact inherited. [*Laughter*] But whatever it may be—that is an acknowledgement, I assume?

Sen. Deyalsingh: I will deal with it, “doh worry”.

Hon. W. Dookeran: He will acknowledge it in his contribution.

Sen. Deyalsingh: No, no, I will deal with it, not acknowledge it.

Hon. W. Dookeran: Oh, he will not acknowledge what he has done in the past. If he will not acknowledge it, then the country will have a second opportunity to adjudicate on your future as they had done on May 24, 2010. [*Desk thumping*]

So you better acknowledge the past, acknowledge why you have brought us to where we are and acknowledge the neglect that has happened in our institutions in this country and in our expenditure policy or else you will face the same fate, but perhaps you are very comfortable where you sit today, and I do not blame you for being comfortable where you sit, so you can speak without responsibility. I beg to move. [*Desk thumping*]

Question proposed.

Sen. Hinds: Let us hear a real economist now.

Sen. Dr. Lester Henry: Thank you, Mr. President, and welcome back into the Chair. We know you have been away for a while. I rise once again to contribute to a Bill brought by the Minister of Finance. We do not see him that often except for budgetary times and so on. I make that point kind of seriously because one of the things the Minister mentioned, when he held up the initial budget document of 2010/2011, was the need for new financial regulations to stabilize and to “beef up” our regulatory capacity and improve our governance of the financial system. Yet, he has not really come to the Parliament with any of these Bills. In fact, none of them have come to the Senate—such things as the Insurance Bill and the Securities Bill and so on.

Sen. Hinds: Oooh, oooh, remind us. [*Desk thumping*]

Sen. Dr. L. Henry: None of them have come. We keep hearing “they are coming, they coming, it is on its way”. It is like the Messiah, Mashiach, he is on his way. Yet we do not see it. The Insurance Bill we know was introduced in the Lower House some time last year, hurriedly. But then it has gone nowhere since then. We were expecting to debate this Bill at some time—[*Interruption*]

Hon. Senator: [*Inaudible*]

Sen. Dr. L. Henry: No, it was an IDB conditionality. I know of what I speak. So they brought it hurriedly late last year as an IDB conditionality to get the loan.

Sen. Hinds: Oooh, I see.

Sen. Dr. L. Henry: The people need to know. So we have had his pronouncement of the need to do this, especially in light of his favourite topic, the Clico matter and so on, yet we have seen none of these Bills. So what we are getting—the impression so far over the past two years is that we only see the Minister when he comes to say “I need more money”.

Sen. Hinds: Oooh, I see. [*Desk thumping*]

Sen. Dr. L. Henry: Either the big amount, the \$54 billion or to say well, I need another \$2 billion here, a \$1.5 billion there, but no real substantive financial legislation and serious—in fact, I am going to use the term that I have thrown at him so many times before—revenue generation, any kind of financial reform, taxation or anything of that nature. It is all one-way traffic. [*Desk thumping*] Basically, increase spending.

Sen. Hinds: That is right.

Sen. Dr. L. Henry: So we do not care, whether you call it property tax or some other kind of legislation that could lead to enhancement of revenue. Bring it, bring something. But for two years, all we have seen this Minister coming with— [*Interruption*]

Hon. Senator: “Gimme, gimme”.

Sen. Dr. L. Henry: —is “I need more money”. Does that not remind you of another Minister? So what we have, of course, is that the budget deficits will continue to increase and there will be continued increases in our national debt. I mean, albeit fairly moderate still, as the Minister is quite proud to say, and we know that for a fact, there is nothing wrong with that. But if we continue in this one-way traffic, this will not stay that way for long. And as we know, the Minister has intentions of borrowing more money from abroad, at least that was his stated intention in 2010, and I believe there is still a lot of scope for borrowing abroad. There has been some borrowing as we know, but I will talk about that later on. So far, that is it.

So, we are running deficits for the two years of this new Government, without any particular prospect that these deficits will go away and turn into surpluses anytime soon. This is all going to be made much more difficult with the absence of any positive economic growth. And the Minister quite rightly referred to the Monetary

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Policy Report that is now out there all over the press and talked about as a very analytical and solid report. I was quite happy to hear his confirmation of that. So when we look at some of the information in it—he quoted some, I will quote other parts of it—that really puts a different light on what is happening in our economy and his stewardship as Minister of Finance. The picture is far from being rosy and the Minister has to come here once again, as I have repeatedly pointed out to him, and preside over a declining economy.

Now, when we look at the revisions that the Minister talked about and cited certain countries like Singapore, Brazil, China, I said well, okay they revised their growth rates from nine to eight or from four to four and a half, at least it is still positive, and most of these countries have been growing significantly over the past few years. We have not seen any since the downturn of 2008/2009, which affected us all in the Caribbean and many countries around the world. We are still presiding over negative growth. So these countries, many of them that revised their estimates downward, were predicting fairly high rates of growths. So if you are predicting a high rate of growth and you go down by a point or two, you are still positive. But what we are saying here is that we started off at a very low expected growth rate of 1.5 for this coming year and we are revising that downward.

3.00 p.m.

Now, one of the sleights of hand that the Minister tried to pull was quoting from the March 14 Article IV, Consultation report which he rightly said is widely available. I looked at it myself. He talked about the projected positive outlook for the economy in 2012. Well, that article for publication, even though it is dated March 12, was based on data and information as of November 2011, which was predicated on certain actions that were supposed to happen in the six-month period ahead.

So, if you look at the actual consultation—the Article IV Consultation, the full text of it—most of the information and the data they referred to there is in 2010 or earlier 2011. That Article IV Consultation does not include updated data, especially for the first quarter of this year or towards the end of 2011. Look through the document, read it and you would see that most of the references are for developments in 2010 going into 2011. I will give way to you.

Hon. Dookeran: Thank you, Senator, for giving way. I just want to point out that the report itself says that this was following discussions that ended on February 10, 2012. Small point but, I know where you are leading. I just wanted to correct that.
[Desk thumping]

Sen. Dr. L. Henry: I have no problem with your intervention, but I am saying, look at the data in the full report. [*Desk thumping*] Most of that information was based on the actual consultation and database from the monetary report that we could have seen, the same numbers from the monetary report of November 2011. So, the positive projection of 1.7 per cent economic growth—not the 1.5 that was talked about, that is in that document and he quoted it a bit earlier—was what they arrived at during that period.

Then, remember the period in February when I came here and spoke about the meeting with the IMF representative, Miss Gold. Myself and one or two other people, at the time, questioned what was the basis for this positive prediction of economic growth of 1.7 per cent. At the time, we pointed out that there were significant developments taking place as we speak, especially the unrest in the labour market and so on, which could have affected output in the petroleum sector and so on. In my conversation with the team, they were unaware of it.

As I said before on that occasion, the IMF people do their work and they do analytical work and so on. We should pay attention to them because they can affect our credit rating and our image internationally, but a lot of what they do is behind the times. Our local data-gathering and local intelligence should be relied upon more to understand what is going on in our economy—not wait to have to hear it from the IMF.

So when we talk on the issue of growth and revisions, one of the things that the monetary report points out to start with, was that apart from the fact that we had -2.6 per cent growth in the last quarter of 2011, when we incorporated that into the full year of 2011, there was a revision, hon. Minister, from your growth figure for 2011. In fact, it was downward from -1.4 per cent to -1.5 per cent. So the numbers coming in for fiscal year 2011 are even worse. [*Interruption*] Yes, because when you factor in the fourth quarter which I will say—[*Interruption*] Yes, it does not matter, the point is that it is a bigger negative.

There was some positive prospect of some kind of economic recovery towards the end of last year based on actions that were presented, or, at least, we believed that would have happened based on the fiscal 2011/2012 package. What has happened is that a lot of what was supposed to be done has not been done. So the optimism about the growth prospects for this year cannot be sustained because it has become clear—because there is a certain amount of inactivity on the part of the Government, and, perhaps, directly at the feet of the Minister of Finance.

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So, we have seen that the first quarter—the initial data for the first quarter is also projecting some negative GDP growth again. So what we are saying is that we are way past being in a recession, in the technical definition of a recession. We are in a prolonged recession and the Minister seems to have no clue how to get out of it. What is amazing is that this Minister has presided over periods of significant, better than average or better than budgeted, energy prices. We saw that towards the early part of last year. In fact, I have said in this Parliament, standing right here, that beginning in the early period last year, we saw some very significantly positive signs of economic recovery. I have no problem admitting that.

There were many of the same items that the Minister pointed out in terms of credit expansion to the private sector—credit expansion and so on—small increases, nothing drastic, not enough to pull the economy out of the recession, but, you saw some signs that things were becoming positive in the earlier part of 2011. Just when you thought it was safe, they ran and called an ill-advised, almost insane, state of emergency and killed off any prospect of positive economic growth. [*Desk thumping*]

On that score, Mr. Finance Minister, I feel sorry for you because I am sure if you had your way, you would have liked to see some positive growth there. I mean, look at how you beat your chest and you have negative growth, what would happen if you actually get positive growth? [*Desk thumping and laughter*] It would be amazing; we would not hear the end of it; we would have to extend your time several times.

So what we have is that the same monetary report points to significant and continued decline in our domestic economic activity, and there is no real surprise by that. I do not understand what the Minister needs to see happen or what figure has to be thrown up, or what bulb has to be lit for him to understand that he is presiding over an extended period of economic stagnation, and nothing he does seems to make any difference. I mean, if you look at the downgrade, take the *Express* last week, while I was sitting here, Dominic Hadeed from the Trinidad and Tobago Manufacturers' Association, one of the foremost cheerleaders of this partnership Government—[*Interruption*]

Hon. Senator: I would not say that.

Sen. Dr. L. Henry: Yes, I would say that.

Sen. Hinds: Oh yes. [*Desk thumping*]

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Sen. Dr. L. Henry: Yes, he supports that; I am telling you. He said about the downgrade of the growth prospect, a simple sentence:

“It’s disappointing, but not surprising.”

Furthermore, Daphne Bartlett, President of the San Fernando Business Association said:

“We did not need (Governor Williams) telling us that.”

In other words, this was a foregone conclusion. Basically, the idea is that our members are feeling it on the ground; we know that nothing is happening; there is no economic stimulation.

I am trying to understand what again has to happen to bring this Minister to the reality that, far from having anything to boast about in terms of the economic management of the country, you have a lot of questions that you need to answer. Why is it that you do not seem, time after time, to be able to get anything going?

Sen. Hinds: “It sad, eh!”

Sen. Dr. L. Henry: And you could come and give lofty pronouncements and get thumps on the desk for making very vacuous claims about, “Well, turning the corner” and “We have to move from the platform” and so on. I mean, all is good campaign rhetoric, but, at the end of the day, the business community lives in the real world. [*Desk thumping*] They must have some good idea about what is going on.

I mean, even if you look at the *Guardian*, from the S&P lady that was here just slightly before the Governor made his announcements—the Director of Sovereign Ratings for S&P. She said:

“...slow pace of the decision-making process, including the Clico resolution...if not addressed”—leads—“to increased financial risks.”

One of the things that the lady pointed out—not that I always agree with these people, but, you know, sometimes they could make some useful contributions—is that TT’s average real growth domestic product was not in keeping with its regional partners, and cited the examples of Barbados who showed positive 0.8 per cent growth; Belize, 1.7 per cent; Grenada, 1.5 per cent, and so on. This is what she is saying, and we, with all our oil and gas and our spending of billions of dollars, generating negative growth. Now, that is an amazing accomplishment! That is absolutely outstanding!

Sen. Hinds: Only he could do that.

Sen. Dr. L. Henry: Yes, I guess you need some special skills to pull that one off, hon. Minister. [*Desk thumping and laughter*] With all our resources—Barbados, Grenada and these places with no access to energy; without our stable macroeconomic environment—as the Minister himself boasts about—our nice sovereign “A” rating; our reserves of over \$9 billion and so on, yet we cannot generate positive growth. These smaller territories that are basically operating on shoestring budgets are generating positive growth. So that is not something that I, myself—as somebody, a patriotic “Trini”—am happy to have to report, but something is definitely wrong.

Sen. Hinds: Oh right. “Dookeconomics!”

Sen. Dr. L. Henry: So you are finding ways to generate a negative out of a positive. Sometimes, it is almost like the West Indies team: “yuh grabbing defeat from the jaws of victory.” When we should be seeing significant positive things based on all the positive data that we have, what we have out there now is absolutely frightening, that a Government and a Minister could spend so many billions in such a short period and generate no positive overall economic activity. And the lack of confidence clearly persists, the same confidence that we talked about from day one.

Now, remember that when this Government first came into this honourable Senate, the first Motion that we debated was the Motion brought by then Sen. Mary King on the state of the economy. You must not forget that. That was the very first thing. That was very high on the agenda of the Government.

3.15 p.m.

That was the very first thing we did. We did not talk about anything else, so it clearly showed. And what was the purpose of that Motion? Essentially, it was to come and bad-mouth the previous administration and say: “Well, you messed this up. You did this wrong. You left us in a lurch.” That seems to have been the obvious intention of that Motion. So, what you would do is you would put the country on some kind of alert that things were tight so you could not really deliver on your campaign promises because you met a whole mess.

Sen. Hinds: Oh yes, they are still saying that.

Sen. Cudjoe: They are still doing it now.

Sen. Dr. L. Henry: You could not, so all the goodies that you promised, you could not follow through on, because the state of the economy is really—
[*Interruption*]

Sen. Cudjoe: Inheritance.

Sen. Dr. L. Henry: As the Minister likes to say, we are at the precipice. And by the end of the Motion, the same Sen. Mary King had to turn around and say: “Well, you know, we are not a basket case,” as my colleague here reminded me, because you could not hide from the fact that you inherited all of those stable numbers.

The same S&P rating goes back to “A” from three or four years before you came into power, and we have been through that over and over again. But what we did warn you about was that you went out there, saying everything is bad, everything is bad and you frightened all the investors, both domestic and foreign. So, domestic investors are sitting there, putting all their cash in the banks in very low-interest accounts.

So, the excess liquidity in the system has only been going one way since you came into office—up and up and up—and every time the Central Bank intervenes and mops up that excess liquidity, it goes back up again, peaking at around over \$6.1 billion daily average from March into April. That is a clear indicator of the lack of economic activity out there. I remember the Minister being a bit perturbed when it went up to \$3 billion to \$4 billion and so on. One time he was here to present one of these give-me-more-money Bills.

To see it get even worse in 2012, I am sure that must be “not good” for you as the Minister of Finance and someone who clearly believes that you are following the right path, in terms of your policies, but the results are just not there. So, the lack of confidence continues.

Then we have—in the earlier part, when I talked about the lack of growth prospects for 2012, in addition to what we already know was going to be negative for 2011, the labour unrest and the lack of the willpower to solve the TCL strike—something as important as cement to the construction sector and all of the spin-offs from that sector that generate positive economic activity—when that strike started we hoped that the Government would take its responsibility to the national economy very seriously and intervene and get that done.

The strike was allowed to run the full 90 days, with no solution, whereas a lot of people had to put their building projects on hold or pay upwards of 50 per cent more for a bag of cement to get their work done. I myself was a victim of this because I started a little renovation at home at the time and the strike came the week after I told the contractor to go ahead. So I felt the pinch personally.

Sen. Hinds: Courtesy the Minister of Finance.

Sen. Dr. L. Henry: The wage negotiations are an important part of economic management and if you have something like that, which is affecting such a significant sector in the economy—and we are assuming that you want to get growth going—there should have been a more urgent effort to resolve that issue and bring some kind of closure to that so that people would get their cement at a reasonable price and the construction sector could go back into some kind of positive territory which, as the Minister said, there were some signs of it bouncing back already, and it is in the Monetary Policy Report as well.

So now when we get to the second quarter, we may well see a contraction in three or four months from now when the second quarter Monetary Policy Report comes out. We may see another contraction in the construction sector because of the TCL strike.

The Minister talked about a lot of the problems as to why we did not achieve economic growth that was expected had to do with problems in the energy sector. We fully concur and it is quite clearly spelled out, in terms of the fall in production of natural gas and of oil production falling significantly from the last quarter. We know it is due to the maintenance on the part of the BP company and we also know that maintenance issues at Petrotrin, and so on, have caused significant drops in production.

The point is that these are drops. It is a major source of concern, and energy is our backbone in this economy. Until you can wave your magic wand one day and find us having this diversified economy with all kinds of different sources of foreign exchange, we live and we breathe oil and gas. And if that sector is in crisis, there is deep need for concern and you cannot just brush it off by saying that—the growth revisions in China and Hong Kong or Singapore, or whatever—they revised growth there so we revised ours. The problem is ours may be a more deep systemic problem. China and Singapore and these places might be because of their export markets being down because of the crisis in Europe and so on. There might be different circumstances.

Our energy sector could be in a deep prolonged crisis. If you listen to one Norman Christie, the president of BP Trinidad and Tobago, a nice chap. I had one very cordial encounter with him. He seems like a pleasant fellow and a fellow Caribbean person from Montego Bay, Jamaica. If you listen to him in today's *Guardian*, he is talking about the decline in BP's production of natural gas and so on. He lays it out there. You could see that the scenario he is painting is not one of some little temporary thing where we may soon bounce out of in a week or two:

“Christie said T&T was a ‘challenging environment’ for upstream developers, including BP, for three reasons:

- Low natural gas prices in the US market and for T&T's LNG exports that have been contracted for the US market;”

That is the important part. We know about selling gas to Europe and all of that and getting the higher price. What he is referring to is the contracted arrangements that you cannot get out of.

“● Low natural gas prices in the US market...

- The fact that the cost of doing business has increased as costs are tied to crude oil prices that have gone up. He said that bpTT has found that costs have a way of escalating and ‘being very sticky at the top.’
- bpTT is faced with smaller and smaller hydrocarbon pools in T&T with geology that is of increasing complexity, both of which increase the cost of finding and developing oil and natural gas.”

What we are saying is that this could be a structural and a systemic problem. It may not be a temporary issue. This is coming from the head of BP, our largest revenue earner, the mainstay, in terms of foreign exchange. This is the mainstay of our economy. What I am saying is: should we not take it seriously? Should we just dismiss this as what, “PNM ol’ talk or something”? Listen to who this is coming from.

When I talk about the energy sector and the decline in output, it is not to score cheap political points or make anybody look bad, but to face the reality that we might have problems, that we might have some serious challenges ahead in that area. These are not challenges like what we face in the financial sector or in Kiss bakery, or even in the construction sector. This is our lifeline. This is our bread and butter, so we have to take this thing very, very seriously.

The energy sector—now, what the Minister also failed to say, in terms of stimulating the domestic economic output, he mentioned the issue of borrowing, financing the deficit and so on, because questions were asked about how the deficits are being financed.

Sen. George: “Yuh come back?”

Sen. Dr. L. Henry: I would deal with that in a “little bit”. One more point about economic growth and the lack of it that I wanted to touch on before I move on to the financial developments. One of the things—having had some of my

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colleagues in the Lower House refer to the lack of statistics coming out from the Central Statistical Office—is in terms of up-to-date data, unemployment and the like. We have inflation data, which is not very good as well. But, the last unemployment data for the third quarter of 2011 shows that unemployment went down to 5.2 per cent, representing a decline from 5.8 per cent of the previous quarter of that year.

When I heard this—because we were waiting for that number for a very long time and it came out rather belated—and most people who heard that number said: “No, that cannot be right. Something just seems wrong. How could you have the kind of lack of economic management and this crazy state of emergency and unemployment actually went down?” Well, as it turns out, the number went down, due to no overall increase in jobs but a shrinking of the size of the labour force. So, the improvement in the unemployment rate resulted mainly from a reduction in the labour force, which outweighed the number of jobs lost in the quarter. So, even that, you cannot find any solace in. The number is a bit of a phony result, based on the fact that more people withdrew from the labour force than jobs were lost. So, therefore, the number actually went down.

Now, one of my areas I was just getting into, again, was that you have the Government pursuing along a line of deficit for the first year, this year, and at some point the Minister, I assume, plans to run something of a balanced budget. If I look at his projections—I should not call it his, the IDB's projection in their medium-term outlook for Trinidad and Tobago—the budget deficit/the financing requirements are supposed to expire in about three years' time. They are supposed to borrow some money from this year, next year and by the time the next election is called, they are supposed to have somewhat of a budget surplus or a balanced budget. It is there. But, right now, how is the Government financing its domestic operations?

3.30 p.m.

You see, this has implications for the overall management of the economy because the Minister said he provided details; unfortunately I did not get that information you said you provided, apparently—I do not know if my colleagues had it, but I did not get it—and you accounted for how you might finance this \$1.5 billion. But I am still yet awaiting the significant upturn in how we are going to finance the overall \$8.9 billion deficit, if it turns out to be that way. What you are going to have to do—because if as of March 2012, you had a budget surplus of \$2.6 billion in that order, to end up with a deficit at the end of the fiscal year of \$9 billion means you have to spend almost \$12 billion in the next couple of months. [*Interruption*] No? Well, enlighten me when you have your turn.

So the point is—[*Interruption*] yes, because of your lack of implementation of programmes, you have not been able to spend as much in the first six months, the first half of the fiscal year, as you planned, so you have a surplus as reported there, unless you want to tell me that number is wrong. The surplus is over \$2 billion, so within that period you have to do quite a bit of spending. And where is that money coming from?

Now, we know you borrowed some money from the IDB in terms of somewhere in the order of TT \$1.5 billion this year. But one of the things that is causing concern on the domestic financial market is the lack of activity by the Government in terms of bond issues and Treasury bills issues, and I am sure there are people in this room who are very familiar with what I speak. If you look at the primary bond market activity in the country for 2011: January, Guardian Holdings and a whole bunch of them, there is 1, 2, 3, 4. [*Holds up a document*] There is quite a significant number, maybe about 17 or 20.

When we turn to 2012, we see there is only one primary bond issue in the country in 2012, that is, in Agostini Limited—\$50 million, 10-year bond, fixed rate 8 per cent. There has been no Government activity whatsoever, absolutely zero since the Clico bond issue back—the \$1.5 million in November, central government of Trinidad and Tobago \$1.5 million, 20 years, fixed rate 6 per cent. So there is no Government activity in the bond market, nothing coming out of Nipdec, WASA or all the things. So where is the Government's financing coming from? It leaves us to wonder.

How could you stimulate your economy and spend billions of dollars, and you have no bond issue? So the financial markets are basically stagnant. What you see are movements in the stock exchange because that could be explained by the fact that when people have nothing else to do, they bid up the price of existing assets with their money. We have seen that happen all over the world. They go after existing assets because there is nothing new to put their money in, so they bid up the price, so that is not necessarily surprising. But when you look at that—and if we look at total public debt outstanding from the Government, we see \$72 billion in September 2011; by March 2012, that is predicted to be \$77 billion, a small increase, an increase of \$5 billion, nothing earth-shaking about that.

But then, how are you stimulating the economy? One of the ways you do it is by actually going out there to borrow; put money in the market. Now, if you look at—and the increase was accounted for mainly by the bond issue of November that I mentioned, because that came in between September and March, and then increases in external debt, the money borrowed from the IDB, over \$200 million

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which translates to about 1.5 per cent. If you look at Treasury bills, September 11, 2011 outstanding, 14.2 per cent to March 2012, 14.2 per cent, in terms of change—increase zero.

So what we see happening is that there has not been any issuance of Treasury bills, there have not been any issuance of Government bonds, and that is the way you finance large projects in most countries, by issuing bonds like the one that was issued in 2010 for WASA and so on; similar to that. That is what you do to finance big projects to get your economy going. So what is actually happening here?

So you have no issuance of Treasury bills, no issuance of bonds, either by the Government directly or through, or on behalf of the state enterprises over that extended period, and the financial players look forward to these things in order to have something to invest in. So the commercial banks are sitting there waiting for the Government to announce well, okay, we have a plan, which the previous administration used to do—have a schedule in terms of proposed borrowing. So the banks would know what is coming downstream so that they could position themselves as to whether they want to get involved in this activity or not. And this inspires some level of business confidence that, well, okay, we have some activity coming up. What we are seeing on the part of this Government is no planned activity.

Now, they might have a plan, but it is in their head or somewhere else. It is not communicated out there to the financial community, and the business community is just sitting there waiting: “Hey, are they going to borrow?” “Are they going to issue a Treasury bill?” “Are we going to see something coming out for WASA, for Nipdec, for any kind—you know, what is happening?” And that is creating a lot of the uncertainty that we see expressed on the part of the investors. People want to know that there is a concrete plan of action.

Now, I am sure some of the Senators here will jump up and say: “Well, we have a plan.” Well, you have been saying that for two years, but how come nobody believes you? Do you think it is by guess that nobody takes you seriously? It is because you say you have a plan, but the actual signals that would let the business community know that you are doing something is not getting anywhere.

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

Motion made: That the hon. Senator’s speaking time be extended by 15 minutes.
[*Sen. S. Cudjoe*]

Question put and agreed to.

Sen. Dr. L. Henry: [*Desk thumping*] Thank you colleagues, and thank you, Mr. President. As you know, I seldom go over my allotted first 45 minutes, but this is one occasion when I feel compelled to make these points, and to emphasize that we are in a particularly serious economic situation.

Sen. Hinds: Oh yes!

Sen. Dr. L. Henry: And no amount of flowery, grandiose statements on the part of the Minister will change the facts on the ground. And we will have a lot of people jump up and say well, it is because of something the PNM did in 1956, and some decision that was made in 1982 and so on. We expect the normal responses from the Government—[*Interruption*]

Sen. George: But you have been quite normal too, you know.

Sen. Dr. L. Henry: “Yeah.” But I am putting serious information out here—[*Interruption*]

Sen. George: You are quite normal too. So let us all be normal.

Sen. Dr. L. Henry:—and so on, but that will not change your predicament, you will still be the Government—[*Interruption*]

Hon. Senator: For a very long time.

Sen. Dr. L. Henry:—and you will still have to make decisions. You see, no amount of jawboning, as I pointed out to the Minister, is going to cause any serious economic growth. If you have no clear indication of what your plans are, and the business community can take serious cognizance of it, and take you seriously, then you are “spinning top in mud”. To have no schedules of borrowings, no discernible plan of action in that regard, people will just keep their money there. They will sit and hold what they have, rather than engage in any serious forward-looking activity, and this is what we see happening with this Government.

There is no match between the rhetoric of having a plan and concrete and concise policies that the Minister thumps his chest about, and the action on the ground. The lack of implementation of projects, we know, continues to plague the Government. In fact, I see one of the loans from the IDB, a small one is for that purpose, supposedly to speed up implementation of projects to get advice—I do not know what they are going to do with the money—to help speed up the projects. Well, I am sure it is going to flow quickly to somebody’s pocket; maybe that is the form of speeding up you will see.

Sen. Hinds: “Um-hmm!”

Sen. Dr. L. Henry: But the Government is fully aware that it is facing tremendous implementation problems, and you cannot hide from that, and you cannot dodge some of the serious issues.

Just before I close, Mr. President, I just thought it would be remiss of me if I did not mention one or two quick things that piqued my interest, based on listening to yesterday’s debate. I find it interesting—I hope the Minister would clarify why he is paying \$13 million for consultants to reform Clico. If I heard correctly yesterday, \$13 million to consultants.

Sen. Hinds: Wow! Huh!

Sen. Dr. L. Henry: That was one of the details, and the continuing problems that came up in the debate, Mr. President, concerning Caribbean Airlines, a subject I have some interest in, and we have warned about it. The hon. Leader of the Opposition, from day one, said CAL will come to mean calamity, and so far he has been impeccably correct. [*Desk thumping*] The Minister came to the Lower House, I believe, and talked about the tremendous losses that have been incurred by Caribbean Airlines, and this Government’s continued irresponsibility in managing the airline, and by continuing to appoint people who are probably not suited to be on the board of directors—and we continue our mess.

Now, because Caribbean Airlines, from my understanding, is in such a calamitous state right now, we could be hearing of major problems. If you thought what we heard before was bad, it could be a lot worse in the weeks ahead. Apparently the two planes that were supposed to fly the London route have not been approved, and there is a possibility that the airline could be downgraded, which will be a disaster for us all.

Sen. Hinds: Oh, my God!

Sen. Deyalsingh: Serious?

Sen. Dr. L. Henry: Yes. And the morale of the people there—[*Interruption*]

Sen. Drayton: No doubt.

Sen. Dr. L. Henry:—hit rock bottom, and I would like—[*Interruption*]

Sen. Hinds: Ross bottom or rock bottom?

Sen. Dr. L. Henry: I am not saying that it is, I am saying there is a possibility that it might be, because of all the problems. You see when you are trying to expand all these routes and so on, especially in this vaille-que-vaille manner, you need to

train pilots and you need to train them for months to fly new planes, if that is not the type of planes they were flying before. You cannot just take someone from flying, let us say an airbus, for example, and put them to fly a Boeing 767. It is two completely different systems, so pilots have to be retrained. Apparently one of the problems in the airlines is that they have been hurrying the training and trying to push people into flying these planes, without fully going through the complete cycle of training; that is one of the problems.

Sen. Hinds: Okay.

3.45 p.m.

Sen. Dr. L. Henry: Yes, and the problem at the airline is a complete and total disaster waiting to happen and this Government needs to take responsibility. Now I do not blame the Minister of Finance completely because he tried to intervene last year and he was slapped down—so maybe in his own wisdom he saw what was going to happen and made an intervention. In fact, the Minister of Works and Infrastructure tried to intervene and he was slapped down as well. He was demoted; the Ministry split; he was given half a Ministry or substantially less. So what we have is the CAL situation turning out to be one of the great manifestations of PP mismanagement and irresponsibility. [*Desk thumping*]

Sen. Hinds: Well put. Well truthfully put.

Sen. Dr. L. Henry: Yes. I could go into further details, but we all know.

Sen. George: Do not stop!

Sen. Dr. L. Henry: Thanks for the encouragement, hon. Leader of Government Business. I am just touching on this briefly as I close because I think the public needs to be aware that we are facing significant problems. When you cancel the contracts, we do not know what we will face with the OPP contracts because that is not public information yet in terms of our liability. Then, we also see what is happening at T&TEC. My friend here, the hon. Minister of Public Utilities, it is my understanding that T&TEC has to pay for the electricity developed by the plant that was supposed to feed the—

Sen. George: Everybody knows that. That is common knowledge. That is no news.

Sen. Dr. L. Henry: But you cancelled the plant.

Sen. George: That is no news.

Sen. Abdulah: It was a PNM decision.

Sen. Dr. L. Henry: Are you awake, Sen. Abdulah? I happened to wake you up?

Therefore, it is putting the company in a serious thing. So I think, Mr. President, what we have seen from the Minister is par for the course. He comes and tries to use these opportunities as some kind of “feel-good session” to pat himself on the back, while picking up crumbs and hoping against hope that something would turn out right and that one day he would be able to come and say he achieved some kind of positive growth or development for this country. But time after time so far, we have seen the Minister making pronouncements, talking about, “we on this growth path”, and so on, and six months later we are actually going the wrong way.

There is no confidence that this Government is able to manage this economy properly and it is being manifested. People are speaking, not necessarily with their voices; people are speaking with their money. They are refusing to invest and we know that Trinidad and Tobago is prone to capital flight. I have seen several articles, including one by the Business Editor in the *Guardian* and the former Sen. Mary King, referring to capital flight; so we know that is a problem that we generally have, regardless of the Government. What we are seeing is that we would expect significantly more of it as we see no prospect for investment in this local economy as this Government continues to blunder in terms of its economic management.

I thank you, Mr. President.

Sen. Subhas Ramkhelawan: Thank you, Mr. President. I welcome this opportunity to contribute to this Bill on the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending September 30, 2012.

It is a good juncture for us to take some time now and reflect collectively, as a citizenry, on the state of our economy. I think it is also good that an interjection from the Independent Bench, shorn of many of the political issues and rifts, can address some of these matters of the economy frontally and with the sober reflection that it deserves. [*Desk thumping*]

I have spent much time, Mr. President, working in various parts and various areas of this country: starting as a public servant; moving to the state enterprises; working in the private sector; becoming an entrepreneur; and then continuing to serve in public office, for which I have been honoured by this country.

It is the first time in a long time that I feel a sense of déjà vu, a sense hearkening back to the mid-1980s, when our economic situation was one that could not be deemed to be something that we were comfortable with. There is a great sense of discomfort in the financial and economic indicators that we see now in this country.

I dare say that I am worried. I am very worried about the economic situation and the predicament that we face. I say this, not as a pessimist, but as a pragmatist who would have seen some of these indicators before, close up, as my friend Sen. George would have seen in his days in the public service.

So I propose to preface my contribution by saying that I want to address some of the indicators as to economic growth and GDP: the situation on the fiscal side, the outlook on the monetary side, the questions with regard to the capital markets, savings and investment in this country. Therefore, I will not become culpable of falling into the trap of political statements or meanderings. At least that is what I hope to do in this contribution today.

Let us start, for the benefit of all our citizens, by looking at our situation with regard to economic growth and GDP. We have had three years of decline and that in itself is not necessarily a bad thing. It reflects the state of the world economic order in many respects since 2008. But, when we drill down further with regard to the issue of economic growth—three years, that is the past—our current situation really calls for what are we doing or going to do to engender economic growth in some shape or form.

It really does not matter to me whether the figure is 1.5 per cent or 1 per cent. What matters, is what are we going to do to shape and cause our future as far as the economics is concerned, to a better place? That is why I am worried. As you know, Mr. President, roughly half of our GDP comes from the energy sector directly—whether you say 45 per cent or 50 per cent that is another matter—and much more of it is dependent on the energy sector in terms of distribution, in terms of the retail trade, in terms of services and so on.

Half of our fiscal—our revenues—comes from the energy sector and over 80 per cent of our exports comes from the energy sector and, therefore, it is a good time to reflect on what is happening in the energy sector. When we do sober reflection as to what is happening in the energy sector, we have cause for concern. We have seen that the level of gas production has actually fallen away. We have seen that our reserves in gas are dwindling and we have not heard of any new finds as far as gas is concerned that will take us forward in terms of a new era similar to what we experienced by the mid-1990s, going into the mid-2000s—in the first decade of the year 2000.

So where is the gain? Where is it that we are going to find a place to hang our hat and say we are going to move forward confidently? The answer is: I am not seeing that in the immediate future. Of course, we would look forward with bated breath to hearing what the Minister of Energy and Energy Affairs would put on the table with regard to what is happening over the next year or two.

I am not here to cast blame on anybody or, for that matter, to even give credit to anybody. I am simply here to evaluate the situation on behalf of the citizens of this country, Trinidad and Tobago. We may have modelled somewhat in terms of our fiscal and tax regime about five or six years ago and we are now five or six years behind in terms of the generation of new gas finds.

That is the clear case, so even if as we change the regime as we are doing now—the fiscal and tax regime—the fact is that to move from regime to finding gas to commercialization of gas, we have said before, will take you seven to 10 years. What is going to happen in between? What is going to happen from 2012 to 2018/2019, that is, if we find gas? That is the proposition that I am putting forward: that if we find gas, it is going to take us seven to 10 years.

Here is what I am concerned about most of all. We as a nation have depended to a large extent on foreign direct investment of a capital-intensive and very significant nature for many years and, because energy is such an important and significant part of our economy, we can expect that for our successes to continue we will have to depend on energy into the foreseeable future until such time that we can achieve any modicum of diversification, notwithstanding the brave soundings of my friend, the Minister of Food Production, Land and Marine Affairs, who has put on the table that he is going to achieve a very significant volume of production in the agricultural sector.

Even if he achieves that, it is not going to contribute more than 1 per cent to 1½ per cent of GDP, when oil and gas is 45 per cent to 55 per cent of GDP. He can treble; he can quadruple; he can quintuple and whatever the word is for six times; he can do that too and it is not going to add very significantly to GDP; but it will add significantly to productive jobs and that is why I give him 100 per cent support in his initiatives and wish him well for the benefit of our country.

I want to turn back now to the question of capital expenditure in the area of energy and here is the problem that we have. It is a serious problem and it is a well-known problem which I want to articulate once more—that is, that most capital-intensive projects have a payback of 15 years, 18 years or 20 years, as the case may be. If you put down a methanol plant, if you put down an LNG plant, you want to make sure that you have gas supplies for that entire period of 15 to 20 years because if you do not, you cannot put a project on the ground.

4.00 p.m.

That is the core of our problem for foreign direct investment in the energy sector. The core of our problem is that we have nine years or 10 years of gas reserves. I am sure the Minister will correct me; it might be 10.357 years. The point is that we

are short of the marker, and we have turned from the beautiful swan, as far as the international investors are concerned because of those factors of political stability and a good fiscal regime, which we may have had about six or seven years and we probably have now—as we have reinstated and put in a new fiscal regime.

But you know, those are the peripheral and wrapping issues; those are the packaging issues that bring investors here. What they need to know is that they have gas for the projects for the duration of time, and that is what is missing. [*Crosstalk*]

So, if energy, gas—[*Interruption*—I am really not concerned when it started to go down, whether it went in 2010 or 2007. That is mere political bantering. [*Desk thumping*] I am speaking about the economy. And I am not speaking for the Government nor for the Opposition. I speaking for the country. And that is the only thing I am concerned about. To me, who runs the country is really of little consequence; it is how they are running the country—[*Desk thumping*]

Sen. Al-Rawi: Well said.

Sen. S. Ramkhelawan:—and for the benefit of our citizens. Of course, I have good friends across there, and I have good friends here and when I speak to them I say, “boy, I wish you running the country. But I wish you run the country well.” That is the last part that you need to add. I wish you well and I wish you run the country well for the benefit of all our citizens.

So, that is the first point I want to make about this matter of GDP, economic growth and the core to our future. But I still want to ask the hon. Minister of Finance, who in his last budget speech—if my memory serves me right—promised capital expenditure to the tune of about TT \$26 billion. And the hon. Minister, my good friend, he spoke to increases in expenditure, but he said nothing about revenues. He did not say that we projected oil price to be \$75, and that on average the oil price was about \$90-something.

He did not say what that additional revenue—if there was any additional revenue, and how much that additional revenue would have been. One would expect that there would have been some surplus on the basis of what has happened with oil prices relative to budgeted prices. I think the figure is \$98.15 per barrel of oil as opposed to \$75. [*Crosstalk*]

In the gas sector, the Minister of Energy and Energy Affairs has said repeatedly, and I accept his contribution, that we need not look at what the average gas price is at Henry Hub because, Henry Hub today is 2.34 or 2.40 MMBtu that is less relevant

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today than it was three years ago when we would have exported 60 per cent of our gas to the US. Now, it is in the teens. I am subject to correction because of the expertise of the hon. Minister who will correct me in due course.

The exports to the US is now in the teens, and we are getting prices of \$10 and \$8 MMBtu. So, where is this revenue which is supposed to be coming from the price in excess of the budgeted price? Where is that? The hon. Minister has simply put on the table and by his pronouncements I am to presume he is making a statement that the revenue is exactly what was budgeted because he has not made a statement as to what, if any, increases in income have been experienced over the budgeted figure.

What he has said is, look my expenditure is now moving from 54.5 or 54.6 up to 56.1. And it is a simple arithmetical addition of 1.5 billion in the additional expenditure that is being programmed. I ask the hon. Minister, what is the revenue situation? When you are doing a budget you look at revenue, and then you look at expenditure and then we come to this matter of the deficit because we are moving to a deficit position, which is very scary for me. It is that *déjà vu* all over again. I saw it in the mid-1980s, and I was a younger man and was not prepared to really pay much heed to it at that time. But now with age, if not with wisdom, I am very worried about what is happening and how we are moving forward in the country.

So, we now move from \$7.4—I think it is—billion in terms of deficit to \$8.9 billion. We moved from 4.7 or 4.8 in terms of the deficit, to GDP; we now move to 5.8 and this is about the third or fourth year that it is going on. Now, Mr. President, here is my greatest and deepest worry. The Government is approaching the midterm, having already served two years; it is in its third year in office. No new revenue streams are coming. Expenditure is getting—from what we see here—out of hand, because it was the largest expenditure ever for this year, and now we top it up with another \$1.5 billion.

So, the deficit is growing, and the deficit is persistent, and you have three years again to go; I do not think that politically—and I dare delve into the realm of political thinking because as an investor and as an analyst and as a student of human behaviour, I have seen it before. I can tell you, and I can predict to .357 per cent, according to the Minister of Energy and Energy Affairs—[*Desk thumping*] I can predict that we are not going to get a surplus anytime over the next three years. I can predict that we are going to continue with deficits in the order of \$6-7 billion over the next three years. I can predict that we are going to take our debt-to-GDP to levels that are dangerous and unsustainable not because we do not have economic minds on the other side, but because we are in a state where the politics is going to trump the economics.

That is what is going to happen in this country because when you get to election, the game is to retain power. When you retain power after elections, you would think about how you would fix and adjust the economy. But we have nursed a society on entitlement. I think the word has been used here, we have nursed a “gimme-gimme” society. [*Crosstalk*] It is very, very difficult to reverse that trend; when the politics and the economics come together, it is going to be very difficult to reverse that trend.

That is why I say, Mr. President, that I have this sense, this gnawing déjà vu that we are going to ratchet up debt-to-GDP to a level where we find ourselves in the shackles of a political situation that we cannot reverse. So we have cause to worry. And we have cause to worry, because as I said, we have nursed our society to this entitlement society. We have seen what has happened to societies that have become weaned on entitlement. What you do, you explode the expenditure side and you keep giving and you keep giving and you are not asking our citizenry to stand to account, to produce. [*Desk thumping*] You are not asking our citizenry to sacrifice. You are not asking our citizenry to think in terms of the future of our children.

So what we are doing when we borrow like this misdirected or undirected—and I am not saying that we are misdirected in our expenditure, I am saying if we misdirect our expenditure and our deficit financing, we are really selling the future of our children down the river. [*Crosstalk*]

Hon. Senator: True!

Sen. S. Ramkhelawan: That is the concern that I have as far as the GDP side of the equation is concerned. [*Desk thumping*] So to summarize on GDP: where is the capital expenditure to get economic growth? Tell me where that \$26 billion that was envisaged, where is it coming from? Where are we today with it? Where are we at this point in time—seven months, eight months into our fiscal year? Show me and tell me where. Okay? [*Crosstalk*] So you are only showing me the growth in expenses. Where are the growth poles? I am concerned about that. Where are those five growth poles? [*Crosstalk*]

Sen. Hinds: Yes, ask Tewarie.

Sen. S. Ramkhelawan: Have those growth poles disappeared somewhere? Where is the work that is supposed to be going on those growth poles? I would want to feel comforted if I get feedback—if I get some feedback from the Government that these works are progressing.

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And now, when we look at the capital expenditure side I want to say how much I support the idea of the whole integration of our petrochemical sector going downstream; moving from methanol, moving from ammonia and getting to olefins and polyolefins. [*Crosstalk*]

Sen. Hinds: You have failed.

Sen. S. Ramkhelawan: So it is a project that I understand is in the hands of the Government with SABIC and Sinopec, and I wish them well because if they do well, the country does well.

You know, Mr. President, facts are stubborn things. [*Desk thumping*] And you can twist it and turn it and embellish it and polish it how much you want, facts remain facts.

Sen. Hinds: Sen. Abdulah told them.

Sen. S. Ramkhelawan: I want to turn to another area which I thought—Before I go to the monetary side, the Minister of Finance spoke to the Clico issue and the whole question of whether that has worked well or not. It was an impediment as I have said before, Clico/CL Financial was an impediment to confidence in the system. The approach to the solution, if it is to be measured in acceptances by those holders of Clico EFPAs and otherwise, if it is to be measured I would say that the Government is to be congratulated for some modicum of success in addressing the matter of Clico.

Sen. Hinds: No.

4.15 p.m.

When we look at the latest statistics, the bonds that were supposed to be issued to all Clico investors would have been in a quantum of some \$10.5 billion. I am advised that some \$6.9 billion—which is close to about over 65 per cent or two-thirds—has been accepted. I am further advised that of this \$6.9 billion, one-third or \$2.3 billion has been traded or transferred.

What it means is that those people who have accepted the settlement have taken the settlement, and a third of them who have accepted have gone to the market and sold their bonds and gotten cash, and the next question is what to do with it? The point is, I see a high level of success as far as that is concerned because—of the \$6.9 billion that has been accepted, \$2.3 billion or one-third was traded—the fact is that virtually all persons have separated the 20-year bond from 11 to 20. They are holding on to that waiting for the Clico Investment Trust, which will allow them to take those 11 to 20 bonds and exchange them for shares in the Clico Investment Trust and get virtually dollar for dollar for those bonds.

In the case of the one to 10-year, they would be getting about 80, 82 or 83 cents on what is happening now. So, I think it was one yoke around our neck, collectively as a nation, which was stymieing confidence and that, having been removed to a great extent, sets the stage for going forward.

So, the Minister spoke in his Appropriation Bill to the question of having to put out another \$30 million to deal with the Clico bonds. So, now I ask the question: what is the state of play with regard to the Clico Investment Trust? We were told that that matter was going to be resolved by the end of March or April, and that has been deferred. I would like to hear from the hon. Minister on behalf of the national community: when does he expect the Clico Investment Trust, which is essentially the second half of the Clico settlement, to come to the fore?

I want to make one concluding remark about the Clico bonds which caught my mind in terms of the operations of what was happening. When the Minister initially announced the Clico bond issue, my recollection is that he would have said that, after six months, those bonds were going to be publicly traded. I would like to know as well, at this point in time, what is the status of that, because that time has gone. We are at about that time.

Why I raised the point about publicly traded bonds is that when you have over-the-counter trading, it means that the small holder will not get the same price as the large holders because the large holders will negotiate different levels, and because of volume and scale, the smaller players would get lower prices. That is not necessarily good, especially if you want to develop the capital markets, you need to go public with those shares.

I want to turn now to the question of the monetary side of the equation. We have spoken to GDP, and I want to speak to the monetary side of the equation. We have seen now and, persistently so, for the past two years, interest rates are at about the lowest that they have been in our history. We have seen things that I never thought we would have seen. I have seen three-month Treasury bills at 0.04 per cent, and I never thought that I would have seen that in this country, but I saw it.

We have seen money market rates at historical lows where for TT dollars you might get 1.3 per cent, when investors would have been accustomed for many years—and up to about two and a half years ago—of at least 6 per cent or 7 per cent but, on the other side, this is what you are saving. This is the rate you get for saving, but then you see the inflation rate at 11.6 per cent. So what is happening is that by saving you are losing value. If you are getting 2 per cent and the rate of

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inflation—which is the rate at which prices are increasing—is 11 per cent, well then, the simple arithmetic suggests that in one year's time, if things continue, your buying power will fall by 9 per cent. You might have the same dollar, but it could only buy the equivalent of what 91 cents could have bought a year ago.

So, we have a difficulty on the monetary side with inflation, but I am sympathetic to the Governor of the Central Bank as far as the monetary equation is concerned because, really, much of what is reported of inflation here is really imported into this country. If you look at the core inflation rate, which is now 2.2 per cent, that is virtually fully dependent on what is happening with metal prices and commodities and so on outside of Trinidad and Tobago.

I think if I have a recommendation to make to the Government, it is to accelerate the production of food because it is the increase in food prices that is causing the inflation figure to be so high. Remember that core inflation, energy prices and food make up the figure that we normally see, which is headline inflation.

We have held energy prices constant by subsidizing energy prices for quite a long time, and it is time that we discuss from the point of view of economics, a game plan and a time frame for reducing the extent of subsidy that we have for gas because we are spending, as a nation, over \$4 billion—if I recall the last statistics—in gas subsidies. In fact, if we continue along those lines, what I would not like to see as our economic predicament hardens, is that we make a precipitous adjustment to gas prices when our backs are to the wall and we do not have any choices, and you are going to see fast increases in the cost of living. So, it is time that we think in terms of setting a timetable for reducing the level of subsidies in gas and let it feed into the system but, then again, that is not a politically sagacious decision, but we are going to have to address the issue.

When you have transfers and subsidies, Mr. President, exceeding 50 per cent of your revenues, it is time to wake up and smell the coffee. That is the situation that we are in now. We are in a situation where —just shifting gears to the fiscal side—transfers and subsidies now make up, if I could pull those specific figures for you—transfers and subsidies as a percentage of total revenue, 53.9 per cent projected for the year 2012, and as a percentage of total expenditure it is 46 per cent. The more significant statistic is transfers and subsidies as a percentage of revenue.

And you know, Mr. President, shifting and holding to this fiscal side, transfers and subsidies to households—in 2000, it was \$1.36 billion; in 2011, it is \$8.12 billion. This is just transfers and subsidies to households. That is a fantastic statistic, and the

question is whether it is sustainable. The answer is straightforward and simple and clear: it is not sustainable. This is where the politics will continue to trump the economics until such a time that we can do nothing else about it and we have no choices.

There are other things in transfers and subsidies outside of the household sector when you talk about the fiscal side, and maybe this is the time to just say a few words on this question of CAL because others have spoken a bit about CAL. Now, I have been in the business of investment for some time, so when I heard about this fuel hedge, I immediately asked myself, “Well, what was the price that CAL was paying to get this hedge?” As it turns now, they were paying nothing. So, if you buy a hedge or if you are offered a hedge, there is a price for a hedge. So, this is not a hedge, this is a subsidy. *[Desk thumping and laughter]*

Let us set aside the rules. *[Crosstalk]* But hold on. This is not something invented by the PP Government. This was created by Mr. Mariano Browne under the PNM Government. He called it a hedge. So, let us be clear. I speak for nobody in any political party. I speak for the country. Now what we have is a fuel subsidy aka fuel hedge of \$273 million.

Now, there is another question, once you unclothe the rules, as to whether one day we are going to find ourselves in trouble with the WTO about subsidizing this service. I, certainly, would like probably the Minister of Planning and the Economy to tell me—in the absence of the Minister of Trade and Industry—how is he going to deal with this matter, because you are going to find yourself in a situation where you are going to get some trade issues for that subsidy because it has ballooned to too big a level.

So, I would like to hear from the Minister of Finance or the Minister of Planning and the Economy, how you are going to deal with this matter. Call a spade a spade, and say you are losing so much money and the Government gives a grant or whatsoever to this institution because this institution, historically, has been a drain on the Treasury. Let us say it continues to be a drain, and we have to put money into it for whatever strategic or other reasons we might want to imagine, but let us call it, what it is, \$273 million in subsidies in fuel.

Let me address the whole question of CEPEP. I address this question with the national citizenry as well. If my memory serves me right, at the coming into office of the—

Mr. President: Hon. Senators, it is now 4.30 p.m. and I propose to take the tea break at this point. We will resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

[MADAM VICE-PRESIDENT *in the Chair*]

Madam Vice-President: Sen. Ramkhelawan was on his legs before the tea break and, according to the President's timing, he has three minutes of original time left.

Sen. S. Ramkhelawan: Welcome to you, Madam Vice-President. I was on the point of CEPEP and some of the issues that have arisen in our national community with regard to this particular programme. On the coming into office of the People's Partnership, my recollection was that there were some 5,000 CEPEP workers. Today, on the pronouncements of the Minister of Housing and the Environment, we have moved to a level of 11,000 CEPEP workers. I am concerned about this development—not because I do not want my brother or sister to “eat ah food”; that could hardly be the case—in terms of the labour sector where, on the one hand, it is very difficult to get someone to work in private residential areas and so on, again.

That aside, more importantly, we are losing the capability to work a full day's work. We are losing that capability because people are now starting to believe in the conversations that I am having, “Boy, ah really work hard today yuh know. Ah really work hard for that hour and a half” or two hours, if so much. I guarantee you—I even invite you to witness—that I can cut 15,000 square feet of grass in less than a day, which takes 30 people to do in CEPEP. I am very concerned about this because, in my humble view, we are not creating a society and an economy that is productive.

In my humble view, what we are doing is causing people to unlearn the art, or the science, of working. That would have serious consequences if there is some sort of meltdown in this economy where we have lost the art of working, and where we are no longer capable of maintaining a workforce—that is, CEPEP—of 11,000 people.

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes.
[Sen. B. Ali]

Question put and agreed to.

Sen. S. Ramkhelawan: Thank you to my colleagues. I recall, Madam Vice-President, that when the acronym CEPEP was first coined, there was an undertaking that those who were in the programme would work for a period of time and would undergo training so that they would graduate out of the programme. Again, this is

a continuation of what was put in place before, under the PNM regime. Years have passed and we have not graduated anybody out of CEPEP. So, where is the learning? Where is the growth? Where is the building of the productive capacity and capability of such a large part of our workforce in this nation? It is non-existent.

Madam Vice-President, you could see why I am becoming worried. We could talk about GDP, and when we talk about a productive and capable labour force I find that—apart from CEPEP—there are a number of other similar programmes which teach how not to work and how to seek entitlement. I do not mind that there are people who cannot work, for whatever reason—they might be incapacitated in some form or the other— but when you have able-bodied men and women standing on the side of the road, holding a mesh with 10 other people looking on and somebody swiping, you have a problem, and the Government must become very serious about this. Add to the productive capability of this nation if you want to talk about the economy. Add to the productive capability. These are my concerns with regard to that particular programme.

Before I turn, we are talking about adding another \$260 million to \$300 million that was already in place; we are talking about that much. I do not have a difficulty—I do not think anybody should—when you have 1 per cent of your expenditure going to CEPEP. My difficulty is put those able-bodied persons—I think in the old days—you might be too young, Madam Vice-President—we used to call them “hard-back men”. “Why yuh taking hard-back men to do soft work?” Make it as simple as that. The answer must come very clinically, and easily, to those in Government.

Whether it was with the PNM or now with the Partnership, let us move forward because, when you look at all the indices—competiveness, productivity and so on—we are falling behind, and it is very clear to me why we are falling behind. We are falling behind because we are losing the art of working hard, and we are promoting it. We are promoting that you do not have to work hard and that cannot be right—philosophically and economically—that cannot be right. So, when you hear the surveys going on on the radio and you hear the question, “You think we should spend more money on CEPEP?” And 90 per cent of the people say yes, then I become worried. That is why I am worried.

I want to turn to the question of capital markets, an important part of investment savings in this system, and, indeed, in any system. We seem to have lost our way in the reform and development of the capital markets. I believe strongly that we as a nation have the capability to develop and strengthen not only our local capital market but to build a regional capital market.

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We need to put in the legislative infrastructure in order to get the capital markets going. I have said before, one of the reasons we had the debacle of Clico/CL Financial, is because, among other things, we had an outdated piece of insurance legislation on the books since 1980/1981 with no amendments. Almost 30 years with no changes; no requirement for capital adequacy, as you have had already in the banking sector. So, for \$1 million you can grow the size of an insurance company's assets without limit; without showing capital to support the risk that you are taking.

Now, the Insurance Bill was tabled in the Lower House—that other place—as far back as, I believe, January. There has been no debate; the Bill is going to lapse. It is a very expansive Bill. I am told it is close to 200 pages. We really need to do something to get this into the system. As a first step to seeking to build the capital market, put the infrastructure in place. That is the first thing in terms of the legislation. Then, there is the Securities Industry Act, 1995 to be repealed and replaced by a Securities Bill, to become an Act 2012.

Now, here we go, again, Madam Vice-President, with regard to legislation which is going to cause us to be with our backs to the wall, and the Government is going to say, “Well, you know, we need to pass this because if we do not pass this we are going to be blacklisted on January 01, 2013.”

IOSCO, the international securities body, has certain requirements and if we do not put those requirements in place we would not be able, I understand, to deal and treat with its members, internationally. We are in June—I expect, in the next couple of weeks the Leader of Government Business might be able to say more about this. Parliament would be prorogued; he might want an extended rest. He has worked hard—he is going to work hard today, early into the morning—and, probably, would work hard tomorrow, and he would want an extended rest. He would want to come back here in October, or earlier, and we have Bills to pass. Then he would want us to work until 3.00 in the morning because he is not bringing the Bills in time.

I want to remind the Leader of Government Business, and the Government, to get that piece of legislation in here. It is important; an Act is now in place that is more than 15 years old. So many changes have taken place; calamities worldwide have taken place that have caused changes in regulation and legislation. Bring the Bill. Do not bring that Bill on December 30 and tell us that we need to pass it because if we do not pass it we are going to be blacklisted. Because we are all good citizens—great patriots—you would play on our conscience, but you know that it is wrong. It is not our conscience, it is your conscience. You know that it is wrong; bring the Bill at the correct time because it is over 100 pages, if my memory serves me right, again.

Then, there is the credit union Bill, the new piece of legislation. We have had failures in insurance of gigantic proportions and the same could be said of cooperative societies, particularly, the credit unions. We are hearing some of the stories that have come out, and I hope that a few people “make jail”; not because I like them to make jail, but for what they are doing, they should be making jail. It brings me to the whole question of white-collar crime in Trinidad and Tobago.

Our police service is not staffed for and capable of dealing with white-collar crime. You would see them running down the road chasing somebody who nipped \$20, or whatsoever, but the fellow who “tief” \$20 million, you cannot see him and you do not know how to investigate him. I think it is important for my friend, the Minister of National Security, to take note that we need to develop the capabilities and skills, as far as white-collar crime is concerned in this country. We do not have the capabilities right now in the police service. You know that, I know that. You need a higher level of understanding, of evaluation and of investigation that is not, in my view, existing in the service.

I come back to an area that I think I have a little more understanding of—the question of the credit union Bill. Bring that Bill because we have seen failures. It is clear, and there is a clear understanding, that the capabilities at the level of the Commissioner of Cooperatives—the Commissioner of Cooperatives Division is not staffed with the quantity, and a capability and qualifications to deal with these types of really financial institutions and they are holding \$8 billion to \$9 billion of citizens’ funds. Do you want another debacle? Do you want another failure? It is up to us in this Parliament, but we cannot evaluate a Bill unless the Bill is brought here. I appeal to the Government, as far as the capital markets are concerned—the legislative side—that we need to do something as far as that is concerned.

Savings and investment, as part of the capital market issue: the Minister spoke about the increase in the evaluations which took place last year in the stock market. What he did not mention was that the value of trades over the past three years has gone to maybe a quarter of what it was in 2006/2007. So, the capital market is, in fact, suffering. Valuations are going up but, really, when you talk about capital market you talk about the industry—the ability of the industry to survive—it survives on fees. If less trade takes place in terms of value, there is less income. So, we need to do that. We need to really look at what will happen as far as that is concerned.

The Minister spoke in this budget, and the previous budget, of injecting some life, at least into the local equity market, with regard to divestments and so on. I would like the Minister to say—at this, what is considered the half-way mark—

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where are we with these divestments. How far along are we with these divestments, so that we would know. His report is weak, if I had to give him a grade. His report is weak because he is coming to us to say, “I want more money to spend.” He did not say how much more revenue we have collected or how much less revenue we have collected. He did not say, of the \$26 billion he had intended to raise for investments into this country, he did not say how much of that was brought into the market.

He did not say, in terms of the capital market infrastructure—he said what he wanted to do over the past two budgets—but he has not done anything in terms of the legislation. So, if I were to give him a grade, I would be hard-pressed to give him a full passing grade. I would be somewhat hard-pressed. I would like him to address the question of where do we go from here; whether it be him or whether it be somebody else, it is important that we ask ourselves, in terms of economic growth, where do we go from here? In terms of balancing the budget, where do we go from here? In terms of the monetary side where interest rates are the lowest but you are not getting investments, where do we go from here?

Madam Vice-President, as I close, these are the areas that trouble me. These are the areas that would trouble any citizen that is looking at the issue and is concerned about the issue. I do hope that the next time around we would get a more comprehensive picture of what is happening in our economy. The biggest mistake we can make as a society and as an economy is—somebody could fool us once or twice, but if we start lulling ourselves into a situation where we start to believe that and accept that, then once we start fooling ourselves, it is the beginning of the end for an economy and a society.

Madam Vice-President, I thank you.

The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath): Thank you, Madam Vice-President. Thank you for allowing me the opportunity to join in this debate “an Act to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending 30 September, 2012 of the sum of the issue of which was authorized by the Appropriation (Financial Year 2012) Act, 2011.

Madam Vice-President, at the outset, let me say that when this Government came into office, we did so on the promise that we would look—as our most basic desire—to fulfil the most basic needs of the people of Trinidad and Tobago. As a direct result of that, we were mandated by our Prime Minister and the Cabinet to serve the people, serve the people, serve the people; that subsequently became

deliver to the people, deliver to the people, deliver to the people. Essentially, those were premised on the issues of participation, inclusion, equity, self-reliance and social justice for all, and anchored in our seven pillars of sustainable development as highlighted, and very well articulated in our manifesto, 2010. I think most people have read this and it has now become, essentially, Government's policy with regard to all we say and do.

Madam Vice-President, I want to just touch on a couple of points that Sen. Ramkhelawan made. I always enjoy his contributions because, as he said, he has come full circle from the public sector into the private sector and, essentially, back now to making a contribution for the national good. I always find his contributions, quite frankly, to be very sober, honest and rational and, more than anything else, logical, in how he develops his thoughts. Of course, he has both the academic background and the experience to be able to make contributions of this nature.

Of course, although I do accept a lot of what he has commented on this afternoon, I do not necessarily share the same degree of fear that he has with regard to the revenue side of our equation because I am aware—maybe, we have not made it public enough—that we do have projects in the pipeline that will develop our revenue streams over the next three years, particularly in the downstream energy sector.

As a direct result, once those energy streams come on board, essentially, we would not have the high levels of debt that he talked about which could potentially become unsustainable because, clearly, we would not have to continue to fund a number of the social projects that we are doing currently and other transfers from continued deficit or from enlarged deficits.

I also want to touch on the fact that I am in agreement on the issue of financial regulations. It is a commitment that Government has made to bring financial regulations to this Parliament. He may know, but certainly, the regulations with regard to the insurance industry, credit unions and the Central Bank are all on stream and would be put to both the Lower House and the Upper House during the course of this calendar year.

Those are all on stream and I do agree with some of the comments he has made, but I just want to assure him that his fears, although— not altogether unfounded—I want to assure him that the Government has things in place and I am sure that my colleagues, the Minister of Energy and Energy Affairs when the Minister of Finance winds up, he would be able to shed some more light on those revenue streams for you.

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Madam Vice-President, I am sorry Sen. Dr. Henry is not here, but in life there are three kinds of people: those who make things happen; those who watch things happen and those who, clearly, do not know what is happening. [*Desk thumping*] I think, after listening to Sen. Dr. Henry, we know which category he falls into. Clearly, there is a situation, as an organization, as a Government, we are always in the process—it is a work in progress—of balancing the resources that we have available to us with the priorities that are at hand. Sometimes priorities come at you when you least expect them and, hopefully, in most cases, we budget for them.

When one goes through the budgeting period—I have heard it said that the Government ought to have known about certain pieces of expenditure that they could have put into the budget—I am not pre-empting the Senator's speech, of course—[*Laughter*]*—*they ought to have put into the budget, previously, because they would have known about it and they kind of now slipped it in, subsequently.

The fact is, Madam Vice-President, that during the budgeting process, essentially, there is only a pot of money available. What would happen is that those who are preparing the budget—the Director of Budgets and his team—would try to be very conservative because, of course, our main source of revenue is oil and gas. Therefore, we are almost entirely dependent on the price of oil and gas on the international market. We are basically at the mercy of the international market. Therefore, they tend to be very conservative and not lay out a string of projects that, possibly, may not be able to be met or fulfilled. Therefore, when we have higher than expected revenue streams—like we have now because of the price of oil and gas—what tends to happen is that the Government then decides that these are projects that we had in the pipeline that we would have liked to have done; we can now embark on those projects, which is why we have come back to the Parliament for further moneys to do some of these things.

It is not a question that these are fly-by-night things that just suddenly come up—one morning the Minister of Finance gets up and decides, “I want to do this”. They had been in the pipeline. In fact, we went through an exercise recently—I am sure it would have been the same when the Opposition was in Government—where Ministers were asked to submit their PSIP requests. When we totalled up what everyone wanted, it came to about \$28 billion, but we were only able to allocate \$8-odd billion for those projects. So, what then happens is that if it is that your revenue streams are slightly higher than you would have anticipated then, therefore, you come back to Parliament and say, “We would like to use the additional revenues for projects that we may have sidelined that we would like to have done.”

In particular, we are more at risk simply because we are operating in a non-diversified economy. We have been talking about diversification of the economy for 30/40 years and we have not gotten to grips with that situation to be in a position where we could fully diversify the economy away from oil and gas. It will take quite a long time—Sen. Ramkhelawan is quite correct—this is not an overnight thing. Anyone who is coming into Trinidad and Tobago to invest—we are talking about large foreign direct investments, they are looking at a 10 to 15-year span—maybe 20, 30 years. They want to know that we have an environment in Trinidad and Tobago where they can invest. They want to know that there are tax laws and financial regulations in Trinidad and Tobago that would protect their investment.

There are a number of things that we have to put in place to create the enabling environment to be able to develop those investments. It takes more than a government being in one term to be able to do that. I have often criticized governments and politicians from the perspective that we are very short term in the sense that governments tend to look at things in a five-year cycle and not for the long term; not what is necessarily best for the country in the long term, but what it takes, essentially, to stay in office for five years and thereafter; for the next term.

We are slowly having to put things in place for the long term now that you do not necessarily see the results of this year or next year. There are many things in the agricultural sector that we are doing that I would not be around, possibly, when they come to fruition. Therefore, in every area of the economy we are seeing more and more of that and he mentioned the fact that 45 per cent of our GDP comes from oil and gas and that 82 or 85 per cent of our export revenues comes from the oil and gas sector. More importantly—or very importantly—only 3 per cent of our employment comes from the oil and gas sector. Therefore, those are things that we have to build capacity for in other areas because, if tomorrow morning, as has happened in the past—boom and bust economics; all our resources in one basket or one pot—we suffer the dreaded Dutch disease and, of course, the economy slumps into a so-called recession.

More and more, Madam Vice-President, we are afflicted and affected by what goes on in the rest of the world; there are no two ways about it. We could deny it until kingdom come, the fact at the end of the day, despite what previous Ministers of Finance had said—in fact, the previous Prime Minister had said—that basically, we were going through a temporary blip. I remember a previous Minister of Finance said that what was happening in the rest of the world would

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not affect us here in Trinidad and Tobago—the sky would not fall. All kinds of comments were made. The fact is, we are not living in a cocoon. We are affected, deeply, by what takes place in the rest of the world.

5.30 p.m.

You know, I just wanted to come back to something that Sen. Dr. Henry talked about with regard to the state of the economy sorry, the state of emergency—where he said that, you know, it affected business significantly. And I just want to quote from the Monetary Policy Report, on page eight, where the Central Bank is actually stating:

That notwithstanding the impact of shorter working hours related to the curfew, available indicators point to a slight overall increase in the activity in the non-energy sector. The output in the manufacturing sector is estimated to have declined slightly, but this was more than offset by an increase in activity in the construction, distribution, finance, water and electricity sectors.

So, clearly, according to the Central Bank, the state of emergency, did not affect economic activity in Trinidad and Tobago. And that was one of the arguments that Sen. Dr. Henry made when he spoke.

The other thing he spoke about was wage negotiations. He spoke about the wage negotiations at TCL, and wage negotiations generally, and how it would affect the economy and the country, as a whole. But, Madam Vice-President, let me read from an article in the *Newsday*, Tuesday, July 26, 2011. It says, “Wages and PNM.” And this is the editorial from the *Newsday*, Madam, Vice-President. Permit me to quote. It says:

“There are three areas in which the Opposition PNM truly lack the moral authority to speak or to issue advice to the People’s Partnership: crime control, corruptions, and public sector wages... [*Desk thumping*]

“...which is why we find it more than ironic to hear calls from Dr. Rowley for Government to quickly settle salary disputes with the unions to avert a national strike.”

Let me just go on. I will not read much of it. But it just says:

“If there was any government that was anti-local labour, it would have been the Patrick Manning regime, which came into office during the post 9/11 new millennium oil and gas boom and which squandered the extra money flowing into the Treasury on foreigners.”

So when Sen. Dr. Henry raised the issue of this Government settling the wage negotiations, what he failed to tell this Parliament and the country was that these negotiations were outstanding in their time, in 2008, and they refused to settle them. In fact, it goes on to say:

“It never occurred to Mr. Manning to settle wage negotiations or to offer public servants, TTEC and WASA workers, five or ten per-cent more. He was too busy erecting his skyscrapers that cost billions, most of which is still to be accounted for. Why bother with the headaches of employing local labour...”—his—”approach to labour and unions was out of sight, out of mind, a policy he applied across the board.”

So therefore, Madam Vice-President, a lot of the problems that we are seeing today, we have inherited. But more than that, there could be no doubt that we are, in fact, affected by what is taking place internationally. And, Sen. Dr. Henry—this is why I said, when I opened, that there are people who make things happen, those who watch things happen and those who do not know what is happening—because he also went on to say that when the Minister talked about growth rates in certain countries, he spoke only of those countries that had growth rates in the region of 8 and 9, and 10 per cent, and they may have dropped by 1 per cent or 2 per cent. But that is actually not true at all.

In fact, when Minister Dookeran spoke, he spoke about the US economy; Singapore dropped from 9.1 to 1.6; Germany from 4.7 to 1.7; France from 2.1 to 0.33; the eurozone from 2.4 to 0.7, you know. So he was not very gracious when he talked about this. But I just want to give you an indication of really what is taking place on the international market, and how it actually affects us here in Trinidad and Tobago. And I am not making excuses for the Government of Trinidad and Tobago. I am simply saying, Madam Vice-President, that we have got to be realistic in terms of what can be expected of us to be able to do, when you have handcuffs on and you are hamstrung, basically because you are dealing with a one-resource country, where your sole source of revenues is oil and gas.
[Desk thumping]

In the United States, Madam Vice-President, I just said the growth rate is now projected to be 1.9 per cent. This is a result of last Friday’s announcement that the job market issued for May dropped from an average of 252,000 new jobs to 69,000 new jobs. What was the result of that? The Dow plunged by 275 points. The largest drop since November of last year.

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Madam Vice-President, the borrowing rates for consumers and businesses in the US today have never been lower for the last 50 years. And, you know what, given the size of the US economy, what is actually happening, there are great fears that the markets they trade with—the European markets and the Asians markets—are going to now suffer a slowdown as a direct result of what is taking place in the US, because American consumers will not be in a position to purchase those imported goods.

In Europe, you have a situation where 17 countries that utilize the euro are currently in a situation where their collective unemployment rate is about 11 per cent—11 per cent across Europe. In fact, that is the highest unemployment rate since the euro was launched in 1999—the highest unemployment rate. Greece, Ireland and Portugal: these are countries that have already received bailouts. Essentially what is happening there—and again coming back, and I will tie this back to what we are attempting to do here in Trinidad—is that the austerity measures that they are introducing in those countries are actually causing a significant slowdown of the economy.

So, essentially, it is having the reverse effect of what they are attempting to do. So they are attempting to tighten their belts, but as a direct result of that, it is having significant slowdowns in the economy because it is less money to spend. And, I mean, that has been the prescription, the austerity measures have been the prescription by which they have been looking to tackle this whole issue across these markets. You know, interestingly enough, it is actually stated in the financial report of the monetary report of the Central Bank here in Trinidad and Tobago, where they talk about the bailout in Greece, Ireland and Portugal.

It is interesting, Madam Vice-President, that in Greece they have received two bailouts: one for a 110 billion euros and the other for 172.6 billion. So it is 282.6 billion. And what is interesting about this, Madam Vice-President, is that the second bailout of 172.6 billion euros, was based on the fact—on the condition—that the private sector holders of Greek debt would take a write-down of 53.5 cents on the euro. Greek private sector debt holders had to accept essentially, 46½ cents on the euro, a write-down of 53.5 cents on the euro. Ireland, 85 billion bailout; Portugal, 78 billion bailout. And, in fact, right here in the Caribbean, Jamaica has had a bailout of \$17.6 million. St. Kitts and Nevis, Dominica, these are all our Caricom and Caribbean partners, who have had to go to the IMF, cap in hand to accept bailout, Madam Vice-President.

In Asia and in South America, similar types of things. Brazil—the Minister of Finance talked about it—where there has been a significant slowdown in their economy. China and India: China, yes, of course, they were looking at rates—they had rates of over 10 per cent, as recent as 2010, 10.4 per cent 9.2 per cent in 2011,

now down to 8 per cent and looking to go even further down. India, similarly: the lowest growth rate in India, 5.3 per cent for nine years. For nine years they are down and inflation is now ravaging their wages and running at 9.2 per cent. The Middle East is exactly the same.

So, Madam Vice-President, you know, we are now not isolated from this because—remember— we are a one-resource country, we are dependent solely on those international companies and organizations based in larger countries buying our single resource from us. And when their economies slow down, what essentially happens is—and the price of oil and gas goes down—what essentially happens is that the price that we can fetch for that commodity goes down as well.

But, very importantly, our second largest revenue earner is from the Caricom region. And, of course, when Caricom suffers as a direct result of an influx of tourism, what then happens is that our sale of goods and services to the Caricom region also suffers significantly. So we have been hit a double blow, as a direct result of having to depend on this single economy. And, yes, there are Caricom countries that are doing better than we may be doing, but one has to look at how their economy has been diversified over the last 20 years. They are not dependent on one single commodity for their survival. So what do we do? What do we do then, Madam Vice-President, in a situation where revenues have fallen, and we still have to maintain, as Sen. Ramkhelawan said, a certain threshold in terms of social services, in terms of transfers that we have had to carry for many years.

He talked about the Caribbean Airlines fuel hedge, which we all know essentially is a subsidy for the airline. It is called by a different name. But do we get up tomorrow morning and decide that we are suddenly just going to cut the subsidy? These are all strategic policy decisions that this Government—we have to take. But, you know, as I was saying to the Ministry's staff the other day—the staff that I really rely upon to carry out a lot of the work we are doing at the Ministry—as a Minister and as senior members of the organization, we could come into the office every single day and attempt to do a million things. Okay? But, essentially, we do nothing at the end of the day, at the end of the month, at the end of the year. Nothing tangible would be done.

We need to essentially focus on what we think we can deliver, step by step, along the way and plan for the long road ahead. To plan for the long term. I have said before, governments in the past have always planned for five-year terms. We are not planning for a five-year term. We are planning for the long term.

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And, as Sen. Ramkhelawan says, we want to do what is best for Trinidad and Tobago, not what is best for any one class of people, or any one grouping, or any one organization, but what is truly best for Trinidad and Tobago.

So we know that we need to stimulate the economy, and one of the ways that is available to us to stimulate the economy is deficit financing. It is a fact of life. But there are many advantages to deficit financing. What is deficit financing? Deficit financing simply, is government putting money into the economy, through capital intensive projects, and generally speaking, to build infrastructure: schools, dams, roads, and so on, which in turn creates employment for many people, which in turn gets the private sector involved, who will be seeking profits, of course. And, together, the capital formation between the private sector and the public sector drives more economic activity, employs more people, more money is spent into the economy and the whole cycle starts. That really is the theory behind it all.

And, you know, when one listens to how some people may be aghast at the fact that, you know, we have come to Parliament for a supplementary allocation yet again, as has been said, you know, it is not uncommon. It has been happening year after year for many years. I will give you a few examples: since 2001, \$1.6 billion; 2003, \$1.5 billion; 2004, \$2.8 billion; 2005, \$4.83 billion; 2006, \$7.46 billion, 2007, \$6.36 billion. In fact, 2008, \$8.5 billion; 2009, \$1.1 billion; 2010, \$4.274 billion. So it is not something that is uncommon, it is not unheard of, it is not something that you fall off your chair and think, "Oh my God, they have come for more money, or they have come for money". It is simply that the budgeting process over the years has been pegged to what would be determined by the Budget Division to be something that is conservative, based on a conservative price of oil.

Therefore, if and when a government sees the opportunity to be able to do more projects of a capital nature, then they would come back to Parliament to do that. But, you know, we also, in addition to the international context, Madam Vice-President, we also have to consider how we spend our money and what the money goes on.

I was doing a rough calculation the other day, and I stand to be corrected, but I would not be far off on it, that a lot of the money that we are spending today goes towards servicing of old debt. That is what government does. As government's transition from one to another, we inherit the debts of previous regimes and we inherit the commitments of previous regimes. And, as a result, we have got to honour and fulfil those commitments.

So, as much as the Opposition and their supporters say, “Well, you know, we have heard all of that before, we doh want to hear that anymore. Just tell us what you are doing, we doh want to hear what we did,” the fact of the matter is that it affects us on a daily basis because our spending ability is hampered by the fact that we have got to service old debts that we have inherited, many of which are white elephants. So we are spending money on Tarouba Stadium still, which as we know, started off at \$200 million and has not been completed yet.

We are spending money, as Minister Dookeran mentioned, on the Clico/HCU issue, an issue that we inherited, that the previous regime did not deal with, \$9 billion to date, and more still to come. We are still spending \$260 million on the waterfront project. For the next 17 years, this country and our children will be saddled with spending \$260 million on the waterfront project, which ended up costing \$4.4 billion, when it should have cost \$1.8 billion. The Tamana eTecK went from an estimate of \$600 million to \$10 billion, Madam Vice-President. A report recently stated, by the chairman of eTecK, that there is a billion dollars missing that they cannot account for at this point in time.

The Scarborough Hospital that was only just completed, started at \$120 million; we finished at \$740 million, you know.

Hon. Senator: And they ignore all these things?

Sen The Hon. V. Bharath: So the point I am making is that for every dollar that we get to spend or we appropriate to spend, 30 or 40 cents goes to the maintenance or the payment for these nonproductive assets. Let us be honest.

Hon. Senator: Would you believe?

Sen The Hon. V. Bharath: They are not productive they are not generating any income. *[Interruption]* NAPA is another one that started off at—NAPA ended up at \$1.2 billion, but it is falling apart already, the maintenance on NAPA is horrendous. Very recently, we read where a whole HDC housing unit has to be demolished, \$27 million. Now, where is this money coming from? *[Interruption]* Where is this money going to come from?

These are moneys that ordinarily we will spend on goods and services, to be able to support the populace, support our budget. But where is it coming from? It is coming from the Consolidated Fund. It is coming from other areas that could have gone elsewhere and be utilized more productively. The Minister spoke about VAT refunds; we had to fulfil VAT refunds of over \$6 billion. Where did that come from, and what could it have been used for, had we not had to pay it? The

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contractors: \$4 billion. He spoke about it earlier on. Again, sucking money out of the system for commitments that we had no part in, but we are committed to because this is how government runs.

Hon. Senator: Indeed. Indeed.

Sen The Hon. V. Bharath: So, you know, it is important that when we make policy decisions, and when we commit to things, we do not just think about five years, we think about down the road. And I think if more governments—and I know that there are a lot of men and women of integrity looking at me now. I know that if and when, 30 years from now you may get into government, [*Laughter*] I am sure that you will remember these words and they would follow suit, you know. [*Desk thumping*]

Madam, Vice-President, the stock market in Trinidad has been in decline since 2004. Since 2004, the stock market in Trinidad has essentially been in free fall, and then also, you look—you see, it is very simple to say, “Well, okay, you put up these buildings, and well, you have paid for it already or you just pay a maintenance on it now.” What we neglect to remember is the vast interest payments we are making on the moneys borrowed, whether they are Treasury bonds, whether they are borrowed from the bank. Wherever the money has come from in the majority of cases, this is borrowed money. And, again, you are looking at a situation where somebody has to fund the interest. And where is it coming from? Indeed, it is coming out of your Consolidated Fund. It is coming out of your resources that should otherwise be available to fund other things.

So, hence the reason we are hamstrung to an extent, in the sense that we already are suffering as a result of what is taking place internationally because we are a one-resource state, and we are tied to the price of oil and gas internationally, where markets have slowed down. We are suffering as a direct result; we are not in a position to supply them with the same quantities, or they may not be in a position to take the same quantities of oil and gas they would have taken before.

There are countries now that are looking at alternative forms of fuel, which again, will affect us in the long run. The United States is looking at shale gas, and other countries are looking at alternative forms of fuel that would affect our supply to them—again, in the long term. And we have got to start looking and thinking about how we are going to replace those markets and with whom and by whom. These are all policy decisions that we are going to have to sit down and look at very hard and fast over the next year or so, and determine where these new markets are going to come from.

But, you know, Madam Vice-President, I want to just place what I have just said in context of the things that this Government has achieved, despite being hamstrung, despite the fact that we have lacked the resources, and we have had to curtail some of the expenditure that we would have liked. And, I mean, I would not bore the Senate with this, but the fact is this document fulfilling the promise goes through a raft of achievements that this Government has made over the last 12 months or so, in every area—whether it is early childhood you are talking about, the 29 schools that we have built, the 34,000 laptops that we have given to children, the opening of the Biche Secondary School that was closed for so many years, [*Desk thumping*] the building of four secondary schools, the turning of the sod on the UWI Debe campus, the passing of the Children Bill.

In health care, we are talking about—as I just mentioned, the opening of the new Scarborough Hospital, just very recently—the launching of the Children's Life Fund, which has saved the lives of so many children, and a new Arima Hospital to be built, a new Children's Hospital to be built, [*Desk thumping*] increased social services through the Ministry of the People and Social Development, temporary food cards for three months for those who are not able to afford it, the increase in the National Insurance Retirement Pensions, building several community centres across the—they have already commissioned 12, and they have another 14 planned during the course of this year—housing for so many of our citizens, national security—at the end of 2011, murders decreased by 25.6 per cent.

And I want to record this country's thanks to the Minister of National Security, who is sitting here—wounding and shootings down by 13 per cent, kidnapping down by 57 per cent, robberies down by 27 per cent. All of these things—investing in 229 new vehicles, a new fire station for Mayaro, and five more.

Several pieces of legislation: the Administration of Justice (Indictable Proceedings) Bill; the Deoxyribonucleic Acid Bill; the Legal Aid and Advice (Amdt) Bill, 2011. And several other pieces of legislation that this Government has passed—[*Crosstalk*]. Let me say—which the Parliament has passed. And I have not started talking about agriculture yet. [*Desk thumping*]

Three national sporting facilities: the National Aquatic Centre, the National Cycling Centre at Couva and a National Tennis Centre at Tacarigua; about 65 grounds that are refurbished over the country. The replacement of the Navet Trunk Main, 29 kilometres, coming in significantly below budget and below time; the major road programme that we have embarked upon—too numerous to

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mention. And we have just restructured the National Roads Rehabilitation Programme, 166 projects, the Couva/Preysal Interchange, Piarco/Kelly Village. Madam Vice-President, I mean, I can end up—we could have an entire debate on the contents of this.

And, of course, in Tobago, as you know, we were there just a few days ago, and doing a lot of work, also in Tobago. [*Interruption*]

Sen. George: Improved the water supply in Tobago.

Sen The Hon. V. Bharath: But, Madam Vice-President, I really want to spend a little time talking about the agriculture sector because, of course—[*Desk thumping*—if you insist.

Madam Vice-President, there can be no doubt, if there was one sector in this economy that was scandalously neglected over the last 50 years, it is the agricultural sector. I say that and I am not pointing at any one government. I say it, across the board. And, Madam Vice-President, I say so without any fear of contradiction whatsoever. [*Desk thumping*] A myriad of problems and I had intended, really, to speak about this in the budget, of course, as I did last year, in terms of some of the work that this sector has been involved in. But I have gotten an early opportunity just to give you an indication of some of the work, and I will speak more expansively on it in the budget, if I have the opportunity, of course, in September. [*Interruption*]

Hon. Senator: Remind them. “Dey doh like to hear good news. Anytime dey hear good news dey shaking dey head.” [*Laughter*]

Sen. The Hon. V. Bharath: Madam Vice-President, I think it is a well-known fact that we have embarked in the agriculture sector—and I am speaking about agriculture simply because in the supplementary allocation there is an amount of just over \$50 million set aside for fish landing sites in Trinidad and Tobago, which is one of the priorities of the Ministry of Food Production, Land and Marine Affairs.

I wanted to just take a few minutes to talk about some of the infrastructural works that we have been involved in. One of the biggest issues we have been suffering with over the last several years is the whole issue of access to lands. And it is as a direct result, of course, because of the fact that there has not been sufficient agricultural access roads available to farmers. So, essentially, they are not able to get into their lands to plant, and then subsequently, of course, they are able to do that, they are not able to bring their produce back out to market. And—I will just pause.

[MR. PRESIDENT *in the Chair*]

And they are not able to bring their produce back out to be able to market it effectively.

In the last fiscal year, Mr. President, we put down over 200 kilometres of access roads. This year, we will do exactly the same. So in the last couple of years, last two fiscal years, we would have laid down 400 kilometres of access road. New access roads. Similarly, by the end of September of this year, we would have put down 600 irrigation ponds across Trinidad and Tobago [*Desk thumping*] to serve the needs of our farmers.

And, let me just say very quickly that the positioning of these irrigation ponds and the placement of these access roads, Mr. President, have all been done in conjunction and collaboration with the farmers of Trinidad and Tobago because we believe that they know more than we do, in terms of what their needs are and how to resolve those needs. So we have done it in conjunction, not just with the farmers but with the members of Parliament in each of the areas where these access roads and ponds have gone. So it has been an entirely collaborative process. [*Desk thumping*]

Having looked at some of the attendant issues, as far as infrastructure was concerned, we started to now delve a little deeper in terms of what the real problems with the sector were. One of the biggest problems, Mr. President, was the fact that very few people had tenure to their lands. And as a direct result of not having tenure, they were unable to access the incentives that the Ministry has offered for years.

6.00 p.m.

I am loathe to say this, Mr. President, but the fact is our incentives at the Ministry previously were really incentives in name only because the majority of farmers could not access them. Unless you had tenure to your lands, you were not able to access the incentives at the Ministry, nor were you able to go to any commercial bank and get a loan, nor could you go to the ADB and get a loan. Last year we disentangled the whole issue of incentives from tenure, so that any farmer who is now registered on our database, whether he or she has tenure, can access the Ministry's incentive programme as well as go to the ADB and get a loan. [*Desk thumping*] What that has done is open up thousands of acres of previously barren land to be now farmed in a productive manner; but we did more.

We realized that there were thousands of acres of Caroni lands. I know that Sen. Ramkhelawan has always accosted me on this matter of these lands that have been lying idle. In fact, in November of last year we started a process of

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determining where free State lands were that were ex-Caroni lands, and we have put them out for lease. The lease process will start next week, whereby we have divided up these plots, totalling 4,223 acres, the largest distribution of land since 1969 in Trinidad and Tobago. [*Desk thumping*] Mr. President, 4,223 acres of land in one-acre, two-acre, five-acre, 10-acre, 15-acre, 25-acre, 50-acre and 100-acre parcels.

The Commissioner of State Lands is doing the survey, no private surveyors involved. [*Interruption*] No, no, no, not at all. These are new lands that we only identified last year for distribution. I actually went out and identified the lands together with my PS, the Commissioner of State Lands and a team of people. We identified large blocks of land. [*Crosstalk and laughter*] So those lands will now be available, Mr. President, for farmers across the country to be in a position to grow more food for Trinidad and Tobago.

We have also realized that to be able to farm those lands effectively, there must be a plan, and if we are going to meet the significant needs of the population with regard to creating food security for our people, we have to do two things: we have got to have a plan for agriculture, but we have also got to have farmers who will farm.

If one looks at the demographics of our farmers currently, with all due respect, you would see that most of them are above 50 years old. In the majority of cases—and I do not want to paint them all with one broad brush—a lot of them are not very interested in running their farms as businesses. They are happy to do a little subsistence farming, but what we needed to do was to encourage young entrepreneurial-type people who could look at things in a different way, who could embrace technology, who could embrace new techniques, who could go on the Internet and look at different farming practices, different benchmarks across the world and bring it here to Trinidad and Tobago. We have a lot of very bright people in Trinidad and Tobago.

What we found was that at the university level, 95 per cent of students who came out with an agriculture or an agricultural-related degree, after having spent three years committed to the study of agriculture, did not go into the field. I am not using that as a pun, but they did not go into the field of agriculture, [*Laughter*] because there were no opportunities. There were simply no opportunities for them to get involved in. So they were lost to the sector.

We have made a commitment this year that we will bring on board 50 agricultural graduates from the university on an annual basis, [*Desk thumping*] and we will deploy them into the sector for a one-year training programme—to observe and to be

involved in real life situations—which would then give them the opportunity to determine where in the sector they feel best they can fit in, where in the sector they feel best the opportunities lie. Therefore, we will retain that cadre of expertise with academic excellence into the sector that would drive the sector.

We also, as you may know, are bringing on board labour out of the URP. The URP, as has been said over many years, has in fact not developed a good name and a good reputation. We are changing the face of URP, as far as agriculture is concerned, through our URP Now Programme. This year we will take 1,000 people out of the URP—1,000 people out of the URP programme—put them through a three-month training programme and put them to work on farms across Trinidad and Tobago.

Mr. President: The speaking time of the hon. Senator has expired.

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. F. Al-Rawi*]

Question put and agreed to.

Sen. The Hon. V. Bharath: Thank you to my colleagues. These 1,000 graduates out of URP will no longer earn the meagre \$69 a day that they earn currently under URP. They will have a three-month training programme under their belts; they will become their own little entrepreneurs, if they wish to do so after the three-month programme, but they are guaranteed a wage of \$150 a day, once they come out of the programme, [*Desk thumping*] half paid by the Government and half paid by the employer. So we will give them a training that will last them a lifetime. It is a life skill. But think about it, we do not only impact 1,000 persons in the programme, we impact 1,000 families because in a number of cases these people are sole breadwinners in their families. So we are impacting and influencing the lives of 1,000 families, and not 1,000 people. All of that is going to be done by the end of this calendar year.

I want to move very quickly because I do not have much time, and I want to just talk a little in detail about our Agriculture Now Programme, the agriculture plan, where we have committed to the nation that we will reduce the food import bill in Trinidad and Tobago from \$4 billion to \$2 billion by the end of 2015. We will slash the food import bill in half. We have identified the food commodity groups that will allow us to do so.

Currently we import \$700 million worth of staples. We import \$350 million worth of vegetables. We import \$240 million worth of fruits. In apples and grapes

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alone, \$40 million; in citrus concentrate, \$90 million. Therefore what we want to do is to replace a lot of that.

We import 95 per cent of the rice we consume in Trinidad and Tobago. There was a time when we were growing our own rice in Trinidad and Tobago and we were able to produce about 35 per cent of our need. Today it is less than 5 per cent. We have a plan here for rice, sweet potato, cassava, breadfruit and all of the vegetable groupings. I do not have time to go through all of them, but just to give you an indication of the kind of work we are doing in the Ministry and how we are meeting and beating our targets.

Our current production in rice is 2,200 tonnes of paddy. Our projection stated that by next year, 2012/2013, we would have reached 3,000, and progressively each year to 2015, to reach 7,500 tonnes of paddy, by the end of 2015. I want to alert this goodly Senate and the nation that by the end of 2012/2013, we would have passed the figure that we had anticipated to make in 2015. [*Desk thumping*] We would, in fact, be about three years ahead of our schedule as far as rice is concerned, at the end of this calendar year.

We had predicted by the end of 2015 that we would have reached 13,000 tonnes of sweet potato. We are at 3,000 now; by the next calendar year we would have reached 15,000 tonnes. In other words, we would have surpassed our 2015 figure by the end of this year, and have the same in cassava, all by utilizing land more effectively, by increasing our yields, increasing our processing abilities and so on.

We have laid it out strategically in this document, but we have also linked that document to this other document called *Investment Opportunities in Agriculture*. For the first time in the history of this country, we are able to pinpoint actual opportunities in agriculture for somebody who is not even involved in the sector, who could pick up one of these booklets in any of our agricultural offices, or download it off the Internet, and see where the actual opportunities are. It tells you the size of the market. It tells you where our packing houses are. It tells you what the infrastructure is. It tells you what the export markets are. It tells you everything you need to know about any specific commodity that is linked to this particular document.

For the first time, we are looking to draw people into the sector who may not necessarily be farmers, who have probably never even planted anything before, but would seize the opportunity to get involved from an entrepreneurial perspective to invest in agriculture. We believe that where people see profit, they will put their moneys, they will risk their funding and put their money where their mouth is. We are hoping that that would go into agriculture.

Just briefly, Mr. President, with regard to the fish landing sites that we have made an application for through the Ministry of Finance in the supplementary allocation. Last year we embarked on a project to upgrade all of the fish landing sites in Trinidad and Tobago. There are 65 of them and we have chosen those strategically across the country and geographically, so that we can service most parts of the country and not be anchored in any one particular part of the island. Last year we did 11. I will not go through, in the interest of time, what they were last year, but the new ones this year are in Blanchisseuse, Cumana, Fullerton, Otaheite, Carenage, Las Cuevas, Orangefield, Brickfield, Salybia, Gran Riviere, Point Radix and La Ruffin.

We intend to do far more extensive works in these landing sites, than we did last year, because they do require significant work as far as jetties and replacing whole new buildings and so on. It is a significant amount of work. All of these works will cost \$52,950,000 and, in fact, will be all completed by the time I stand here to read the budget in September—the—[*Interruption*]

Hon. Senator: You would be the Minister of Finance?

Sen. The Hon. V. Bharath: No, no, the budget regarding my—the Ministry of Food Production, Land and Marine Affairs. [*Laughter*] When I make my contribution in the budget regarding this—[*Crosstalk*]

Hon. Senator: Oh, oh, oh. [*Desk thumping*]

Sen. George: “Allyuh head raise up now.”

Sen. The Hon. V. Bharath:—we would have completed all of this work.

In addition to that, of course, as you know, we have started the distribution of all the Caroni lands. We have started the distribution of housing lots. We have over 4,000 housing lots already prepared for lease preparation. They are all at the Chief State Solicitor’s office at this point in time. There are a host of other incentives and other works that the Ministry is doing, that I cannot go into at this point in time, obviously because of time constraints.

It is on record, and the country knows, that several months ago, this country was able to reap its first harvest of commercially grown onions. [*Desk thumping*] Onions. When I hold those onions up in my hands, [*Laughter*] they do not represent—and many in the Chamber have had the opportunity to taste them, have you not? I see the ladies are smiling from ear to ear. [*Laughter*] Whenever I hold those onions in my hands—and they were very large ones—and I speak about them, I really do not speak about onions.

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What I speak about is the potential that we as Trinidadians and Tobagonians have, if only we could look past our nose and look at the real possibilities, where those in the past, the naysayers, have said that you cannot do this and you cannot do that. We must look at the potential that we as a people have. In fact, in a very short time, in about two weeks' time, we should be highlighting our first commercially grown crop of carrots in Trinidad and Tobago; again something else people said we could not do.

We import \$20 million worth of onions every year. We could actually stop completely, eliminate completely, our importation of onions in Trinidad and Tobago by utilizing about 250 acres of land just to grow onions. We are in the process of identifying the type of soil, which is a lome type of soil, that we require for growing onions in Trinidad and Tobago.

Mr. President, in conclusion I want to say that we have great hope in this country. We are a very talented people. We are a people that are very innovative, we are very creative. We can do almost anything we want. I want to conclude essentially by just doing two things in the few minutes I have left. I want to read from a report that was done by a company called Oppenheimer, which is an investment advisory firm. This report was done at the end of December last year, 2011. It says:

We live in a world where strong balance sheets are all important. In this context, Trinidad and Tobago appears to be a clear winner, especially when measured against its Caribbean neighbours. While most of the Caribbean is suffering under low growth and bad balance sheet dynamics, Trinidad and Tobago, thanks to its natural endowment of hydrocarbon that the world continues to need, looks solid and stable on a relative basis. Although growth is slow and the fiscal deficit has spiked, the debt burden is low, the financial system is stable, and the country's ability to withstand further global economic weakness is in my view the best in the region.

That is not a fly-by-night organization; it is a world-renowned investment advisory called Oppenheimer.

6.15 p.m.

The IMF, of course, as you know, echoed similar sentiments, and although Sen. Dr. Henry mentioned the fact that the figures the IMF was using may have been outdated, the fact is that they quoted extensively from the 2011/2012 budget so it could not have been that outdated because, of course, they were referring to the information that was given in the 2011/2012 budget, so it would have had to be after September 2011.

The Minister of Finance has already spoken about the fact that business lending and consumer lending are both up and the fact that the stock market is also up—21.2 per cent—for the first time the stock market—actually, the largest move that the stock market, the best performance the stock market has made since 2004. Once the stock market is moving in that direction it means there is economic activity taking place.

Sen. Dr. Henry made a statement that when there is nowhere else to put your money you put it in the stock market, but the same would apply throughout the rest of the world, and those stock markets have not performed anywhere close to what our stock market has done. [*Desk thumping*]

I also want to tell you—and anyone could go on the Internet and look—that our stock market in “small/little” Trinidad and Tobago was the fifth best performing stock market in the world in 2011. [*Desk thumping*]

So, Mr. President, with regard to economic activity and good news, as our Leader of Government Business says here, we have a number of capital projects on hand: community centres, fish landing sites, schools, hospitals, police stations, fire stations, roads. All of these things are going to generate economic activity.

In closing, I want to say that there is an old African proverb that says, choppy [sic] waters do not a skillful sailor make, and I want to put on record that for me it has been a privilege to work with and to have a Minister of Finance in the person of hon. Winston Dookeran [*Desk thumping*] who has had the technical capacity, the capability and the leadership qualities to take us through these choppy waters over the last two years, and really, it is as a result of his steadying hands, his steadying influence, his calmness, his skillful helmsmanship that has not allowed the boat to capsize as it may have done prior to May 24, 2010, and it was certainly heading for that. [*Desk thumping and crosstalk*]

Let me say the PNM abandoned ship for the second time—midterm—they abandoned ship when the going got too tough and they abandoned ship midway through that journey. Their captain is elsewhere recovering and, of course, we wish him a speedy recovery.

Mr. President, we are also very fortunate to have a Prime Minister who has not only engaged hearts—

Sen. Deyalsingh: “Awwww”, you had to throw in that. You had to throw in that.

Sen. The Hon. V. Bharath:—but also enriched minds and elevated lives. [*Interruption*] It is said that goal are dreams with deadlines, and this People’s Partnership is hell-bent on fulfilling all of those dreams for our people: dreams where our citizens will no longer—some of them—forced to eat out of dustbins or to sleep on cardboard boxes on our streets; dreams where children can no longer be abused or will have to go to bed teary-eyed on hungry bellies; dreams where

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women would not have to deliver babies in the corridors of hospitals; dreams that improve the quality of life of all of our people, and we could proudly look back and say that when we leave this place we leave it in a better place than when we came. [*Desk thumping*]

Indeed, Mr. President, a dream where, truly, “Together we aspire together we achieve” and where every creed and every race really and truly does find an equal place.

I thank you. [*Desk thumping*]

PROCEDURAL MOTION

The Minister of Public Utilities (Sen. The Hon. Emmanuel George): Mr. President, I beg to move that this Senate continue to sit until the conclusion of the debate on this Bill.

Question put and agreed to.

FINANCE (SUPPLEMENTARY APPROPRIATION) (FINANCIAL YEAR 2012) BILL, 2012

Sen. Terrence Deyalsingh: Thank you very much, Mr. President. It is a pleasure to be under your watchful gaze in this honourable Chamber once again, as I make a contribution to the Finance (Supplementary Appropriation) (Financial Year 2012) Bill, 2012. [*Interruption*] It is a signal honour to be speaking after Sen. The Hon. Vasant Bharath. Originally my contribution would have been no more than 10 to 15 minutes, but he has provoked me, so to say, into responding, rebutting and agreeing with him on some of his points.

Hon. Senator: Could also be the outfit you are wearing. [*Laughter*]

Sen. George: It is a nice outfit. [*Crosstalk*]

Sen. T. Deyalsingh: Let us start with one of Sen. Bharath’s final parting shots about the economy, the last administration and so on, because—I always tell my colleague here, Sen. Faris Al-Rawi, that when we stand in the Senate and we speak, I often wonder who listens to us and what ideas do they come out with.

Supporters of the Government, regardless of what the Government says, might say “Oh God, good contribution”, similarly supporters of the People’s National Movement will say, “Oh God, good contribution”, but very often they say one thing, we say another thing and depending on your political bent or persuasion you say, “yeah, good contribution”. But how do the independent-minded citizens of Trinidad and Tobago view these proceedings? We have heard time and time again from the Minister of Finance and the incoming Minister of Finance by his own admission—

Hon. Senator: “Naaah”. [*Crosstalk*]

Sen. T. Deyalsingh:—because he says, when he stands here in September to deliver his budget speech—[*Continuous interruption and laughter*] I say that in jest, of course, but the Prime Minister did say she would announce a Cabinet reshuffle in two weeks, so let us leave that aside.

Sen. George: Be assured that you would not be a Member of the Cabinet. [*Laughter*]

Sen. T. Deyalsingh: I do not want to be. I wonder how the independent-minded view these proceedings because, to hear the Minister of Finance speak year after year about the precipice and the chasm and the abyss into which this country was looking, and similar sentiments were echoed by Sen. Bharath.

I want to quote from a very recent publication, the *Business Express*, May 30, 2012. This is just about a week ago. It quotes Judith Gold, the International Monetary Fund’s mission chief for Trinidad and Tobago, and here is what she says. Whether you agree with the IMF or not I am just quoting what she says, so those independent people who listen to us could come away with some sort of picture as to what this Government inherited on May 24 or May 25, 2010. And she says:

“Economic management of the energy sector over the past 20 years has been good because it’s left you in a position of strength.”

This is not PNM propaganda. This is not the propaganda of Sen. Terrence Deyalsingh, or Dr. Keith Rowley, or Sen. Fitzgerald Hinds; this is the mission chief for Trinidad and Tobago from the IMF stating that the “economic management of the energy sector over the past 20 years has been good because it has left you in a position of strength”. What does that tell the independent-minded person who listens to these debates? This speaks to PNM policies and PNM plans that handed over the reins of power to this Government on the morning of May 25, 2010 and they met an economy which was basically good, sound energy policies; there was no abyss; there was no chasm; there was no precipice.

I just state that for people to understand that the propaganda put out can be deflected by this simple fact here.

Sen. George: [*Inaudible*]

Sen. Al-Rawi: Well said. [*Desk thumping*]

Sen. T. Deyalsingh: I go on to one of Sen. Bharath's contributions in his speech, where he spoke very early in his contribution about, if there is boom and bust and if there is bust tomorrow the dreaded Dutch disease would visit us. I think those were your words. I think I am quoting you correctly.

Sen. T. Deyalsingh: I am not?

Sen. Bharath: No, no.

Sen. T. Deyalsingh: I am quoting you correctly? Your Leader of Government Business says I am not.

Sen. Al-Rawi: He does not listen. He is not sure.

Sen. T. Deyalsingh: Am I quoting you correctly?

Sen. Bharath: Not verbatim, but go on.

Sen. T. Deyalsingh: Okay. I just want people to understand what Dutch disease is—

Sen. Bharath: Not an eloquent thing. [*Laughter*]

Sen. T. Deyalsingh: If you could say so yourself—because, if we accept Sen. Bharath's explanation of Dutch disease it may lead the unsuspecting to feel that Dutch disease is something which visits us when there is a bust. When, in fact, the Dutch disease, aptly named after the Dutch, it was a phenomenon coined after Holland went through this phenomenon back in the 1960s. But, what the Dutch disease is—and Trinidad and Tobago has suffered from it and probably will continue to suffer from it—is that whenever you have an economy so heavily based on oil or gas, when the prices are high it attracts labour to that industry because that industry can pay high wages.

That is one plank of what Dutch disease is. But the ripple effect of that is that labour from the non-oil, non-gas industries—like from manufacturing, services—in seeking better opportunities, they also tend to migrate to the oil and gas industry, therefore, forcing the industry that they have left, like manufacturing, like services, to match those high wages in order to retain labour. So, you normally find the Dutch disease not in times of bust but more in times of boom when the energy prices are higher—labour from the non-oil sector migrates to that sector and then the non-oil sector, in an attempt to attract and keep their labour, now has to match those wages. So, that is basically what Dutch disease is to my understanding.

Sen. George: Not correct.

Sen. T. Deyalsingh: Not correct? But we can discuss that. [*Laughter*]

The hon. Minister spoke about a government being hamstrung.

Sen. George: Must be a “Deyalsingh” disease. [*Laughter*]

Sen. T. Deyalsingh: How could a government be hamstrung when the chairman of a loss-making entity, like CAL, can have at his disposal a leased vehicle for \$20,000 a month? The Cabinet passed, approved that type of expenditure. The last time I checked, I think Cabinet had dictated that chairmen of State companies are not entitled to vehicles. But this is a hamstrung Government, according to Sen. Vasant Bharath, that can afford \$20,000 a month to lease a vehicle for the chairman of a state enterprise which is losing money. And the question that is being asked is, is he still getting his \$1,000 travelling allowance? But this is a hamstrung Government where Ministers drive Porsches— [*Interruption*—that seem to be attracted to women or women are attracted to the Porsches.

Hon. Senator: “Aaaa, point of order, “Faris”.

Sen. T. Deyalsingh: But this is a hamstrung Government.

Hon. Senator: Opposition Senators drive Porsches too.

Sen. T. Deyalsingh: Not at the taxpayers’ expense. That is the difference.

Sen. Maharaj: So, you want the Minister to ride on a bicycle or what?

6.30 p.m.

Sen. T. Deyalsingh: The hon. Minister spoke about agriculture, and I wish the hon. Minister well because we need a vibrant agricultural sector. One would get the impression that the effects of his agricultural policies are currently being felt. I mean no disrespect to the Minister. I wish him well because the lower the food prices we have, it redounds to the benefit of Trinidad and Tobago.

However, the Central Bank of Trinidad and Tobago has recently said that headline inflation has increased to 11.8 per cent from 9.1 per cent. They attribute this to the continued rise in food inflation going up to 26.1 per cent in April, over March 2012. So food inflation is 26.1 per cent. And what they attribute that inflation to: increased prices of vegetables; eggs; fruits; soya; oil; cheese; milk, a whole range of basic foods, some that we might produce locally, some that we import. So I wish the Minister well, honestly, as he seeks to engage in more imports substitution, but the fact of the matter is, according to the Central Bank of Trinidad and Tobago, headline inflation is up, largely driven by increases in food prices.

Sen. Bharath: Sen. would you give way for two seconds?

Sen. T. Deyalsingh: Yes, sure.

Sen. Bharath: Thank you very much. I appreciate you giving way. I just want to refer you also to the same document, Monetary Policy Report, on page 12 which says:

“There is now general agreement that the current methodology for estimating the food component of the Index of Retail Prices (RPI) which utilises arithmetic averaging of some sub-items in the food basket, overstates the increase in food prices by a significant amount.”

I just wanted to inform you of that, that essentially what the Central Bank is saying is that they weighting on food in inflation is too high and they are reworking the methodology.

Sen. T. Deyalsingh: Thank you and I agree with the hon. Senator because I raised the same issue at the old location in the Red House because that was an issue raised under the last administration—that the methodology of calculating food inflation was incorrect. But that same incorrect methodology was used by the then Opposition to beat the PNM, and to beat the then Government over food prices. [*Desk thumping*] That is the point.

That is why I say, hon. Sen. Bharath, when we stand here and talk, and we continue to throw these boulders, what do the independent-minded people think? I raised that same issue that the methodology was wrong. But it was okay for when—not you personally—you were in Opposition to beat the PNM over food inflation, constantly, every single day, but the underlying methodology is wrong.

The Central Bank report also went on to say that the acceleration in headline inflation continues to primarily reflect the influence of strong increases in food prices. So we have to do something about food prices.

Mr. President, as I come to the actual Bill itself, where we seek—and I hear a loud—[*Interruption*]

Hon. Senator: Yeah!

Sen. T. Deyalsingh:—a chorus of approval from the Independents and the Government Bench.

We are here on this occasion to grant the Minister of Finance an extra \$1.5 billion. Let us put this request in the context which it ought to be put in because it is not, as Sen. Bharath said, just a one-time thing and it is just \$1.5 billion.

If you would allow me, Mr. President, to put this request in context, and the context is this: In September of 2011, before the last budget, this Government came to the Parliament to seek an increase in the borrowing ceiling to \$3.7 billion before the last budget. And we queried then, why are you coming to increase the ceiling so soon before the budget? I remember the hon. Attorney General, as usual, saying, “Well we not going to use it; it is in case we need it.” They got the approval for \$3.7 billion in September of 2011. The budget was subsequently passed, I believe, in October of 2011.

The Minister of Finance came back to this Chamber in January of 2012 for an extra \$2.7 billion—got it. We are now here today to grant an extra \$1.5 billion. So there have been not one, not two, but three grants: first of \$3.7 billion to adjust the ceiling, the borrowing limit; \$2.7 billion in January 2012 and now \$1.5 billion in June 2012. Once is an occurrence; twice is a coincidence; three times is a pattern. And there is a pattern developing—and we need to ask the question, would we be coming back here before the end of this fiscal year a fifth time? What it speaks to is a lack of coherent budgeting process which I intend to deal with. So that is the context of this request for an extra \$1.5 billion.

Mr. President, if we are here again, after going through that sequence of events, the question is, are we back here again because of either willful negligence or omission on the part of the Minister of Finance and his team to budget properly? What is the problem that keeps occurring that brings us back here? And further, how is this deficit to be financed again? We can call it, to use the words of Sen. Bharath, “relatively modest” or “relatively small”. I am not discussing the size of the request. What we are concerned about is the frequency of these requests as I have shown from September 2011, to the budget October 2011, to January 2012, to June 2012. That sequence of coming back speaks to me of a budgeting process that needs work.

As I speak to that, I refer to the *Express* of Thursday, May 24, 2012 where the Central Bank spoke about and reported in what the Minister of Finance is now calling “sensationalist media”. We now have the media, when reporting facts which are not complimentary to the Government, are now being called “sensationalist”. Were they sensationalist in 2010, 2009, 2008? I think not. But the minute the media publishes factual information from the Central Bank of Trinidad and Tobago they are now tagged as being sensationalist.

Mr. President, the editorial in the *Express* of Thursday May 24, 2012 and I quote:

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“Instead, the celebrations will take place tonight against a background of unstaunched crime, low levels of investor and consumer confidence and continuous...protest.”

That is the backdrop of which a celebration took place: unstaunched crime, low levels of investor confidence and consumer confidence and continuous protest. Those are not the words of the People’s National Movement. What happens is that the Government thumb their nose, still go to the party, still eat their cake and ice cream and have a good time, except for one person.

Mr. President, it is a common fact that the construction industry is a prime indicator of the health of an economy. And I quote from the *Guardian* March/April 2012, a supplement that is called “Building and Construction” and I quote the words of Mr. Mervyn Chin, the President of the Trinidad and Tobago Contractors Association. And these are his words. Mr. Mervyn Chin is not a member of the People’s National Movement. He is the President of the Trinidad and Tobago Contractors Association and I quote him:

The outlook for 2012 from the TTCA’s viewpoint is grave, the outlook is grave. And that is not an understatement.

So he is making a statement about the gravity of the situation and he is telling us that he is not exaggerating. He went on to say:

The Government is not taking advantage of the dry season due to the shutdown of the PURE programme. And why was the PURE programme shut down? Over allegations of corruption. So you shut down the programme, you stymied economic activity.

That is what he is saying. He goes on to say:

Nearly 22 months since Government coming into office the construction industry continues its downward spiral.

So hear the words commentators are using—unstaunched crime, low levels of investor confidence, low levels of consumer confidence, increasing levels of protest, downward spiral for the construction industry, and we are being told by Government’s spokespersons that all is well. Let us party and eat cake and ice cream. All is well. Trust us.

Mr. President, I will now be focusing on a few key Ministries to talk about the lack of economic activity. And I draw your attention to the *Business Express* again. The headline is saying:

TT at risk—Trinidad and Tobago at risk.

The last time I checked, the *Trinidad Express* does not belong to the People's National Movement.

Hon. Senator: Check again.

Sen. T. Deyalsingh: What is it you are trying to say? Sen. Maharaj; I will give way to you. You told me to check again. Are you saying that the *Express* is a PNM?

Hon. Senator: No.

Sen. T. Deyalsingh: What are you saying?

Hon. Senator: Make regular checks all the time. [*Laughter*]

Sen. T. Deyalsingh: Make regular checks on what?

Hon. Senator: Monitoring is important.

Sen. T. Deyalsingh: Okay. Good. It is amazing how in Government the media are no longer their friends. He is accusing the *Express* of something.

Sen. Maharaj: Mr. President, that is not true. He is ascribing assumption to me. It is not true.

Mr. President: I do not think, Sen. Deyalsingh, that you can say he is ascribing—those particular—[*Interruption*]

Sen. T. Deyalsingh: I will be guided, Mr. President. Let us deal with the energy sector. [*Interruption*] I would not ascribe to him what he said, when he said to check again. When I said that the *Express* is not a PNM organ, he said to check again. So I would not ascribe that motive unto him. I will be guided.

Energy: Central Bank of Trinidad and Tobago, 7.8 per cent drop in the energy sector. Refining subsector: a decline of 15.5 per cent; LNG production down by 16.5 per cent; natural gas down by 16.1 per cent. Petrochemical subsector—[*Interruption*]

Hon. Senator: What period?

Sen. T. Deyalsingh: You will have your turn—down by 10.4 per cent. I will give it to you now. Ammonia production, down by 13.3 per cent; methanol production, down by 2.4 per cent; crude oil production down from 96,900 barrels during the first quarter of 2011 to 82,500 barrels.

6.45 p.m.

This is what Judith Gold of the IMF had to say on energy:

“...the Government needs to have clear policy directions, transparency and...greater effort to build consensus on the economic path forward...”

This speaks to an energy sector which has no clear path forward. It speaks to an energy sector which has no transparency. It speaks to an energy sector which has no consensus on the way forward.

Mr. President, if that does not lead to a slump or a recession, I do not know what is. You could call it a “3 canal”; you could call it a “pooiyaa”, it is still a cutlass. A “3 canal” or a “pooiyaa” is a cutlass. Call it a recession; call it a slump; call it a downturn—the economy is not doing well, regardless of what name you put to it. A five-pronged instrument is a fork. Call it what you want. Those are the facts.

But what was curious in the Lower House when this issue was raised, the Minister of Finance said: “Blame it on lack of investment three years ago.” Those were his actual words. So the old habit of blaming the PNM for everything, from global warming to the extinction of the dinosaurs, continues in 2012.

What the Minister of Finance needs to understand before he ascribes blame for the lack of investment three years ago, he needs to revisit what were the conditions three years ago. We were trying to come out of an economic slump; the global economy was in turmoil. And who is to make this investment? As far as I know, the bulk of investment comes from our private partners: BP, BHP Billiton—all those other multinationals were the Government of the day providing the facilitative framework. Who is this Government ascribing the blame for the lack of investment to? Our multinational partners? I hope not.

So let us deal with that, and I am hoping the hon. Minister of Energy and Energy Affairs, when he makes his contribution, will deal with that—tell you who is responsible for that lack of investment. I also hope, when the Minister of Energy and Energy Affairs makes his contribution, he will bring this honourable Senate and the population, by extension, up to date on the continued concern that the national community has as to the state of negotiations for our gas contracts—which will start to expire between 2013/2014 up to 2018—and what his plans are to renew and to renegotiate those gas contracts, because he is going to have a particular problem.

The price of gas internationally now, we know, is very low. What he is going to have to tell us is that our negotiated prices, are they going to be as low as other sources? Are we still a relatively high production country—because the gas that we are using now would have been produced by technologies a few years old at a particular cost of production.

As his people in the upstream industry look for lower gas prices, what are his strategies in renegotiating these contracts so as to keep those plants in Trinidad and Tobago humming and running? Because, notwithstanding the expiration of gas contracts, we have not yet been given the full story about the continued interruption of gas supplies to Point Lisas to keep those plants running.

It took a question from myself in this Senate to get the details, and we were told then, and assured then, that a similar problem would not reoccur; that contingency plans were put in place. But we are hearing now, and reading now, that those plants are still not running at 100 per cent capacity. So we need to know what is the true state of play as far as the gas supplies are concerned now. What capacity is Point Lisas running at? What is the strategy for the renegotiation of those gas contracts? And, if he could tell us again without having to resort to question time, what is the state of play and negotiations with Venezuela for the Loran-Manatee Field? We need to know.

I think it was Sen. Subhas Ramkhelawan who referred to the Ryder Scott Report, saying that our gas supplies will be hovering between nine to 10 years. Traditionally, whenever your gas supplies sink to single digits, whether they are high single digits or low single digits, it is cause for worry, a cause for concern. It is not cause for panic, but it is cause for concern. If we get the Loran-Manatee Field on stream, that will significantly alter our gas landscape. So could the Minister of Energy and Energy Affairs, in his contribution, again talk about the Loran-Manatee Field?

What also concerns me with the way we manage our energy industry—and I go back to Judith Gold, when she said there was no transparency. Those are not my words. It is because in February of this year—when the IMF team was here—it is amazing that the industry that accounts for 45 per cent of our GDP, the Minister responsible for that industry did not see it fit to meet with the IMF team. Incredible! You have a Ministry, one Minister responsible for 45 per cent of our GDP, and does not meet with the IMF. What signal does that send to the IMF? *[Interruption]* I am sure you did not meet with them; you personally—positive.

Sen. Ramnarine: You talked to Judith Gold?

Sen. T. Deyalsingh: Yes, I did. That is how I know. I spoke to her. She said so. [*Desk thumping*] [*Interruption*] Unless she is lying.

Sen. Ramnarine: My public servants “lying”; the same ones that served you all.

Sen. T. Deyalsingh: So your public servants are lying?

Sen. Ramnarine: I did not say that.

Sen. T. Deyalsingh: I never said that.

Sen. Ramnarine: Yes, you said that.

Sen. T. Deyalsingh: I said Judith Gold told us. I never said your public servants, Sir. Please. Would you like to—

Hon. Senator: Give him way.

Sen. Ramnarine: No, continue, because I have my time. [*Interruption*]

Sen. T. Deyalsingh: Sorry?

Hon. Senator: Do not be distracted.

Sen. T. Deyalsingh: No, would you like to speak?

Hon. Senator: “Oh gor, yuh getting carried away.” Continue.

Sen. T. Deyalsingh: Mr. President, the economy of Trinidad and Tobago is not in a good state. There was an editorial headed: “Energy or Economy State of Emergency”. Again, these are not the words of the People’s National Movement. The *Business Express* May 30: “T&T at risk of low levels of investment”. Robert Mayers: “Energy SOE.” Robert Mayers is recommending a state of emergency for the energy industry because every single indicator, every single indice of the energy sector, is in decline—every single one. We talk about a drop in labour productivity by 2.6 per cent in the fourth quarter of 2011 over the corresponding period, and this is a Government that has labour as a key component, yet labour productivity is dropping.

Labour productivity is dropping in a Government where one coalition party comes from the bowels of the labour movement. I think Sen. Ramkhelawan was speaking about this—productivity. How is the Government—what plans do they have to increase productivity? But all this is against a backdrop of, as I said, an energy industry in decline, apparently. Mr. Robert Mayers wants an energy state of emergency against a backdrop of unbridled corruption. And those are not my words, Mr. President. Those are the words of Mr. Makandal Daaga, when he said:

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“In my 50-60 years, I have never heard so much corruption in my land as in the past few days. There is too much corruption and people are stealing money as though they invented it.”

And this is the leader of Sen. Embau Moheni. This was published on April 15, 2012—a coalition partner speaking about corruption.

Hon. Senator: Is it attributed to anybody specific?

Sen. T. Deyalsingh: This was being attributed to the Mary King affair, for your information.

Hon. Senator: I am just asking.

Sen. T. Deyalsingh: This was in reference to a former Minister of Government trying to get a \$100,000 contract for herself. It was not in relationship to PNM.

Hon. Senator: I did not say that. I am just asking.

Sen. T. Deyalsingh: I am clarifying it for you, good Sir. It has nothing to do with the People’s National Movement. [*Interruption*] It was in relationship to the Mary King affair.

We also have another coalition partner speaking about corruption and nepotism. What is the Government doing about it? And I speak specifically about the Movement for Social Justice. Two of their partners—two out of five—have raised the alarm about corruption and nepotism, and Robert Mayers is COP. So three coalition partners are sounding the alarm bells against the backdrop, as I said, of unstaunched crime—according to the *Express*—low investor confidence, low consumer confidence.

Sen. Subhas Ramkhelawan spoke about white-collar crime and spoke about the inability of the police to deal with white-collar crime, and I am wondering if he is correct in his assessment of the ability of the police to treat with white-collar crime. We saw under the state of emergency where—if I could use the term—blue-collar criminals were easily rounded up, herded. Whether you were innocent or guilty, whether they had evidence against you or not, you were rounded up and sent to prison.

But when the Government has a prosecutable case of white-collar crime in certain circles known to them—and I cast no aspersion on the guilt or innocence of the parties involved; I am referring to the approach and attitude of this Government in dealing with white-collar crime as raised by Sen. Subhas Ramkhelawan—the hon. Attorney General says—

Sen. Al-Rawi: Silence.

Sen. T. Deyalsingh: No, not silence. He says, “I can’t appeal a particular judgment because these people have deep pockets.” Do you remember that?—referring to two people known to them, for a project known to them—white-collar crime. I pronounce not on the guilt or innocence of the two people involved; I know one of them very well. I am talking about the principle of this Government turning a wilful blind eye to white-collar crime with the excuse that their pockets are deep, so “we are not going to go after them”.

But we will go after people whose pockets are shallow—the little black boys, their pockets are shallow, “Let’s round them up”. But people with deep pockets, white-collar crime, find a safe haven. [*Interruption*] And if you aggravate me anymore, I would talk about the two containers of marijuana that came through PLIPDECO, one under a state of emergency that your Government failed to deal with—white-collar crime.

But, you see, Mr. President, the issue of crime was raised in this debate and this Government is going to have a very hard conversation with itself one day about crime because Sen. Abdulah stood here in this Parliament and spoke about crime and the PNM-controlled constituencies of Laventille, Morvant, and so on, and as a typical whipping boy of the now Government, that crime emanates from the Beetham, from Laventille, from Morvant.

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And yes, there is crime there; there are some perpetrators of crime. But, the conversation this Government has to have with itself about crime is, who puts the guns in the hands of the little boys in Laventille? Who are the importers of these guns? As far as I know, they do not have the wherewithal to bring in the guns. As far as I know, they do not have the wherewithal to bring in the marijuana and the cocaine.

If you really want to tackle crime and boost productivity and boost your economy, this Government needs to have a serious talk with itself about the origins of crime because those little boys who you see at the retail end of crime—the visible end of crime, the blue-collar end of crime—are not the importers of the guns. They are not the importers of the containers of marijuana through PLIPDECO. They are not. So let us get serious about crime and let this Government have that conversation with themselves. [*Desk thumping*]

Mr. President, I turn now to an issue—if it is we admit that we are in a recession, a slump, whatever you call it. As I said, a 3 canal is a “pooiyaa”, is a cutlass. Call it what you want. What is this Government’s plan? Do they have a

plan to take us out of this economic slump or recession? What is your plan, other than blaming the People's National Movement? Because, that particular argument of blaming the People's National Movement loses currency with each month of your term in office. You are now 24 months into a 60-year term—[*Interruption*]

Sen. Al-Rawi: Sixty months.

Sen. T. Deyalsingh: Yes. Sixty months—

Hon. Members: Yes, 60-year term. [*Desk thumping*]

Sen. Al-Rawi: Sixty month jail term. [*Laughter*]

Sen. T. Deyalsingh: You are now 24 months into a 60-month term, how long will you continue to blame the People's National Movement? [*Desk thumping*] The country is fed up of it. Some of the newspapers are fed up of it. Tell us what are your plans to stimulate the economy.

Sen. Al-Rawi: Please!

Sen. T. Deyalsingh: Tell us what are your capital investment plans. Tell us what is your plan for the energy sector. The PNM may have been faulted for doing too much but then they are now being faulted for doing absolutely nothing.

Sen. Cudjoe:—nothing [*Desk thumping*]

Sen. T. Deyalsingh: According to the Trinidad *Express*, low investor confidence and low consumer confidence.

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. F. Al-Rawi*]

Question put and agreed to.

Sen. T. Deyalsingh: Thank you very much, Mr. President. Please allow me to turn to the actual Bill, again. [*Crosstalk*] [*Laughter*] Under Head 18: Ministry of Finance. We talked about Clico. This Government when we passed the Central Bank (Amdt.) Act promised faithfully to bring quarterly reports on the status of those payouts. We have not had one quarterly report. Not one.

We were promised faithfully that the FIU legislation would come back to this Senate by May of 2011, it has not yet come back. The Insurance Act that Sen. Ramkhelawan spoke about, if it comes here and they need hurried approval, I guarantee you, based on our experience with the FIU legislation, you will not get that approval.

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Mr. President, I now turn to the Andean Development Bank. The Andean Development Bank, we have been a member of this bank for a long time but we have never borrowed. I am quoting from a *Newsday* article of April 14, 2012, where it says:

“Prime Minister Kamla Persad-Bissessar last evening signed a multi-million dollar loan agreement with the Andean Bank in Colombia which would provide Trinidad and Tobago (TT) with funds”—to fund—“infrastructure work, including the \$7 billion Point Fortin highway.”

Now, Mr. President, my question is, what type of lending agency, what type of bank is going to lend you \$7 billion for an ongoing project which that bank had no input into—tendering, approvals and RFPs—what type of bank does that? Compare that and contrast that with the Inter-American Development Bank (IDB) which has very stringent requirements for lending.

I went on a website and I will give you the name of the website because I want to be careful. I am not bad-mouthing the Andean Development Bank, but this is freely available information. And it comes from the bank information centre, and it says, the ADB, meaning the Andean Development Bank:

“...has functioned largely outside of public scrutiny and under the radar of many civil society and public interest groups...”

That is what people on the Internet are saying about the Andean Development Bank. That they operate without oversight, under the radar of civil society. So my question is, why are we borrowing money from this organization? Why did we not borrow from the IDB? That is a question that this population needs to address.

Mr. President, I now turn to the issue of Caribbean Airlines Limited (CAL). This is an entity that has gone from a \$200 million profit to a loss in the space of months. What type of management has led to this? And out of that we have deposited TT \$30 million into the Children’s Life Fund only to hear later that was not so. What type of Government will engage in political PR with sick children to have a “pappy show” about a cheque for US \$5 million to the Children’s Life Fund only to find out, that it was not so? And only to find out that CAL never made a profit.

What type of Government plays that type of politics? Is this the new governance that we were promised? This is not new governance. This is just bad governance—plain and simple. Bad, bad governance.

This is the same CAL that is now leasing a \$20,000 vehicle for its chairman. You know, it is absolutely crazy. So you have CAL with phantom profits, you have CAL with total board room chaos, and one wants to know what is the future of CAL under this Government? I am hoping, Sen. Devant Maharaj in his contribution could allay the country—that CAL is being properly run. Once and for all, make a definitive statement about the profitability or loss position of CAL—once and for all. Tell us, tell this Senate whether the chairman of CAL is still receiving his \$1,000 travel allowance because the principle of the thing is wrong. You cannot be getting a \$20,000 vehicle and still receiving your travel allowance.

Mr. President, I move to Head 22: Ministry of National Security which Sen. Al-Rawi will deal with in much more deal. I will just raise one issue. We are now allocating \$63 million roughly for the purchase of two helicopters. My question is, was this decision a recent decision? How long now has this Government known about the decision to purchase these two helicopters that it could not have been budgeted for in the budget? Because, on page 33 of Sen. Dr. Tewarie's, *Medium-Term Policy Framework* he speaks about sourcing two long-range patrol vessels and the addition of two helicopters to the fleet of the air guard.

When did this Government know about that? If they knew about that then why was it not budgeted then? That is why I started off my contribution by speaking about the incoherent and incompetence of the budgeting process. All of these expenditures would have been known months ago or a year ago.

I come now to the Ministry of Science, Technology and Tertiary Education—\$45 million. I have no problems with the campus in south. What I have a problem with is, when did they know about this because, in September 2011, when I spoke about the Minister coming here to increase the loan ceiling, one of the items to increase the loan ceiling specifically mentioned the University of the West Indies. I do not know if hon. Senators would remember that. In September 2011, that was done. Why are we now allocating the funds? That is the incompetence of the budgeting process I am speaking to.

I now come to Head 61: Ministry of Housing and the Environment, the Colour Me Orange programme. In my view the Colour Me Orange programme is simply a tool to buy back the favour of people who were brutalized by this Government under a state of emergency. That is all. [*Desk thumping*] You brutalize people. You throw them in jail. And now you bribe them with a \$300 million, Colour Me Orange programme. But then you do not go after the people with deep pockets, according to the Attorney General. They get away scot-free. But people with shallow pockets land up in jail and then you try to appease them with Colour Me Orange.

That takes me finally, Mr. President, to the CEPEP programme. I was on a radio station yesterday morning—well known to the Government—and they questioned me about CEPEP. I explained to them that the CEPEP as originally constructed was to give some relief to single mothers, the unemployable and so on.

We were beaten over the head by this Government about CEPEP when they were in Opposition. They were talking about dependency syndrome. But, the CEPEP programme was well-funded to give relief to a particular section of the community: single mothers, let them go and do some work. But the question now is, the way CEPEP has been expanded—and to quote Sen. Ramkhelawan, “Big, able-bodied men— from 5,000 to 10,000 to 11,000, is it that now in Government they are now wedded to the PNM’s social policy programmes which they so bad-mouthed when they were in Opposition? [*Desk thumping*]

The original idea behind CEPEP has now been corrupted by this Government. It was meant for single mothers and the disadvantaged. That is what it was meant for. We need to have a clear statement about CEPEP from this Government. Is it that they are now wedded to the policy that they so bad-mouthed when they were in Opposition?

So, Mr. President, as I come to an end, I call upon the Government to tell us what are your plans. I call upon the Minister of Energy and Energy Affairs to tell us how he is going to revitalize the energy sector and I want to put on record lastly, as I close, a parting salvo: your chance to manage the economy has evaporated. It has evaporated not under the blue skies as promised but under the dark clouds of unstaunched crime, as said by the *Express*, low investor confidence as said by the *Express*, low consumer confidence and investor confidence as said by the *Express*.

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Have an energy state of emergency as said by Mr. Robert Mayers; talk about corruption as said by Mr. Makandal Daaga, because your chance to solve this has evaporated under those dark clouds. Talk about productivity now that labour is a key component of this Government.

Mr. President, as I close, it is not good enough for this Government to talk now, as they talked then, because they had the answers then when they were in Opposition and no questions were being asked. Now that questions are being asked and not being answered in the Parliament—because there is a trend now in both the Lower House and Upper House not to answer questions because it is no longer convenient to blame the PNM.

Sen. Ramnarine: That is not true.

Sen. T. Deyalsingh: They are no longer—every week is a deferral.

Sen. Ramnarine: A deferral is something different.

Sen. T. Deyalsingh: So, we have a plethora of problems; we have a paucity of answers, but we still have plenty eating of cake and ice cream, and with total pun intended, with “toppin”. Thank you very much, Mr. President. [*Desk thumping*]

Sen. Dr. Victor Wheeler: Thank you, Mr. President, for allowing me to contribute in this debate, “A Bill to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending 30th September, 2012 of the sum of the issue of which was authorized by the Appropriation (Financial Year 2012) Act, 2011.”

Mr. President, in the interest of time, my contribution will be focused on just a few areas. The first area is the dire financial straits that the Tobago Regional Health Authority now finds itself. Mr. President, there was a grand opening for the new hospital in Signal Hill just before Easter this year. The Prime Minister, the Minister of Health, the Tobago Minister—that is, the Minister for Tobago Development—and the Minister in the Ministry of Finance, all clapped themselves on their back, along with the Chief Secretary and the Secretary for Health, for finally opening the new hospital after so many years.

On April 11, 2012, the first clinic was held in the new hospital, and since then, several clinics have been held. Most of the clinics have been moved up to the new hospital, along with some other services, such as the medical records, medical imaging where you have some ultrasound scans being done, some CT scans and pharmacy services.

Mr. President, the clinical services are being provided now both in the old hospital at the fort and in the new hospital, Scarborough General Hospital, at Signal Hill. But, these services are being provided with the same medical staff and the same nursing staff. So what is happening now is prior to the new hospital opening, the old hospital was staffed by doctors and nurses that were short-staffed. You have a new hospital being opened now providing some services, the old hospital providing services, but those services are being provided by the same medical staff and the same nursing staff. What is worse is that the hospitals are about 20 minutes apart depending on the traffic. This is a very unsatisfactory state of affairs, and in some instances, it might be considered dangerous.

Mr. President, I am informed that one of the reasons that this has occurred is because of lack of funding. In the 2011/2012 budget, the Tobago Regional Health Authority was allocated, of its \$281 million budget, \$100 million in the recurrent budget was for operationalization of the new hospital at Signal Hill. What this means is that this money was supposed to be spent to introduce new services at the hospital, to hire staff, to train staff and to provide additional supplies because it was estimated that there would have been a transition period of about six months when you would actually be operating two sites.

A detailed plan was actually developed by the last Canadian consultancy, CCI, under the leadership of its on-site consultant, Mrs. Charlotte Whitbrill, outlining all the areas, and what is required in this transition from the old hospital to the new. I am informed that one of the conditions that had to be satisfied before the money was released to the THA was that the services at the new hospital needed to start. This was done because, as I said, as of April 11, 2012, services have started, but, to date, I am informed that none of this \$100 million has been released from the Ministry of Finance to the Tobago House of Assembly.

I read in the papers last week that the Chief Secretary of the THA has been asking the Minister of Finance to release this money. I note among the Ministries mentioned in this Bill that the Ministry of Finance actually has the lion's share of upwards of \$1.1 billion. But when the Finance Minister made his presentation earlier on, neither the THA nor the TRHA was mentioned. One can therefore deduce that the Ministry of Finance actually has enough money to provide the Tobago House of Assembly with its needed funds. Therefore, the THA will then be able to provide the TRHA with money. Now, among this \$100 million, I am informed that \$14 million is needed to bring on new clinical staff and non-clinical staff. There is also a new nursing structure that should have been in place, but because of lack of funding, this has not been able to be implemented.

Now, Mr. President, as you would imagine, if you had one hospital providing services by doctors, nurses and other health care professionals—and you are short-staffed, operating one—if you have to operate two hospitals with the same staff, you are going to be even more short-staffed and under pressure. The staff in Tobago right now who are working in the hospitals are under pressure. You have doctors doing clinics at the new hospital and also being on call at the old hospital. In an emergency, they would have to leave the new hospital, leave the patients there, and drive to the old hospital to provide service and hope that there is no traffic in-between.

So therefore, in a dire emergency, the care to the patients that the doctors will be providing would be compromised. Also, if there is a patient being seen at the new hospital in the clinic and that patient needs to be admitted to the old hospital, you would have to call an ambulance, which is not always available, and then you will have to assign a nurse to transport that patient to the old hospital, taking away a nurse from the clinic when she is needed there—further compromising the staff.

In the midst of this situation, over the past month, a couple of doctors—one or two of them, very senior—have in fact resigned to go on to further their studies, and these doctors have not been replaced. On top of that, instructions have gone out to all the employees of the Tobago Regional Health Authority that no vacation leave will be approved until after August. So, instead of hiring more staff to manage the two sides, you are now preventing those members of staff who are under pressure, that need to take a break, from taking that break. This situation, Mr. President, is very dangerous.

Naturally, members of staff are going to get angry. In the Tobago press, over the past week or two, some of us would have seen where there has been some agitating taking place. On top of that, some people are being owed back pay money which they have not been paid yet. So you have a situation right now where things are potentially volatile. I hope that the Minister of Finance in his address will say something at least about this money that the THA is supposed to get so that the TRHA can be provided with the funds. I have heard on the side that maybe one of the reasons that the money is not being given to the THA yet is that the Government feels that with the elections coming up, they might use part of the \$100 million for campaign funding. I do not know; it is just what I have heard, but I am hoping that that is not the case.

All the healthcare workers at the old hospital are actually very pleased that the new hospital is finally opened. It is a well-constructed building that the Government should be proud of. It has good equipment—the equipment that has been installed so far—it is air-conditioned, it is comfortable, we are very happy; however, we do need to have staff to properly manage that hospital.

Now, having said all of that, even though money has not been released from the Ministry of Finance to the THA, there have been instances in the past where the Ministry of Finance had not allocated budgeted items for the THA, but yet the THA was still able to carry out those services. For example, last year the THA claimed that they never got money for CEPEP; yet, they were able to fund the CEPEP programme. In fact, the Secretary of Finance boasted that he was able to fund the CEPEP programme—in spite of being given money from the central Government—by using some of the several million dollars in unspent balances that the THA accumulates every year.

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Now, I, myself, have never been actually able to truly determine how much money these unspent balances amount to. In some quarters, I have heard it could be as much as \$100 million to \$200 million a year—maybe more, maybe less. There are also other projects in Tobago that the THA has used money not allocated by central Government to fund. There are various projects that are still not yet complete, but what the THA has said is that when they are given the money at the beginning of the financial year, they would prioritize and determine what they spend it on and what they do not spend it on.

So, I am hoping that while they wait—and I am sure that they will get that money—I am hoping that in the interim, the Tobago House of Assembly will, in its wisdom, provide the TRHA with some funding so at least we will be able to hire staff so that some level of decent service will be provided.

In my contribution in January 2012 on the Finance (Supplementation and Variation) of Appropriation Bill, I had stated that the Tobago public has waited for over 30 years to 40 years, and “we expect the hospital to be complete, fully equipped and fully staffed”. But, under the current circumstances, this expectation is in jeopardy. For the hospital to be complete, fully equipped and fully staffed, it does require the collaboration of both the Ministry of Health of the People’s Partnership Government and the THA, controlled by the PNM. This is because the Ministry of Health still has responsibility for installing the equipment and completing the hospital.

Even though we have moved in partially to the clinics, there are some areas that have not yet been completed, so the Ministry of Health still has a role. For the benefit of the people of Tobago, for this new hospital to be properly completed, it demands that the central Government and the THA work together, side by side, not one behind the other.

If you permit me, Mr. President, to share a bit; for the successful completion of the constitutional changes required in Tobago, for the benefit of the people of Tobago, it demands that both the THA and central Government work together, side by side, not one behind the other. For the successful completion of the constitutional changes required in Tobago for the benefit of the people of Tobago and Trinidad—this is because we are still a unitary State and we will remain so for the near future—it also demands that both the Tobago House of Assembly, controlled by the PNM, and the central Government, controlled by the People’s Partnership work side by side, not one behind the other for the benefit of the people of Tobago. Mr. President, I thank you. [*Desk thumping*]

The Minister of Energy and Energy Affairs (Sen. The Hon. Kevin Ramnarine): Goodnight, Mr. President, and thank you for the opportunity to participate in this debate. I would first of all start off on a happy note. I wish to extend belated birthday greetings to Sen. Basharat Ali who celebrated his birthday last week. [*Desk thumping*]

Mr. President, these Bills for the supplementation and variation of appropriation that come periodically, during the course of the fiscal year, present us with an opportunity to reflect and to better understand the state and the health of the national economy. In his contribution to this debate, Sen. Ramkhelawan, quite accurately, painted a picture that showed the relevance and strategic importance of the energy sector to the national economy.

7.30 p.m.

He cited GDP figures ranging from 45 per cent to 55 per cent. Of course, when one looks at the *Review of the Economy*, 2011 as laid in the Parliament last year, the energy sector accounted for 45 per cent of GDP at current prices but that does not consider the contribution to other sectors like electricity, power generation and transportation. It also does not consider a very significant part of the Ministry of Energy and Energy Affairs' mandate, which is the quarrying sector. I read in the document that quarrying and construction both contribute 6.1 per cent of our gross domestic product.

Sen. Deyalsingh: "See, ah come to take meh licks like ah man, eh".

Hon. Senator: Why would you say the man "have licks" to give? Come on.

Sen. The Hon. K. Ramnarine: Mr. President, many of the contributors to this debate, including the Minister of Finance and Sen. Vasant Bharath, the Minister of Food Production, Land and Marine Resources, and other speakers painted a picture of the global economy for us, that is not a very pretty picture.

The world is going through severe economic strain and a cursory glance at the growth rates in different major economies of the world will show that all these major economies are experiencing some degree of strain. The OECD, for example, has forecast a meagre 2 per cent growth for Japan in 2012 and that growth is actually based on the spending stimulus that the Japanese have put in place for rebuilding earthquake-hit areas.

In India, *BusinessWeek* as of May 31, 2012 estimated that the Indian economy, one of the new engines of growth of the world, has now slowed to 5.3 per cent, and J.P. Morgan in the same month revised its GDP growth forecast for China down from 8 per cent to 7.7 per cent.

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Of course, we heard a tremendous amount of data and statistics on the situation in the United States and the situation in Europe. As recent as last week, there was the release of a labour market report in the United States that did not give the sort of growth in jobs that was anticipated and that has caused markets around the world to respond negatively. That is the situation that the world is in.

The world, of course, has been in this situation before—in the 1930s, during the Great Depression. I would add that Trinidad and Tobago has successfully weathered, by and large, the worst economic storm of the last 80 years, and I think that is a credit to the economic management of the Minister of Finance. [*Desk thumping*]

Mr. President, let me get straight to the energy sector because I know that is what people want to hear me speak about. Natural gas production, as we read today in the *Guardian*, has been impacted as a consequence of ongoing asset integrity and maintenance work being undertaken by our largest natural gas producer, bpTT. I am of the view—and this is not a new issue, this is not something new to us—there was a question filed in this Parliament by Sen. Deyalsingh, I think it was, in February, which I answered and we have spoken about this issue publicly. I am of the view that while this may provide us with some degree of pain in the short to medium term, that in the long term—and I have had these discussions with the President of bpTT—the asset integrity work being undertaken by BP, and to a lesser extent other companies, but more so, BP, is in the best interest of Trinidad and Tobago.

I say that because BP has 13 platforms located on the east coast of Trinidad and Tobago that produce about 60 per cent of our country's natural gas. Those platforms, from time to time, require maintenance. The goose that laid the golden egg, we all know that fable. At some point in time one has to pay attention to the goose that lays the golden egg, and BP simply has gone into a maintenance mode as of late 2010 and that, we understand, will continue well into the year 2013.

But there is another factor driving this and there is a saying that safety policy and safety law in the world is always a reaction to events taking place in the industry. In 1987, there was a very tragic event that took place in the North Sea. It is called the Piper Alpha disaster where, I think, 160 men lost their lives and the bodies were never recovered because they were basically vaporized by the intensity of the heat. That Piper Alpha disaster caused a lot of change in safety law around the world, as it relates to the oil and gas industry.

In April 2010, a little more than two years ago, there was also a very significant event, which we all witnessed live on CNN. This was the Macondo disaster, the worst oil spill in the history of the industry and that too has had ripple effects around the world for safety standards, especially as they relate to deep-water drilling. BP, being the company at the centre of that episode, went basically into a mode of asset integrity, not only in Trinidad and Tobago, but globally. I say that just to explain what is the genesis what is the origin, of the shortfall in natural gas production.

In the interim, the Ministry of Energy and Energy Affairs and the National Gas Company have been pursuing a number of initiatives to mitigate the shortfall in natural gas to the domestic market in Trinidad and Tobago. I was reading the *Hansard* of one of the contributors from yesterday's debate in the other place, I think it was the Leader of the Opposition. He said that I had said that when the Toucan Platform came on to production in February, this problem would go away. I do not think I said that. I think that was in response to the question from Sen. Deyalsingh. What I had said at the time was that it would mitigate—it would go some way to mitigating—the shortfall; and the Toucan Platform has come on in February and it is doing very well.

The other strategies that we are looking at, and this is a coordinated effort between the Ministry of Energy and Energy Affairs and the NGC, is pressure management in the domestic pipeline system and I would not bore the Senate with the engineering details of what that means. Simply, it means that by optimizing your pressure differential between your reservoir and your wellbore and your piping system, you could allow more gas from an existing producing reservoir to flow into the system. That is a bit technical.

The other thing, which is not as technical as that is that we are looking at the entire domestic grid for natural gas, with the view of constructing interconnections. That would allow for greater flexibility of natural gas supply.

With respect to the actual shortfall, I saw in the article today in the *Guardian*, that BP has said that there was a 15 per cent decline in their production for 2011. And this is where we need to get time periods very correct when we compare things. What the President of bpTT was speaking about today, which was reported in the *Guardian* is he was comparing calendar year 2011 to calendar year 2010. Sometimes when we do these comparisons we inadvertently do not realize we may be comparing fiscal years, and a fiscal year runs from October 01 to September 30. So, for the comparison period in question, he is saying that the company experienced a 15 per cent decline in natural gas output.

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According to the data at the Ministry of Energy and Energy Affairs, the actual decline for that same period was of the range of 4.17 per cent, and the disparity between his number—of course BP is not the only company in Trinidad and Tobago that produces natural gas—that disparity of course is as a result of the fact that in 2011, in around the first to second quarter of 2011, we had gas supply coming into the system from BHP Billiton when they installed their gas exporting platform off the east coast, which would have helped somewhat to mitigate BP's shortfall, but did not go all the way. Similarly, when the Toucan Platform came on in February of this year, that helped but it did not totally fill the hole.

So, I am advised that—and what is happening is that BP is doing maintenance on platform by platform. As I said, there are 13 platforms out there. In the fourth quarter of last year, which is the period, if you read the Central Bank Monetary Policy Report, I think we all have copies of this report, it cites the fourth quarter of 2011. I quote from the report at page 8:

“Oil production continued its secular decline, but significantly, output of natural gas was 7.6 per cent lower in quarter 4 of 2011...”

—which is why when Sen. Deyalsingh was speaking I asked him to say which quarter he was referring to.

With regard to natural gas, the Central Bank, their reference period is the fourth quarter of 2011. And in that period, when we went very deep into what was happening, that was a very significant period for British Gas (BG). In that period last year, the entire east coast marine area (ECMA) was shut down. This is a very prolific gas-producing area of the country which was shut down for 20 days and as a consequence of that shutdown, there were also shutdowns in Atlantic LNG. What companies do is they coordinate their shutdowns.

To compound the issue, during that period, the fourth quarter of 2011, BP shut down the Immortelle Platform. The Immortelle Platform was shut down because one of the recommendations that went to BP from its safety audit was that the accommodation on the Immortelle Platform needed to be upgraded. The Immortelle Platform went down in the fourth quarter of 2011 and that knocked 150 million standard cubic feet of gas per day out of its system. As I said, during that period, the fourth quarter of 2011, for 20 days, it could be a little more, the entire east coast marine area was out of production and that knocked approximately 350 million standard cubic feet of gas out of the system.

That would have a ripple effect on LNG production, on methanol production, on ammonia production and on the production of natural gas liquids. That explains what

was happening in the fourth quarter of 2011. It had a lot to do with maintenance work being undertaken by our two largest producers of natural gas in that period.

Also, in November 2011, there were unscheduled shutdowns in both Train 2 and Train 4. As a consequence, October and November 2011 were the two lowest months for gas production in the year 2011. You must remember, of course, if you consider the fiscal year, the period October to December is the first quarter of the fiscal year but it is the last quarter of the calendar year. As I said, it is important to understand these quarters and where they lie. It is no surprise, as the Minister of Finance pointed out in his contribution in the other place, that the fourth quarter would have seen reduced production in natural gas.

The east coast marine area, which is home to the Dolphin Platform, which I visited once upon a time, that has come back up and it is producing and I am advised by BP that recently, the Immortelle Platform is back up but the maintenance programme, with regard to BP, continues and the work that will start on other platforms throughout the course of the year.

I would also like to report that in 2012, there were major issues. There is a scheduled maintenance on Train 2 and there is an unscheduled maintenance on Train 4, which lasted 25 days. We are also experiencing problems with regard to Atlantic LNG.

Sen. Deyalsingh: Would the hon. Minister give way?

Sen. The Hon. K. Ramnarine: Sure.

Sen. Deyalsingh: Mr. President, could the hon. Minister say, with the current situation, what percentage capacity is Point Lisas currently running now, based on the gas supply that they are receiving now?

7.45 p.m.

Sen. The Hon. K. Ramnarine: Thank you again, Mr. President. When I answered the question which was posed by the hon. Senator back in February, he had asked the question for the period February 2011 to February 2012. I remember that quite correctly. And I believe the answer given at the time was somewhere in the region of 4 per cent to Point Lisas. I do not have the most recent figure, but that is something which I do not mind providing to you at all. Right?

Sen. Deyalsingh: Thank you.

Sen. The Hon. K. Ramnarine: Mr. President, that is the situation with natural gas production and I come to a bigger issue. There is great change taking place in the world as we speak, and Sen. Dr. Tewarie would know about Schumpeter, the

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Austrian economist who spoke about “creative destruction”. In 1999 we began to export liquefied natural gas from this country, mainly to the United States of America, and most of that gas was going to places in Boston and so on.

Fast-forward to 10, 11, 12 years later. The world has changed again and the United States is now preparing itself not to import natural gas as LNG, but to export natural gas. And the reason for that is a quite well-known fact, that the United States has resources of natural gas in shale rock that could last it well into the 22nd Century. So the US has a glut of natural gas and as a consequence, the price of natural gas in the US right now at the Henry Hub is somewhere in the region of \$2.80 per MMBtu, whereas the price in Europe could be four times that amount and the price in Asia is even more. And as we speak, Japan for the first time in 40 years has all its nuclear reactors offline, and they are generating all their electricity using natural gas and other sources of energy. So the price is even greater in Asia, and that is the change we are talking about.

At the same time, the reality in Trinidad and Tobago is that it is becoming more and more expensive to produce natural gas. And if one were to discover, for example, natural gas in the deep water, which are waters in excess of 1,000 metres, more than likely unless that discovery is a large discovery—5, 6, 7 TCF of gas—it would be subcommercial if it was 1 or 2 TCF of gas in the deep water because the cost to produce the gas will simply not make that project economic.

So we must recognize that the cost of producing natural gas in Trinidad and Tobago is increasing, while the price of natural gas in the US is decreasing, and therein lies a fundamental issue that we have to grapple with at the level of policy. And I have said it publicly at the Chamber of Commerce in Westmoorings two or three weeks ago, that the time has come for us to look very carefully at the structure of the natural gas sector in Trinidad and Tobago, and to ask yourselves very honestly whether the time has come, from a policy perspective, to review that structure.

That structure was put in place in 1975 when the NGC was established, and by and large it has worked well for that period of time, but the world has changed, and we too must also from time to time periodically review. What I am talking about here is a very significant piece of policy that would have to be crafted at the level of the Ministry of Energy and Energy Affairs, and need I say at the Ministry of Finance.

I want to put on record my appreciation for the support that I, as a relatively young Minister, have received from my senior, the Minister of Finance, in the last year—*[Desk thumping]*—because there is a close symbiotic relationship between the Ministry of Finance and the Ministry of Energy and Energy Affairs. Whoever is

the Minister of Finance and whoever is the Minister of Energy and Energy Affairs must work very closely together because one deals with the whole issue of revenue, and the other one deals with the whole issue of allocation of resources and so on. So we work very closely together and the Minister of Finance is very well briefed and aware of these issues.

We also meet periodically with the leaders of the upstream companies, the presidents of BP, BG, EOG and so on. So we are aware of the issues and as I said, from an engineering point of view, from a commercial point of view, we are working towards mitigating the shortfall as much as possible. The feedback from the companies is that it would last into 2013. So let us put it on the table that it will not go away tomorrow or by December 31, 2012, it will run well into the year 2013.

As I said, I am of the view that it is in the interest of the country, in the long term, that BP and other companies do their asset integrity work, because the last thing we would want to hear, Mr. President, is that there is an accident on a platform and we lose the lives of citizens of Trinidad and Tobago, and citizens of other countries—because there is a very multinational cross section of people working offshore, but mainly Trinidadians. And that is something that, as a person coming from the industry, the first mantra that you are taught is safety first. So we must commend the companies for putting safety first and I think in the long run we all will be better off.

So I explained the fourth quarter, which was a difficult quarter from the point of view of production for gas. With regard to oil production, Mr. President, when we refer to oil production in Trinidad and Tobago—Sen. Ali would know—what we are really referring to is liquids production. And I sought permission of the Vice-President to use some samples in Parliament today.

When we refer to oil production, we are referring to the production of what they call crude oil, which is—and this is a lovely sample—[Shows a bottle of dark liquid] of medium crude from Petrotrin with an API gravity of 22, as you can see it flows well. And we are also referring to the production of something called condensate. This is what condensate looks like [Shows a bottle of clear liquid] and the two of them together are what we consider to be oil production in Trinidad and Tobago.

What has happened is that we have had a dramatic decrease in condensate production in the year 2011, and that decrease in condensate production is driven by a number of factors, and there are essentially three factors that drive the

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decline in condensate production. I would say that condensate production—I will just give a comparative analysis here. Condensate production has fallen from 30,000 barrels and, again, this is condensate. [*Shows a bottle of clear liquid*] It is a very valuable liquid; it contains all sorts of natural gasolines; and diesel and so on could be had from it.

Condensate production is a function of natural gas production. When we produce natural gas, condensate is produced along with natural gas, it drops out from the natural gas production. So what we have observed is a sharp decline in condensate production—from 30,000 barrels per day in January 2011 to 13,000 barrels per day in April 2012, and that is what is pushing down oil production. However, when we look at the figures for real crude oil, crude oil production has by and large held its own. So what is pushing down the oil production number is the decline in condensate production. I hope I am not sounding like I am lecturing in the university.

Sen. Deyalsingh: “Nah.” Very good. Very good.

Sen. The Hon. K. Ramnarine: And condensate production is affected—
[*Interruption*]

Sen. Hinds: You are just recalling the things they just taught you up there. So, go right ahead.

Sen. The Hon. K. Ramnarine: Condensate production is affected by—
[*Interruption*]

Sen. George: “A-A, why he come out?” [*Laughter*]

Sen. The Hon. K. Ramnarine:—reservoir performance. As reservoirs age, and our reservoirs are ageing, they produce less condensate. And condensate production is also affected by the type of gas, and this is a very significant point I will make to the Parliament for those of you all who want to listen, but it is a very significant point that I am about to make.

Sen. George: “Hinds doh want to listen.”

Sen. The Hon. K. Ramnarine: Historically, our natural gas that has been produced in this country has produced a lot of condensate. This is condensate. [*Shows a bottle of clear liquid*] What we have found is that as time progresses we are finding gas with less and less condensate. Gas which is produced with condensate is called wet gas because it is produced with liquids. What we are finding—and this is particularly the case of BP—is that their new gas fields are almost dry to the bone.

Sen. Hinds: Gas?

Sen. The Hon. K. Ramnarine: Gas. So what we have is natural gas now being produced with very little associated condensate production. I would not bore you with the details of what is biogenic gas and thermogenic gas and so on. So that is what is affecting the oil production, Mr. President. And I thought it was very important as the Minister of Energy and Energy Affairs to state this very definitively and very honestly to the Parliament because the energy resources of this country belong to all the people of this country. We are the representatives of the people, and I think it is incumbent upon any Minister of Energy and Energy Affairs to come to this Parliament and to honestly and truthfully say what the situation is. [*Desk thumping*]

Mr. President, there is also a lot happening in the energy sector, and if one were to read the Monetary Policy Report, page 44, and I will quote from the report, paragraph 3:

“Exploration activity increased markedly during the first quarter of 2012 as high international oil prices continued to drive the search for new oil. Total depth drilled increased by 73.5 per cent (year-on-year) to a total of 34.9 thousand metres while average rig days jumped 133.8 per cent...”

And while we have declines in gas production—[*Interruption and crosstalk*]

Hon. Senator: Hush!

Sen. The Hon. K. Ramnarine:—because of the maintenance issue and the asset integrity issue, and while we have declines in oil production—because less condensate is being produced—there is a tremendous amount of activity taking place right now, in the year 2012. This year there are 15 exploration wells being drilled in Trinidad and Tobago; it is the most exploration wells that have been drilled in quite some time. I would just give you the figures:

In the year 2000 and—Mr. President—[*Mr. President speaks to the Clerk*]
[*Laughter and crosstalk*]

Mr. President, I think what I am discussing here is very important. People may not think it is important, but I think it is very important.

Hon. Senator: “We listening to you.”

Sen. The Hon. K. Ramnarine: And I hope Members are listening because I do not want people to come back and say they did not hear the Minister of Energy and Energy Affairs say X and Y. I have just explained two of the most critical aspects of the economy—natural gas and oil. Of course, the *Hansard* is probably available to them, so they can read afterwards.

Sen. Abdulah: “Read and understand is two different things,”—ask Sen. Deyalsingh.

Sen. The Hon. K. Ramnarine: As I said, while we are in a scenario where there is a lot of maintenance work going on—and that has impacted natural gas production, it has impacted condensate production because less gas means there is less condensate being produced—there is a tremendous amount of activity taking place in the sector this year, and I will just give you a historical breakdown in terms of exploration wells. Exploration wells are a very good proxy for activity in the sector.

In the year 2009 when our good friends—well, they were not in Government, when their colleagues were in Government—there was one exploration well drilled in Trinidad. In the year 2010, two exploration wells were drilled in Trinidad. In the year 2011, six exploration wells, and this year 15 exploration wells are being drilled in Trinidad. [*Desk thumping*] There is a lot of activity taking place in the country, and we are seeing that having a ripple effect throughout the entire sector from a human resource point of view, and I will say that because people are beginning to gravitate towards higher paying jobs because activity is picking up.

Mr. President, with regard to Petrotrin: Petrotrin as you know is 100 per cent owned by the citizens of Trinidad and Tobago. I will not say the State, I will say the citizens of Trinidad and Tobago, and the company employs—and Sen. Abdulah will correct me if I am wrong—about 5,000 people on the payroll right now.

Petrotrin is central to the future of the economy of this country, from the point of view of the resources and the acreage under the control of Petrotrin. What we had seen in Petrotrin in the last decade was very frightening. We had seen a lack of attention being paid to oil production in Petrotrin, so much so, that production in Trinmar, which is the jewel of Petrotrin—as Sen. Abdulah would know—production in Trinmar in the year 2005 was 33,561 barrels of oil per day. Very good. By the time the elections came around in May 2010, that had collapsed to 21,636 barrels of oil per day at Trinmar. That was a 35 per cent collapse in oil production in one of the country’s most valuable assets as I said, it is an asset that belongs to the people of Trinidad and Tobago.

In our discussions with the union, they have made it very clear what their policy is with regard to Trinmar. The Ministry has committed that it would renew the licence for Trinmar, which expires every 30 years, and also renew the licence for what they call the north marine area, which is also expiring very soon.

8.00 p.m.

That is the story of Trinmar, Mr. President, and during that time we look at the capital expenditure profile for Trinmar and we see that the year 2008 is a significant year. It is the year that we had the highest oil prices in the history of the world—\$148 per barrel. That is the year that they invested \$32.5 million in Trinmar, in capital expenditure.

Not to be outdone, the following year the capital investment in Trinmar was \$5.8 million—very small. Mr. President, in the year 2011, the current board at Petrotrin under the current leadership, spent \$402 million in Trinmar and part of that \$402 million expenditure in Trinmar was a 21-well drilling programme. Some of those wells, of course, led to that discovery which was described as a hoax in certain quarters.

Mr. President, I wish to announce that in the next fiscal year, fiscal 2013, the expenditure anticipated for Trinmar is \$1.524 billion. [*Desk thumping*] That is the expenditure in Trinmar for fiscal 2013, starting October 01. So there is a tremendous amount of work that is going to be happening. The Minister of Finance is very interested in capital expenditure in the economy and that is going to be one of the major drivers of capital expenditure. Because Trinmar is 100 per cent owned by the people of Trinidad and Tobago, that capital expenditure—[*Interruption*] That is TT dollars—would redound almost immediately to the people of Trinidad and Tobago who are, by and large, the people who are going to drive the turnaround of Trinmar.

I will just give you some idea of what the turnaround of Trinmar entails because it is said that we do not have a plan and that we lack transparency, although I had dinner last night with Transparency International. [*Laughter*] I would like to add, of course, that in 2003, our good friends opposite—I think it was one Mrs. Christine Sahadeo; she was then the junior Minister of Finance; she may have gone off to Paris, I think it was, and signed Trinidad and Tobago on to the Extractive Industries Transparency Initiative and there was absolutely no follow-up thereafter.

One of the manifesto promises of this Government—

Hon. Senator: It was squashed. What she did was squashed.

Sen. The Hon. K. Ramnarine: It was squashed. What she did was squashed, so probably that was not to her benefit. One of the manifesto promises of this Government is to implement EITI status for Trinidad and Tobago and that is currently in train. [*Desk thumping*]

I am informed by one the directors of the EITI that the United States—

Sen. Dyer-Griffith: Say what it is.

Sen. The Hon. K. Ramnarine: EITI is Extractive Industries Transparency Initiative. It is something which came out of a couple think tanks in the UK and so on. I am informed by the EITI directors who I met yesterday that the United States—which is the largest economy in the world and has a big oil and gas sector; not just oil and gas, the United States has a big mining sector; they mine almost everything they can mine in the United States—has now come on board with EITI and is moving towards EITI compliance.

So the world is moving in the direction of greater transparency in extractive industries, and Trinidad and Tobago is also moving in that direction of greater transparency in its extractive industries. Of course, I can go into the whole history of blood diamonds in Africa and how all this came about from pressure groups in the UK.

With regard to Trinmar, we intend to start before the end of this year, in the fourth quarter of this year, the South West Soldado Project, which entails the drilling of 10 wells in South West Soldado. Trinmar is the jewel. South West Soldado is the jewel within the jewel. So we will be drilling 10 wells in the South West Soldado Field and we are also going to be reactivating 40 wells. These are not wells that have to be drilled; these are wells that simply were shut in for safety reasons almost a decade ago—Sen. Abdulah?

Trinmar was shut in more than a decade ago for safety reasons because of the integrity of the platform and these are wells that simply have to be reactivated, which means putting the wells back on production, but it is not that simple because you do not know what you are going to find when you open up the wells. They have been shut in for almost a decade.

We believe that, over time, all our efforts at Trinmar will take Trinmar's production from where it is right now—about 21,500 barrels of oil per day—up to 40,000 barrels of oil per day, and that is a significant amount of revenue that will be coming to the Minister of Finance for the benefit of the people of Trinidad and Tobago.

So, Mr. President, we are working with a plan at Petrotrin. There is also a recent 3-D seismic shoot that took place between the year 2010 and 2011, where 12,034 shots were fired on land, the largest seismic in the history of land in Trinidad and Tobago. Yours truly fired the last shot, the 12,034th shot, and I hope that gives them some sort of good luck. The processing of that seismic—because

seismic has to go through first, acquisition—that is the first stage. That is where we go into the forest and we run the lines and the shots are fired. Then, what is acquired has to be processed and then that processed data has to be interpreted. The fourth and final stage is the identification of prospects.

We are, right now, processing that data and we have gotten back some of the processed data and it is looking as though there is a lot of oil left on land, and I think that a lot of people who know the industry—particularly in Forest Reserve, because Forest Reserve was at one point in time one of the largest oilfields in the world. We believe that there is a tremendous amount of oil left on land in Trinidad and Tobago and that seismic could be the rebirth of the land-based oil production in Trinidad and Tobago.

Of that \$1.5 billion in Trinmar, which will be spent next year one-third of that—\$550 million—is for asset integrity work in Trinmar because there was simply very little done to upkeep Trinmar in the years of the last decade when we had to shut in platforms for safety reasons, when—Sen. Abdulah would recall—lives were lost in Trinmar and platforms had to be shut in and that caused that significant dip in oil production coming from Trinmar.

So that is the forward plan. I cannot give you all the information in the limited amount of time that we have. I am sure I will have other opportunities to expand.

I now come to the issue of the fuel subsidy. I know that this is something which is very topical, given our Diesel Dossier show on TV6. We pulled the data for fiscal 2012 and we looked at the first six months—we looked at October 01 to March 31, fiscal 2012, and we compared that to the equivalent period in fiscal 2011—that is the period October 01 to March 31, 2011.

The subsidy is driven by two variables in the main: one is something called the ex-refinery price, which is a function of the international oil price; and the other one is the actual volumes of diesel and gasoline that are used.

With regard to the ex-refinery price for that period compared to the previous period, there was a 20 per cent increase in the ex-refinery price because the ex-refinery price is a function of the international price. The international price was higher in that period than the corresponding period before. Of course, price has now started to go down because the world economy is beginning to slow down. So there was a 20 per cent increase in price in that period, but when we look at the volume—for the same comparison done on volume—we are pleased to

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announce that there has been a 20 per cent reduction in diesel subsidy claims in Trinidad and Tobago for that six-month period. [*Desk thumping*] Mr. President, that 20 per cent reduction says that we have dealt a blow and we have put a dent on the illegal bunkering business in this country but a lot more remains to be done.

I wish to announce again tonight that the Ministry of Energy and Energy Affairs is in talks with various stakeholders with regard to the implementation of the dye in our subsidized diesel, which will further serve as a disincentive to persons who are involved in this trade.

Again, I would like to put on record my sincere thanks for all the hard work that is being done at the level of the Minister of National Security and the agencies under him. The coast guard, of course, has been very integral in achieving what we have achieved; the Customs and Excise Division, which comes under the Minister of Finance; the Fisheries Division, which comes under Minister Vasant Bharath and the Maritime Division, which comes under Minister Devant Maharaj. It is a collaborative effort where we have brought all these agencies together and there is that energy security initiative that Minister Sandy is spearheading.

With regard to the overall subsidy—what I referred to there is really diesel, and we also subsidize gasoline and kerosene—when we speak about gasoline, we speak about regular gasoline. I do not know if people still use regular gasoline in this Senate, but there are people who still use regular gasoline, I think. There is also super gasoline and premium gasoline.

I was in Tobago, as you know, with the Cabinet over the weekend and we turned the sod on Saturday, June 02, 2012, for the Roxborough Station. [*Desk thumping*] I see that Sen. Cudjoe has filed a question with regard to the Roxborough Station and I would be very grateful to answer that question when it comes up on the Order Paper.

I went to Roxborough—I must admit it was the first time I had been to Roxborough—and when we were finished at Roxborough, we decided to have lunch at a place called Sharon's. Do you know where Sharon's is? Sharon's is in Charlotteville. We took the opportunity to look at the service station in Charlotteville and we found a situation that has to be corrected. The Charlotteville Gas Station does not adequately service the needs of the fishing community; not only in Charlotteville, but fishermen come from all over to get their fuel in Charlotteville.

I walked the beach—and while I was walking the beach, I ran into Mr. Hochoy Charles—and I spoke to the fishermen and they told me they had never met a Minister before and they were very glad—[*Desk thumping*] The fishermen were saying that they could not go out to fish because the station was closed. When the station is open, there is no fuel and there is a litany of woes around the fishing industry. At that point in time, I was there having lunch with the Chairman and CEO of NP and we committed to do something to upgrade the Charlotteville Station. [*Desk thumping*]

As I said, we turned the sod for the Roxborough Station on Saturday. In spending time in Tobago I speak to taxi drivers, policemen and so on and there is a need for a modern service station in Roxborough because Roxborough is a critical node in the tourist industry in Tobago. A lot of tourists transit through Roxborough on their way to and from the rainforest. So the station in Roxborough would also support the Government's thrust to revitalize the tourist industry in Tobago.

I must give credit to our colleague Minister Steven Cadiz for the Magdalena Hotel, which is, I think, signalling the rebirth of the tourist industry in Tobago.

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

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

Question put and agreed to.

Mr. President: Before you get back up, Minister of Energy and Energy Affairs, I want to announce that dinner is here. We are not going to take a formal break for dinner, so Senators wishing to partake of dinner may do so at their leisure providing, of course, at least 10 Senators remain seated.

8.15 p.m.

Sen. The Hon. K. Ramnarine: Mr. President, I had not realized that 45 minutes had elapsed but they say time flies when you are having, what?

Hon. Senator: Fun!

Sen. The Hon. K. Ramnarine: And of course, this is not fun this is serious business because it is people's business we are dealing with here. The subsidy on fuels is something which all citizens of Trinidad and Tobago enjoy. It is one way that the average citizen in Trinidad and Tobago, big or small, rich or poor could participate in the energy sector—in the benefits of having an energy sector in this country.

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One of the things that dawned upon me recently was the whole issue of LPG. You see, Mr. President, unfortunately I do not cook, so I do not appreciate the value of LPG but could you imagine what would happen in this country if for one or two weeks we do not have LPG in Trinidad and Tobago? We could probably live for a while without diesel and gasoline because we could walk and so on, and use the bicycle, but LPG is very important. It is something that we sometimes take for granted in Trinidad and Tobago and we have some of the lowest LPG prices in the region.

People in other Caricom nations, people in Latin America, are not as fortunate as us. So, with regard to the subsidy, for the first six months of fiscal 2012 the numbers have shown that the Government liability is currently at TT \$1.8 billion. It should be noted that this is after the subtraction of \$342 million, which constitutes the monthly levy payment made by oil companies under the Petroleum Production Levy and Subsidy Act.

So, although we have made some headway in dealing with the illegal trade in diesel, that headway—we also have to consider the increase in the price. So, we had a 20 per cent decline in volumes, but we had a 20 per cent increase in price over that period. And as I said there are two variables: one is price and the other one is volume. But we continue as I said, we went on to introduce the dye into the fuel which will allow the authorities in particular, Customs and coast guard and so on, to identify what is subsidized fuel.

So, Mr. President, before I close, I would like to speak a bit about what is happening at the refinery in Pointe-a-Pierre because our colleague here Sen. Dr. Lester Henry went on TV on May 29, and he spoke about the state of the refinery. [*Crosstalk*] There are several plants on the refinery. One of the plants on the refinery is called the FCC, the Fluidized Catalytic Cracker, and for short it is referred to as the cat cracker on the Pointe-a-Pierre refinery compound.

That cat cracker has been down since April 2011. It is down not because we want to have it down, but it is down for maintenance, and the cat cracker is going to come back up to production in July 2012, a month from now. But if you also consider again the first quarter of 2011, if you compare that to the first quarter of 2010—because the Central Bank is saying that refining output is down. If you compare the first quarter of 2011 to the first quarter of 2010; in the first quarter of 2010 the cat cracker would have been up and therefore it would have been contributing to GDP. Compare that to the first quarter of 2011; the cat cracker is down for maintenance.

So we are operating a sector as I said in wrapping up; it is a case of the goose and the golden egg. You have to go through these cycles of maintenance and asset integrity from time to time. You cannot run things constantly and expect them to run efficiently and safely. So, the cat cracker has been down, it would be coming back up by July of this year. As a consequence of the cat cracker being down, the country's supply of LPG, very important, again LPG—liquefied petroleum gas, mainly propane and butane. I might bring a sample of propane and butane one day to the Parliament.

Hon. Senator: With permission.

Sen. The Hon. K. Ramnarine: But butane, of course, is what we use in cigarette lighters, propane might be a gas at room temperature. Our supply of LPG, Mr. President, has had to come mainly from Phoenix Park while some supplies are still coming from the refinery. They take it off the distillation column. But by and large, once the cat cracker is down, the refinery is impaired with regard to its ability to reproduce LPG. What it also means, from a big picture, is that the refinery's throughput is somewhere right now in the region of 125,000 barrels of oil, whereas its name plate capacity is in the region of 175,000 barrels. So the refinery is really operating at about 80 per cent of its true capacity, and that too has an impact on industrial output. But as I said, we expect the cat cracker to be back online by July 2012.

In saying that, I would add that the cat cracker should have been maintained and come back online since the year 2010. And because of all the delays that we have had with the Gasoline Optimization Programme, that cat cracker maintenance was pushed out and had to happen in 2011 and 2012. But if we did not have those delays—and that had happened under the previous administration—that cat cracker, that upgrade, that maintenance work on the cat cracker would have happened in 2010 and we would not have had that problem today.

As I close, the Gasoline Optimization Programme at Petrotrin was initially—and I have all the letters here between the Ministry of Energy and Energy Affairs and Petrotrin—in 2005 the initial estimate was \$650 million. That estimate the following year went to \$850 million. The GOP project, when it is completed, will be US \$1,580 million, close to TT \$10 billion—huge cost overrun, huge slippage in schedule and one of the legacy issues that this Government has had to deal with.

Sen. Abdulah: Debt!

Sen. The Hon. K. Ramnarine: Debt! And that has also contributed greatly to the debt of Petrotrin. And at the core of that issue is the whole issue of something called a cost reimbursable contract—cost reimbursable contract as opposed to a fixed lump sum contract. When you have a cost reimbursable contract, whatever the fee, that is what the client has to pay as opposed to a lump sum where we both agree to a fixed amount for a contract. But I will speak more about the GOP project. I know the AG is working very hard on his forensic audit of the GOP project and the GTL project.

But when we speak about the energy sector we must realize that what I do today, as Minister of Energy and Energy Affairs, does not necessarily affect tomorrow. And it goes for every Minister of Energy. The Ministry of Energy and Energy Affairs and the Minister of Energy and Energy Affairs—decisions taken today have ripple effects 10 years down the road, five years down the road. So, some of the issues that we are seeing today are as a result of the decisions and inefficiencies that happened five, six years ago.

We have all the data to show with regard to the GOP project. Of course, I have not even touched, Mr. President, the gas-to-liquids project which, of course, is the subject of another forensic audit by the Attorney General where TT \$2.7 billion went like “poof”—US \$400 million or TT \$2.7, TT \$2.8 billion. Petrotrin poured that into a GTL plant and today we have not realized a single drop of diesel from that. So that is the situation the company is in. We are turning around that situation. We are focusing on Trinmar.

And as I close, Mr. President, as I said, we are focusing on Trinmar; we launched on April 05, 2012, a deep-water bid round. That deep-water bid round will close later on in the third quarter of this year. Interest has been very good in the deep water bid round. The very first note I took to Cabinet as a Cabinet Minister in July 2011 was for the reprocessing of all our seismic data in the deep water. That has had a tremendous impact on the attractiveness of our deep water to international investors because the reprocessing of that data has allowed for a higher quality image to be presented, and people are now seeing the subsurface a lot clearer, so it informs their decisions.

We have six exploration programmes right now. And when I was in Tobago I explained to the people of Tobago that to their west is the NCMA and there is exploration going on there. To their north is Block 22 where Centrica has 1.2 TCF of gas. To their east is Block 23A, where we signed a production sharing contract with BP only last month. And to their south is BHP Billiton. Mr. President, there is another project, which is the Cove Estate processing facility. Again, another legacy project that we have had to complete but we are successfully completing that Cove Estate processing plant by the third quarter of 2012.

I could go on and on. There is a lot happening in the sector. We have turned the sod; we have started construction, in fact, of the Galeota port. We are completing the TGU power plant. We are completing the multi-fuel pipe line and gantry at Caroni. That Gas Optimization Project will be finished. That is a project which was meandering, of course, on and on and on. It will be finished by this administration, by the board of Petrotrin appointed by this administration, in July of this year. I know our time is limited here tonight. I thought I would try to expound as much as I could about the state of the sector. We will have more opportunities as the future presents itself.

On Monday, there is a very significant conference here in Trinidad. The Society of Petroleum Engineers, of which I am a member, is having an international conference in Port of Spain. At that conference we intend to discuss, among some of the best minds in the sector, the future of the resources not only in Trinidad but in the Guianas.

Mr. President, I thank you very much for the opportunity to contribute to this very important debate and I wish everyone else after me good luck. [*Desk thumping*]

Sen. Faris Al-Rawi: Thank you, Mr. President. I rise to join in a contribution on the Finance (Supplementary Appropriation) Financial Year 2012 Bill, 2012; that is the name. It is a Bill all of two clauses long with a Schedule comprising seven items. This Parliament has been sitting for over 32 hours straight, if you were to look at the time between the Lower House debate on this Bill and the Upper House now; 32 hours at least—certainly for one category of persons, and that is the Hansard reporters. They have been here for 32 hours whilst we engage in what I think is perhaps one of the most inefficient systems of debate possible. This Bill before us is one—[*Interruption*]

Sen. Abdulah: Shorten it and speak for five minutes.

Sen. F. Al-Rawi: Sen. Abdulah is encouraging me to shorten my debate. I will come to him in a moment though. So, Mr. President, this debate involves—it is a money Bill—under our Standing Orders you can debate this with one day's notice. We had an anticipation of notice because we did not quite get the Bill passed in the Lower House yet. What we have is the PDF version emailed to us a couple days ago hoping that no amendments were made in the Lower House because you would then end up in a problem. We have this one-day rule under Standing Order 48. We are here debating 32 hours later.

I know that some of the Hansard staff with the large sum of \$5,000 a month—some of them, if they are lucky—have had to sit in this Parliament for a very long time to take our contributions down. And I wish at the very outset to express my sincere gratitude to them, in particular, and to our security services, and the administration, the Marshal's crew for their unstinting, dedicated service to Trinidad and Tobago [*Desk thumping*].

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The debate is, in fact, one which is not new to us. If we start at May 24, 2010 and we look at the budgetary cycles that we have enjoyed, two years have passed. We are into the third year of debate. [*Crosstalk*]

Sen. Hinds: Hush “yuh” mouth!

Sen. F. Al-Rawi: Distractions across the floor notwithstanding. We are two years into the third year. This, in fact, is the 12th debate we have had of a financial nature.

8.30 p.m.

In the first year, we had four Bills. In the second year we had five Bills and three Motions. Mr. President, to refresh the memory of those listening, we had the Appropriation (Financial Year 2011) Bill, 2010, which was in September, 2010; we had the Finance (No. 2) Bill, 2010, which was in December, 2010; we had the Finance (Supplementary Appropriation) Bill, 2011, which was in June 2011; we had the Finance (Supplementation and Variation of Appropriation) Bill, 2011, in January, 2011, then we had the Appropriation (Financial Year 2012), Bill in October 2011; we had the Finance (Supplementary Appropriation) (Financial Year 2012) Bill, 2012 in June of 2012—we are now doing this—we had the Finance (Supplementation and Variation) Bill, in January earlier in 2012; we had the Finance Bill, 2012 which was in February.

As Sen. Deyalsingh pointed out, there were three Motions that we dealt with as well—to deal with our debt ceiling limits and, in case he got the figure wrong, it was not \$3.1 billion; it was \$31.3 billion; that we dealt with.

So, Mr. President, we are here on a platform of 12 debates to discuss a Finance (Supplementary Appropriation), but I want to use the language of the Bill. The Bill tells us in the Senate documents supplied to us, that this supplementation of the appropriation for fiscal year 2012 is premised upon—and I would use the words of the Bill:

“The provision of Supplementary Funds in the sum of...(\$1,543,590,700) to fund urgent and critical Recurrent and Capital expenditure to September 30, 2012, in areas where insufficient or no allocation was provided.

As a result of the mid-year review of the Public Sector Investment Programme, which was conducted by the Ministry of Finance in collaboration with other Ministries and Departments, it is necessary to return to Parliament to seek approval for the Supplementation...in the sums”—provided.

“Additionally Recurrent funding amounting to”—\$1.4-odd billion—”is required to meet Personal Expenditure...Goods and Services...Current Transfers and Subsidies...Current Transfers to Statutory Boards and Similar Bodies...”

And the details are then provided. So, this Bill tells us that we are here for urgent reasons.

We are here because in the 11 debates that we had prior to this, the three Motions, the five in the second year and the four in the first year Bills, we could not contemplate these things. This is urgent and necessary. We are in the last month of Parliament, and Parliament has to prorogue by the 26th of this month, having been proclaimed to have started on June 27th last year. So we are into the final days on countdown clock. We now sat 32 hours in this Chamber collectively—elected Members and appointed Senators—and we are discussing important matters.

We have heard the hon. Minister of Energy and Energy Affairs speak to the golden aspect of our economy, what Sen. Bharath described as a one-asset economy. Let me get his correct wording. Sen. Bharath told us that we should appreciate that we are dealing with a one-resource country. That is what he said.

We heard Sen. The Hon. Kevin Ramnarine in an excellent contribution. He is always very well informed, and he provides us with great detail and information. He never condescends to the banal of the political banter between parties. He gave us a lot of information, but he told us something that I found very, very, important.

He asked for silence in the Chamber. He said, “Listen, you have the goose that lays the golden egg”, and he was dealing with the aspect of the shortfall of revenue because the hon. Minister of Finance told us that we are adding \$1.5 billion to the largest budget in the history of Trinidad and Tobago, increasing our debt to GDP ratio over 5 per cent, and that we are going to \$8.-something billion in deficit, and the hon. Minister of Energy and Energy Affairs tells us, “Listen, the goose that lays the golden egg had to be maintained.”

He told us in a litany of woes of inherited issues, some which he referred to as legacy items, that Trinidad and Tobago had to understand that revenue fell because of the incidence of maintenance on the gas platforms, in particular. He did so because when you reflect upon the Monetary Policy Report produced by the Central Bank of Trinidad and Tobago in April 2012, Vol. 12. No. 1, you note that the Central Bank says, relative to crude oil and natural gas production:

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“According to available information for the first quarter of 2012, crude oil output continued its declining trend, falling by some 13.8 per cent below first quarter 2011. Lower output by BPTT as a result of ongoing maintenance operations was the main contributing factor...Lower crude oil production also contributed to a 15 per cent decline in the output of refinery products.”

It then goes on to deal with declines in the petrochemical sector. So, we are, as Sen. Bharath describes it, a one-resource nation. The Minister of Energy and Energy Affairs tells us, “Listen, it is axiomatic that you would need to have some degree of maintenance with the goose that lays the golden egg.”

What I found quite spectacular is that nowhere in his dissertation did he bother to condescend to an explanation as to why our budget, when presented in October of last year, did not factor the scheduling of maintenance which surely the Ministry of Energy and Energy Affairs must have known. It must have known that because the hon. Minister of Energy and Energy Affairs told us that it is no surprise that shutdowns happen; that there is a symbiotic relationship between the Minister of Finance and the Minister of Energy and Energy Affairs; that they meet with the leaders of companies and that safety must come first.

He reflected upon the tragedies in deep-water blocks in 2010, and he reflected upon a tragedy in 1987. So, he tells us all of this is normal in contemplation. There is a symbiotic relationship between the Minister of Finance and the Minister of Energy and Energy Affairs, yet, somehow there was no form of consultation as to the revenue-side impact on account of scheduled or planned maintenance.

He referred to it, Mr. President—if I got it right—as BP being in scheduled maintenance for the period up to 2012. That is what he said—2013, forgive me. So, they are in scheduled maintenance. We predict our revenues every year as we did in October. We said that we are going to have revenues—very short statements on revenues by this Government, but the statement of revenue that came in the budget was a very simple one—energy expected revenue; non-energy expected revenue. What your expenditure is expected to be and what your deficit is going to be, that is what a budget essentially tells you. A budget is supposed to tell you things which encourage your confidence.

I find it very difficult to contribute sometimes to debates of a budgetary type because it deals with such an amorphous nebulous concept, and that is confidence. This Bill is, as I told you, two clauses long; one Schedule with seven items. We have done it now 12 times in the history of this People’s Partnership Government, and yet we are scant on details.

I heard the word “revenue” from the Government Bench twice in the last 32 hours. [*Desk thumping*] Twice! I would tell you when I heard it. I heard it from the hon. Minister of Energy and Energy Affairs a short while ago. I took down the time, 8.05 p.m. He took all of three seconds to deal with it. I heard the concept of revenue expressed by my learned senior, the Minister of Finance, whom I have great regard for as he is well aware but, Mr. President, nowhere else [*Desk thumping*] in the camp of this Government does the concept of revenue factor.

If you strip out for a moment the inane aspect of debate which revolves on criticism of the People’s National Movement, of policy, there is even an odd concept—40 years of unbridled PNM rule. The NAR never existed; the UNC never existed presiding upon serious budgetary allocations. None of that ever happened! It is a two-party state—the recentness of this particular coalition, a hapless one, and the PNM.

So, Mr. President, when you take out all of that rhetoric for a moment, and we understand the context which Sen. Deyalsingh set for us in this debate; rewind September 2011, three Motions, \$31-plus billion of blank cheques. We asked in that debate: why are we raising debt ceiling limits now? Why does it not come as it traditionally does after the budget? No answer! The answer then was, “We will tell you later. We will get down to those particulars later. Trust us.”

We then went into a budget with no explanation of revenue; no explanation of the deficit financing. I accept that it is absolutely permissible and laudable in certain circumstances to have a deficit budget, and to even run one in successive periods. But, surely, Mr. President, the nitty-gritty details as to your deficit financing must be set out in pellucid fashion. So, Mr. President, no word on it! So where do we go?

We heard the concept of the goose and the golden egg. We heard the Minister of Energy and Energy Affairs in Trinidad and Tobago fail to explain to us how the Ministry had no form of understanding that BP was going to shut down for planned maintenance. Hon. Minister of Finance, your revenue may be affected on the energy side and, therefore, you ought to be conservative on our budget. None of that, and we are told today, “Listen folks, we need \$1.5 billion more because we had no way of anticipating that.” Mr. President, quite simply, it does not add up. [*Desk thumping*] There is a hole in the explanation. [*Desk thumping*] It is a bucket with no bottom.

So, where do we go? We have three more years of this Government. I genuinely believe that the hon. Minister of Finance intends to do well. I do not

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believe he is in the right environment to do well. I do not mean so, because of the exogenic shocks to the system. [*Desk thumping*]

Sen. Hinds: Well, put. [*Desk thumping*]

Sen. F. Al-Rawi: I accept that there is a precarious global environment. I accept that. I accept that there is contagion as a result of that. We could reflect on Greece, Portugal, Ireland, the United States of America and India—which is in dire circumstances right now—a place where we have travelled to to bring people in from. I accept that there are difficulties and contagions, and they were in a global village. I accept that you have inherited certain legacy items but, Mr. President, we are—in a statement when we do not describe where our deficit financing is coming from—leaving legacy items for other people to pay later. [*Desk thumping*]

8.45 p.m.

Sen. Ramkhelawan asked a very important question in his contribution. He asked: What is happening next? He reflected upon the concept of *déjà vu*—“I have seen it already”, for those who do not speak French. He asked us: What is going to come next? I can tell you what is going to come next. It is actually set out in the Consultation Report of the IMF. There are two documents that provide a lot of information to the people of this country, if you look at it: one is the Central Bank Review that I have referred you to and the second one is the IMF Consultation Report.

Mr. President, the first theory that we could not possibly foresee, the items which we now seek to find appropriations for, I have already described as “not hold water”. The second aspect as to where we are going in the vacuum of information that we are left in, is ably set out in the *Trinidad and Tobago 2011 Article IV Consultation*. This, of course, was produced in June 2012. With your permission, Mr. President, I wish to reflect upon the caution that the IMF referred us to. The IMF report can basically be boiled down to a very simple thing. They said, “Listen, there are three things that the Government was intended to focus upon: restore economic stability; improve governance; and address the high level of crime.” I would come to that third one in detail in a moment.

Mr. President, the Policy Discussions set out at page 6 of the IMF report read as follows:

“Notwithstanding the weak economic performance, ample buffers have provided room for maneuver. However, a major shift in the fiscal trajectory is needed in the medium term to put the fiscal framework on a sound footing. Discussions

focused on how to support the recovery in the short term while returning to sustainable fiscal path going forward consistent with the prospective depletion of energy resources, and on addressing financial vulnerabilities and promoting diversification.”

I reflect here: “ample buffers”. Short version: You were left in a good position:

- (a) By the fact that there were buoyant prices with respect to our commodities that the People’s National Movement enjoyed.
- (b) More particularly, because it was well invested on a sound energy footing.

Mr. President, I wish, at this point, to say that the Minister of Energy and Energy Affairs’ reflection upon the jewel that Trinmar is, is again, axiomatic when you understand that the main item—which was thrown away by the United National Congress when it came into power—is what we intended to do with our gas. So, you know that gas prices are shifting globally; we are looking to spot trade; we are not bound by Henry Hub positions, so what was the People’s National Movement’s position? It was, “Let us begin to use our gas so that we get more than just the crumbs off the table on a net-back basis.”

As Sen. Ramkhelawan has told us many times before here, the intention to use it—which the hon. Minister of Finance described as making hard decisions—was to use it in the Alutrint position, in particular. The Government is now experiencing what difficulties look like by way of consultation; it is going through difficulties with the road; they did not want to listen and I am of the personal view that the Alutrint project was stopped on account of a political promise. [*Desk thumping*] I genuinely feel that.

It is no surprise that we must now focus on oil. It is true that the weighted average oil price is still fairly buoyant, maybe in the range of the \$90 to \$100, but that is not far off from \$75, which is what our budget is based upon. Remember the difference between what we sell it for and what we have budgeted is to go to future generations in the Heritage and Stabilisation Fund.

Mr. President, what does the particular IMF policy say? It cautions:

“...against further increases in recurrent central government spending...”

And it says that:

“...transfers and subsidies...”—are of concern having moved—“...from 9 percent of GDP in 2002/03 to 17 percent in 2010/11.”

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The hon. Minister of Energy and Energy Affairs dealt in part with the issue of transfers and subsidies as it is related to the fuel subsidy, but here is the golden part of the IMF consultation from my point of view. It is at items 13 and 14.

The first thing that I wish to point out is at item 14.

“Over the medium-term, a major shift in the fiscal trajectory is needed to return the fiscal framework to a sustainable path.”

It says here:

“An even larger adjustment will be needed to resume savings for future generations. The large 2009 decline in nominal GDP put the economy on a lower trajectory. However, central government spending has remained on the same pre-crisis path... Expenditures are significantly higher relative to GDP, but revenues have not recovered. The prospective decline in energy output and related revenues will further undermine public finances eventually requiring an abrupt adjustment...”

It then goes on to describe the passive scenario. It says that where we are on a passive basis—that is, taking no steps to recover—we would lead to

“...the debt-to-GDP ratio...”—rising—“...from 32 percent of GDP in 2010/11 to 48 percent by 2016/17, and as high as 69 percent in case of a growth shock.”

Mr. President, they then after, deal with it on an active scenario and the active scenario is what steps you can take to make sure that you do not end up in that disaster set out in the passive. At paragraph 15(iii) of the aspects which they describe it says:

“strengthening non-energy revenues by improving tax administration and broadening the tax base, including by reducing exemptions under the VAT and reforming property taxes.”

That is to be married by paragraph 13 which comes before and says:

“The government plans to undertake its first major review of the tax system since the 1980s...”

So, Mr. President, I am telling you, in answer to Sen. Ramkhelawan’s question, what comes next in the statement of “no concept of revenue generation”, something which the hon. President of the Republic—not reflecting upon him in any detail—said in his throne speech to the Parliament, where is the next big-ticket revenue item?

In no statement are the big-ticket revenue items, in no surprises that we are looking to oil as opposed to gas, having thrown away the gas projects, I am saying now that we are headed along a path where we are going to see debt-to-GDP ratio rise in significant portions, unless, as the IMF puts it, there is an abrupt adjustment. What does the “abrupt adjustment” mean? It means you are going to have to cut your transfers and subsidies; you are going to have to collect more revenue by way of taxation in VAT and property taxes and in personal income taxes. That is where we must go. [*Desk thumping*]

That is so, Mr. President, in the context of the open ticket being given to the Government; \$31 billion in ceiling limits raised; no statement on how it is to be funded. We have given the Government, or the Government has taken on to itself—because no vote is required here—a blank cheque book, mortgaging the future of generations to come.

Mr. President, where are we going? I join Sen. Ramkhelawan’s very sincere concern as to where we are going. I am genuinely concerned about the fate this country will be left with.

Sen. Abdulah noted something very carefully. He said, earlier—when Sen. Ramnarine was making the point about listening carefully to his contribution on energy—he said, “Even though they can read *Hansard*, reading and understanding is two different things.” I am sure he reflected, firstly upon the fact that the Fyzabad Accord was not what he read it to be. [*Laughter and desk thumping*] But, surely he was also reflecting upon the fact that we cannot read statements this way.

So, it is important to articulate the issues. So beware, Trinidad and Tobago, that property taxes are coming; transfers and subsidies are going to have to be dealt with; VAT is going to be adjusted, and there is nothing wrong with that. We must, if we seek to avoid—as has been described here tonight—a “gimme-gimme” society; “ah eat ah food” society as it is now commonly called in the newspapers. We must not demonize responsibility to your country through the payment of your just fare of your contribution to taxes.

This Government demonized the concept of property taxes and when called upon for explanations as to why they have spent two years, going into the third now, without collecting revenue from properties, half a billion dollars missing in the budget, they talked about “poof budget”? No revenue from taxes in that manner, what did this Government do? This Government—as can be seen on the parliamentary website with respect to Bills—laid five very interesting Bills: the

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Exchequer and Audit (Amdt.) Bill, 2011, lapsed on June 17, 2011; the Land Adjudication (Amdt.) Bill, 2011, lapsed on June 17, 2011; the Land and Building Taxes Bill, 2011, lapsed on June 17, 2011; the Taxes Exemption Bill, 2011, lapsed on June 17, 2011; and the Valuation of Land (Amdt.) Bill, 2011, lapsed.

So, recognizing that you must deal with valuations and property taxes, having demonized the thing, when called upon to explain how this country was going to be met with—I believe it was 7 per cent of your property taxes on a revalued basis—panic gripped them; they ran to the hills, throwing Bills behind them which would lapse when Parliament prorogued, simply because they would not accept the reality of the political dilemma that they would be faced with. Shame on the Government in respect of that.

Why, Mr. President? Because it is your country that you are playing with. It has a consequence to the budget. [*Desk thumping*] You have no statement of revenue; you are missing the item. We do not know how the deficit is being financed. So, where are we going?

The expression was used by the Government earlier tonight, hon. Sen. Bharath and it was good to hear him contribute. I enjoy his contributions. He is eloquent; he is charming. He said, perhaps, in a Freudian way that the Government was hell-bent—I will stop there. It seems that they are hell-bent—by a lack of particulars on the things that matter. How do we finance our lifestyle? How do we encourage the citizens of this country to be responsible to pay their fair due?

How does a government partner sit down with a statement saying, “There are those who do not wish us to have our party and celebrate, but they want to stick around to eat the ice cream and cake.” [*Desk thumping*] How do we, as a country, accept that it is now vogue to have an opposition in a government, or two, or three, as Sen. Deyalsingh reflected upon, if you take the words of the partners of the coalition seriously, as you must; the leaders of our society, as they are.

9.00 p.m.

How? Where is the shame that ought to prevail there? None; it is called shamelessness. So where are we, Mr. President? We are on the issue of a budget with no particulars, an appropriation with no particulars. Seven item heads: the hon. Minister of Finance says, “I will come back to those and deal with those in detail if you want me to.” Yes, I want you to. The system may be inappropriate to deal with it because we have so many people that stand up and speak, as we must, but it is the details that matter. The devil is in the details. Let me show you what I mean by that—if you look at the seven heads in our Bill—of the devil being in the details.

Sen. Deyalsingh reflected upon the CAL issue, and a couple of people have mentioned it well tonight. First question: you are providing CAL \$263-odd million, nearly a quarter of \$1 billion, with something called a fuel hedge. It started off as a hedge, as I understand it, because it was supposed to be purchased by the Government. It ended up being a subsidy; I accept that the naming was wrong. However, what is the detail of the recurrence of that expenditure? How often will it stay on our books? Particularly when this hon. Minister of Finance had the fortitude and courage to recommend that the Arthur Lok Jack board stay in place.

Why was that a wise decision not listened to by his Cabinet colleagues? Why? Because it was important to reflect that the Air Caribbean philosophy was: one brand, one airline, not one brand, two airlines. It was never Air Jamaica and Air Caribbean separately; one brand, one airline. Air Jamaica was supposed to be absorbed into Air Caribbean. They say now in a review of it: two brands, one airline. [*Desk thumping*]

As the hon. Dennis Lalor has put out, Air Jamaica paid its fair share; no baggage came in. Mr. Lok Jack, if you take what he had to say, said, "I left money in the account." We see now statements by three different functionaries of the Government, all three in different directions, and no explanation in this Bill given to us as to who is correct. "Just accept the \$263 million. Do not worry to ask yourself if it is going to repeat again and again. Don't worry to ask if the \$200 million debt by Air Jamaica is in that. Do not worry to ask if Air Caribbean's losses are in that \$250 million. Doh worry about any of that, just gimme, gimme, gimme." Example by the Government: "Doh worry to ask those things, and if yuh need to hear ah go tell yuh later, perhaps."

So, Mr. President, where does Air Caribbean, which factors in the Ministry of Finance's supplementation, coming out of the \$1.1-odd billion there? How is the recurrence of that going forward dealt with? Where are the particulars?

Let us deal with something else. Let us deal with the concept provided in this Bill under the heading to deal with the Ministry of Housing and the Environment, \$260,500,000. I watched the hon. Leader of Government Business in the Lower House, the Minister of Housing and the Environment, deliver—it pained me to watch his delivery, to put it mildly. It was joke after joke and bacchanal after bacchanal; it was Patrick this. No reflection of the Patrick he was talking about. It was who? Patrick Caesar, not Patrick Manning, as he may have alleged. He did say it could be Patrick Chookolingo, or something like that. I cannot understand why a man with so many letters behind his name could be so comfortable in comedy all the time. But anyway, I will not go into reflecting on his character.

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The point is that it is his Ministry that was dealing with CEPEP. We are told here, Item 61, Heads of Expenditure to be Increased. What does Head 61 say?

Additional funds are required to meet costs associated with an expansion of the operations of the Community-based Environmental Protection and Enhancement Programme, CEPEP, to provide employment opportunities for more persons in the lower socio-economic bracket across all communities, as approved by Cabinet on December 01, 2012 [*sic*].

Sen. Bharath told us, and I loved what he had to say. He said, let me get his wording right: there are those who make things happen; there are those who watch things happen and there are those who do not know what happened. He said that, but he forgot one very important thing which I ascribe to his Government: there are those who simply forget what happened. [*Desk thumping*]

Let me tell you why I have reflected on that. In looking at this Bill, I did a little quick check on the parliamentary website, and I found a very interesting debate under Motions, Fifth Session of the Eighth Republican Parliament, Private Motion: CEPEP (Government's Mismanagement). The debate was held in the House of Representatives, March 02, 2007, May 04, 2007, May 25 and September 28, 2007.

Mr. Speaker, I am speaking of interests whom I hope you will allow me to quote from in a short while: Mr. Ganga Singh, former MP for Caroni East, Dr. Roodal Moonilal, MP for Oropouche, Opposition Member, and Mr. Gerald Yetming MP. Mr. President, I could not believe what I saw when I flipped through the *Hansard* pages. Let me show you what I mean by that statement. Friday, March 02, 2007, I quote from Mr. Ganga Singh on the CEPEP (Government's Mismanagement) Motion. He said, according to a Note in Cabinet, he provided the paternity of the CEPEP programme as one vesting in the then Prime Minister, Patrick Manning. He went on to say at page 508:

“Mr. Deputy Speaker, I am of the considered view that CEPEP was conceived in the lust for power and the desire to retain at all costs and by all means necessary the Office of Prime Minister by the hon. Member for San Fernando East. Consequently, commitment to principles of transparency, accountability and good governance were never vital ingredients in the conception and implementation of this programme...

Mr. Deputy Speaker, this billion-dollar programme, this billion dollar slush fund as the reports will indicate, provides compelling evidence that the programme is a means by which to get state funds into the hands of persons who are supporters of the ruling party and the Government.”

Hear this one, Mr. President:

“It is billion-dollar pork barrel politics and the pigs at the trough are the friends and family of the PNM, in a feeding frenzy.”

Let me repeat that:

“It is billion-dollar pork barrel politics and the pigs at the trough are the friends and family of the PNM, in a feeding frenzy.” [*Crosstalk*]

Mr. President, I want to go further; listen to this one, Dr. Roodal Moonilal, now Leader of Government Business, then Opposition Member, Friday, May 04, 2007. Here is what Dr. Moonilal had to say. Well, he went on a whole excursion about the CSO at page 378, statistics, and in three pages in a row he deals with and uses the publication of statistics by the CSO to beat the PNM Government then in relation to unemployment statistics, a privilege which regrettably we do not have the honour of being able to do because there has been a steadfast non-publication of statistics. [*Interruption*] I am glad that Sen. Bharath has returned.

I am quoting here from Dr. Roodal Moonilal. Here is what he had to say about CEPEP on Friday, May 04, 2007:

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“So the programme was conceived as a political device to transfer the taxpayers’ money to private persons linked to their system who would benefit.”

Here is what he said:

“No, no, no, Mr. Speaker, when you keep corbeaux as pets, eventually they will dig out your eye. That is what they did. They kept corbeaux as pets and they dig out their eye and they wonder what happened to crime. Why are people being kidnapped and why is crime taking place?”

Mr. Speaker, that is the genesis of the criminal activity we face. They were keeping corbeaux as pets. That is what led them here.”

Sen. Hinds: Racist.

Sen. F. Al-Rawi: He goes on to say:

“First, you will not deal with crime that way, so it is counter-productive. The other issue in dealing with this matter is the social programme. Did it help?”

Madam Vice-President, I could not believe that Members of Parliament could have said those things in 2004, and the same Members of Parliament, in reference to citizens of Trinidad and Tobago as corbeaux and pigs being kept.

Sen. Hinds: Racist undertones.

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

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

Question put and agreed to.

Sen. F. Al-Rawi: Madam Vice-President, it was with shock and alarm that I saw those words on the *Hansard* record, and then to witness the comedy yesterday in the statement in relation to CEPEP. I could not understand, and I am grateful to Sen. Bharath for giving me the opportunity to reflect: there are those who watch things happen, there are those who make things happen, there are those who do not know what happened, and I have added now: there are those who wilfully forget what happened. I watched that yesterday. Unabashed shameless participation in a policy which they bashed; I find that repulsive, quite frankly.

Those were two incidents that I was referring to because, when I pointed to the subsidy issue with CAL, I was dealing with the issue of no statement as to how that may continue in years to come, and I repeat that statement now to tie it back with respect to the CEPEP item. Madam Vice-President, 11,000 persons on CEPEP, a programme described as one which is referred to only by pigs eating at the trough and corbeaux who "going to dig yuh eye out"; that programme being the genesis of crime; that programme now, no statement as to how much longer that culture of subsidy is going to prevail, and therefore, how we would finance it in our deficit financing in generations to come, in years to come, in the three years which we have with this Government left. Where?

That takes me to the issue of crime. There is an important point to deal with crime. Crime is reflected upon by the IMF in its report that I referred to earlier, as saying that the most problematic factor for doing business is the high level of crime and theft. That is the IMF. The Central Bank report also speaks to that. It deals with crime being one of three factors that has affected performance in this economy. The first factor was of course the eurozone crisis. The second factor was the wage negotiations and industrial relations environment, and the third factor was crime. That is to be found in the report.

Madam Vice-President, here is what the Central Bank says:

"Finally, the private sector now identifies the current crime situation as a major consideration in investment decisions."

So what do we have on crime? We have the Ministry of National Security coming to tell us, in the context of the wording of this Bill, “We did not contemplate”—because that is what the wording to the note to the Senate says: “We could not have contemplated back when the budget was dealt with, that we would have needed for the Ministry of National Security Item 22, \$63,072,700. We could not contemplate that, we did not know about it.”

9.15 p.m.

That, Madam Vice-President, when we dealt with heads up and heads down with respect to expenditure increases and decreases in January of this year, we dealt with savings, as the Government called it, with respect to SSA and savings with the shutdown of SAUTT, \$91 million they called it, which allowed them to deal with the creation of the jail in Santa Rosa, and also to fund the aircraft—that is, the two AgustaWestland aircraft that were coming here, the helicopters.

We know, Madam Vice-President, that the OPVs were cancelled. We knew that in May 2010. We know that the AW139 aircraft were to fly as companions to that, not to fly together with the four SAUTT helicopters as the Prime Minister’s personal mechanism of conveyance at most opportunities. We know since May 2010 that the helicopters are coming, but, here is where the devil is in the details. Apart from the fact that that \$63 million was known at all points in time, the contract is really for \$2.2 billion; the contract to deal with the training for the four aircraft, the training and resources for the helicopters is \$2.2 billion.

So, we did not know about the \$43 million which we dealt with in January when we raised a head called savings by cancelling SAUTT and paid for it. We did not know it in the budget last year. We now need it as a recurrent urgent expenditure—\$63 million. When are we going to be told about the rest of the money? You want to talk about legacy items and having to pay with \$31 billion of debt ceiling raised? [*Desk thumping*]

Madam Vice-President, do you know—and I hope the Minister of National Security would tell us this—the preparation requirements of the Government of Trinidad and Tobago to make this AW (AgustaWestland) contract work; our responsibilities are very simple. What do we need to do in this \$2.2 billion contract? We need to make sure that we have hangar facilities and candidates for training. That is what we need to do. Agusta is to deliver the aircraft, provide training for captains, maintenance and logistical support. It is to be done before 2015, in a five-year contract. Bristow is the provider to give us the certificate for

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airworthiness. You cannot fly without an airworthiness certificate. You cannot get the Niner Yankee Registration (NY Registration) for Trinidad and Tobago unless you have an air operator worthiness certificate which Bristow provides for us.

So, Madam Vice-President, I can tell you now that I am advised that we are incapable of completing our aspect of the hangar and officers to be provided for training, and therefore, when we come to 2015 we are going to have to find \$1 billion extra to ensure that we get the thing which we paid for. Our hand is in the lion's mouth already. So, I hope the Minister of National Security would tell us whether I am wrong. He is another gentleman I have great respect for, a servant of this country. I hope he tells me I am wrong. But, Madam Vice-President, that is a hidden devil in the detail, but there is another one. We have the C26 aircraft flying—the Air Guard flies it.

Mr. Manning, the Member for San Fernando East, when he was Prime Minister of this country, said specifically, as a mechanism to ensure that we get airworthiness and that we therefore meet FAA regulations, we are going to replace the C26 aircraft which have been modified beyond the point of no return and which we cannot have done in terms of retrofitting, in terms of time and cost, we are going to replace them with Dash 8s and the Dash 8s are going to be dealt with by maintenance by Air Caribbean, but that has not happened. So, we are flying aircraft under the Air Guard with no airworthiness certificates. If there is a crash, as can happen, we will be downgraded in terms of our status because it affects the civil aviation aspects at Piarco and elsewhere.

So, Madam Vice-President, another devil in the detail. Under the Ministry of National Security, appropriations given, we knew about this well at May 24, May 25, when the PP Government came in.

But, Madam Vice-President, where is crime? Madam Vice-President, if you were to reflect upon the newspapers as I have—June 5th, June 3rd; there is a daily tag going on. Here is what the *Newsday* has to say: “Young blood flows”; “AK-47 seized”; “PSC to write Gibbs”; “President defends Nizam’s dismissal”; “Ceiling caves in...”; “More moms abusing kids”; “Govt retirees: Put back our money”—a pension item which my colleagues will deal with in this Bill.

The murder count is greater today than it was last year. We locked up an entire country in the state of emergency on the basis of a spate of killings, and we are seeing here in an article under the *Newsday* headline by Alexander Bruzual; Tuesday, June 5, 2012—Madam Vice-President, if you count the number of people wounded and in critical care, it is 182, with 177 dead, with how many—

five victims between the ages of 19 to 27 in a matter of days—[*Interruption*—so, crime which affects this budget; crime which affects our country; crime which is unabated and left uncontrolled. In the context of having delivered your biggest weapon in your arsenal, Trinidad and Tobago took its nuclear weapon—being the equivalent of a nuclear weapon in our constitutional power—to invite the President to declare a state of emergency by declaration; we launched our biggest weapon.

That state of emergency can be best summarized by Michael Harris' headlines of “big fish, little fish in a sea of lies”, Madam Vice-President, most respectfully—no statement of control on crime, no details on revenue generation, CSO on shutdown, no statistics. The Opposition, as Dr. Moonilal pointed out in 2007, had the opportunity to use the same flawed statistics with inflation flaws, as Sen. Bharath pointed out, and beat the PNM like the proverbial “boboli”. So, they have now decided the best way to deal with this is give them nothing at all. No statistics, no explanation. Where do we go? Madam Vice-President, how much time do I have?

Madam Vice-President: Three minutes.

Sen. F. Al-Rawi: Three minutes of ample time.

Sen. Hinds: But you would get an extra 30 minutes.

Sen. F. Al-Rawi: Madam Vice-President, we have members of several coalition parties together, some of them clearly suffering from Stockholm syndrome, as I have said before.

Sen. Hinds: “Ooooh.” [*Desk thumping*]

Sen. F. Al-Rawi: Good people enamoured of their captors, some not knowing whether they are in or out, some do not know whether to run for the hills or not. But, with that motley crew that you could perhaps say they are, in terms of collection, surely the country expected articulation of policies, details; we expected to have a connection of the dots between the noble minds that sit opposite us.

So, Madam Vice-President, I make a cry to the Government: do better. Even though you do not need my vote here tonight, I am very concerned. I do not need to have bare statistical reference by my learned colleague, the Minister of Energy and Energy Affairs, good man that he is. He clearly has got the ball in his hands now, but the Ministry of Energy and Energy Affairs dropped the ball in not indicating to the Minister of Finance that there was a planned shutdown, which

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we must have known about. No oil company tomorrow morning shuts down without having a dramatic effect on its stocks. So, Madam Vice-President, consult, consult, consult; please dear Government, do better, aspire to the standards that you hope to aspire to and that you promised you would aspire to.

Madam Vice-President, I thank you for the opportunity to contribute to this Bill. There are many more items that my colleagues will deal with tonight in greater detail. I hope that the hon. Minister of Finance will regale us with some explanations that we have requested. I note, in closing, that the Minister of Energy and Energy Affairs answered absolutely none of the questions that Sen. Deyalsingh put to him—in particular, the gas price and gas contract renegotiation and the Loran Manatee. I thank you for the opportunity.

Sen. Basharat Ali: Thank you, Madam Vice-President. I intend to speak for a very short period but I think I have a very important matter to deal with, and that is the hedge, the so-called hedge—hedge mechanism I think it is called in the book here—Caribbean Airlines, \$273,510,000.

Madam Vice-President, I do not know how many people are aware of what this formulation is. If one goes back to the 2008 financial statements, in fact, in the notes there you would see what that formula is and it is very simple. It says the maximum prices to be used for West Texas Intermediate is \$50 per barrel and jet fuel price at that crude oil price is US \$1.50 per American gallon. So, up to that point, CAL would be paying that amount once the crude oil is \$50 per barrel or less. The fact of the matter is that in this period, I think the agreement—or the arrangement I should say—was supposed to be for four years up to December 31, 2010.

I do not know, hon. Minister of Finance, whether that was changed but evidently looking at this number it looks like if that has continued and I think that is an unsustainable subsidy, and a subsidy it is, because crude oil price as we all know in the period has moved up right over \$100. So that really, in the present environment or up to recently, while CAL would only have been paying the same price—\$1.50 per American gallon, which is the equivalent for the \$50 a barrel WTI—This additional amount, or this money that we are voting to replace or the supplement is really related to the fact that the price of crude oil has doubled or more than doubled in that period. So, I ask the hon. Minister whether this formula is still in place for CAL and if it is, I think we need to act urgently to change it. I am willing to sit and let the Minister correct me if I am wrong.

Hon. Dookeran: I would explain after.

9.30 p.m.

Sen. B. Ali: Okay. As I say, I think that it is an unsustainable hedge with WTI crude oil. Actually—up to recently, it was \$110 a barrel. It has dropped recently because of all the happenings in the international market for crude oil, et cetera. On May 31, for example, it had fallen to \$86.53. So it is still a very large number.

Madam Vice-President, I have checked out the jet fuel price as against crude oil, because one can download, in fact, a jet fuel monitor, day by day for what jet fuel is in a location. Doing that, I got a figure of \$2.92 per American gallon. So that compares to the \$1.50 which is being used. I do not know how CAL can operate there. Everybody else does something about it. In many cases they have a fuel surcharge, but if you are just paying that and everybody is satisfied, then sooner or later we will be in very deep trouble. This is why I wanted to get this out of the way.

The other part—I was hoping that the hon. Minister of Energy and Energy Affairs would have given us some indication as to what revenue collection is because we have to have the revenue to pay the bills, and I have done some work on that also in terms of what production we are having. As we heard today, bpTT has so much lower production, about 5,000 barrels, with the loss of condensate.

Now that is very important, not because it is a figure of 5,000 barrels per day less, but condensate is a very valuable part of the mix—so that when we are trying to sell our crude oil on the market, when we have the condensate mixed into it, it fetches a higher price because it is very low in gravity and it is very low in sulphur content.

So those are the things we are missing, and we have heard for so long that condensate had been dropping or production of bpTT had been dropping. But it is really only today that that public statement came out and I believe parts of it were read by somebody else. The statement by bpTT on their position there, their drop in production, because of the work they were doing, but they have never said so. I always questioned why is it because I thought it was associated with work there on their offshore platforms, et cetera, after the Gulf of Mexico accident.

Evidently that is part of it, but the loss of condensate apparently is something related to the formation from which they are getting their gas—so that is a permanent figure. That I thought would have been handled by my friend here who is just coming in—the Minister of Energy and Energy Affairs—the effect of condensate loss overall on our revenue, because 5,000 barrels a day lost condensate from bpTT means that compared to—there would be a bigger deduct on the WTI when you are using your calculations for pricing, et cetera.

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I was hoping, hon. Minister through you, that there would have been some indication as to what our revenue would be because if we do not have the revenue we cannot pay the bills. It is simple as that. I know that we have had the crude oil—since about the beginning of May or thereabouts—we have had this drop in the WTI. It has gone quite a bit down from over \$100 to \$86.53. Because of the whole economic atmosphere throughout the world, in fact, these prices are going down. Crude oil prices are going down.

I believe we should still have some surpluses of revenue, provided of course, that our LNG continues to go to the Asian part of the world, cannot be much happening because with Henry Hub, which is way down by \$2.38 compared to the Japanese and Korean prices, I believe the Argentinian price may also be high. I do not have the resources to say, well look, this is what we net back on LNG for Trinidad so to get a feel for what our true revenue is.

While we are speaking on this, there was talk of Petrotrin. I believe you mentioned, hon. Minister, it was a scheduled shutdown and one question which was being asked is why did they not do something about it. It is not really a scheduled shutdown. It is because the cat cracker is part of the programme, the gasoline optimization. So they had to go in there and I believe they found much more than they expected to do on that. So this is why gasoline production has dropped, because of the loss of the cat cracker. If I was doing that revamp I would have asked to start with a new cat cracker. That one there is from the 50s and it seen a lot of revamps already—more than one revamp.

So that is more or less what I have to say. As I say, if even we have to have a subsidy to CAL we have to really look at that formula if it is still on because, in other words, they are paying half the price of what they should pay for their fuel. And one may get into difficulties from a point of view of world trading WTO and whatnot. That is about all I have to say on this subject for today. Thank you very much.

The Minister of Planning and the Economy (Sen. The Hon. Dr. Bhoendradatt Tewarie): Mr. President, hon. Senators, I stand to support the hon. Minister of Finance in his presentation today, and in presenting the Government's position on the need for additional funding as we go forward this year.

All the items have been clearly identified and the amounts clearly indicated, and a cursory look at the items would indicate that they are for worthwhile purposes, whether in agriculture, in national security, in science, technology and tertiary education or in housing and the environment—I need not call every item.

I cannot see how this request, basically, before this honourable Senate for increased funding could elicit, for instance, a call by Sen. Al-Rawi in very, very animated terms for the need to encourage responsible citizenship, indicating by his call that the Government itself was being irresponsible. I did not think that I would ever hear from a Member of the other side a description of another Government as shameless.

Sen. Hinds: Well, their conduct is shameless.

Sen. The Hon. Dr. B. Tewarie: Therefore, I find it very difficult to reconcile the response to what is normal budgetary process as we have come to understand in the Government of Trinidad and Tobago and in this Parliament which is that it is reasonable to come and ask for an increase in appropriations in order to conduct the business of Government.

On many occasions in this Senate I have had the opportunity to say—and I think when the hon. Minister of Finance has also been in the House in different ways, I think we have pointed to the fact that you could either take the view that what you need is to impose on the country austere, budgetary insistence I would say, or that you could look to the opportunity of prosperity.

Now, prosperity is what we seek. We have not seen the advance in terms of growth that we would like, but it is not unreasonable to say that what we are witnessing in the country and the economy this year is better than last year, and that 2011 was better than 2010 and that we were coming out of a world recession between 2008/2009, from which the world has not yet recovered. There were references made by the hon. Minister of Finance in which he talked about the fact that every country, basically—some of them doing exceptionally well, countries like China and India on a double-digit growth path—have all had to review their growth targets and reassess their way forward. With what is happening in Europe today, it is very, very, possible that every country is going to have to take a look again depending on how that situation is managed, both in Europe and on a world scale as to how it goes about its business, how it manages its affairs.

9.45 p.m.

When the hon. Minister of Finance mentioned the fact that China has had lower growth rates, now in single digits, and India, et cetera, he talked about Brazil, reduction, and he did not go into Greece or Spain or Portugal where the situation, of course, is fierce. Having made those points, it was kind of ridiculed that when you talk about China, you know, you are talking about growth rates that move to single digits, yes, but are really pretty high.

But I think what we need to understand about what is happening in the world is that the double-digit growth rates that we have come to associate with China are now over, and the double-digit potential growth rates that were anticipated for India are now over, and that Europe, which 10 years ago would have been seen as an emerging success story, is now in a situation in which it has to question the very continuing existence of Europe itself as it is at the present time, and that all of these countries in Europe are connected; the whole world is connected.

That is why President Obama brought everybody to Camp David to sit to talk about the state of the world because one big economy affects another big economy; and the big economies affect every single economy, small and big and middle in between. That is the reality of what we are dealing with in the world today. Notwithstanding that, every country, every government of a country, has the responsibility to try to manage its affairs in such a way that it is prudent; that it tries to look after the welfare of its people; that it tries to give its people opportunity; and that it tries to set itself on a growth path.

That is what we have been trying to do here in Trinidad and Tobago as the Government of Trinidad and Tobago. So within this framework of global recession—if you want to call it that—within this situation in which there is a striving by almost every country to get back to pre-2008 growth conditions, it is in that context that we also find ourselves striving to move uphill in order to restore growth to this country.

When we came into Government, the country was not in growth, and where we are today is better than last year and the year before in terms of how the economy is going. Now, it is not as good as we would like and it is not a prosperity scene and it does not consist of high growth rates, but the country is stable. The Government is focused. Things are being done. Citizens are participating and we are doing what we can, given the kind of structures that we inherited, and I want to deal with that. When I say, inheritance, I do not mean it as a criticism of anyone—the economic structures that we inherited.

So we could choose either to balance the budget—and I am sure the hon. Minister of Finance has thought about that on many occasions since it is a choice—or you can choose instead to spend the money on things that you feel will make a difference to the country, some of them in the immediate short term to simply keep the economy going, and some of them that has implications for the medium term and the longer term.

In his wisdom, the hon. Minister of Finance, with the support of Cabinet, has chosen to go in a certain direction. And what is that direction? First of all there is public sector spending, then there is the hope of private sector investment and the engagement of the private sector to stimulate this process, both local and foreign, and then, of course, there is the element of public and private partnerships and trying to establish the infrastructure for that. What you hope is that by public sector spending, the private sector and the community will benefit. What you hope is that by private sector investment you are going to get sustainable jobs and you are going to get new entrepreneurial initiatives and new businesses. And what you hope by public/private partnerships is that you are going to get Government and private sector together working to put equity with new sources of financing and create the conditions in which you can have a more stimulated economy.

These are the things that we have been proceeding on. And to take the position, really, that nothing is being done and nothing is happening—and that, really, the economy is in a bad way—is not really an honest appraisal of the condition of the country. That is not to say, as I said, that we are in a boom. We are not. That is not to say, however, that we are a basket case either, because we are not, as a country. And that is certainly not to say that the Government has not embarked on a strategic path, on a systematic programme and making every effort to take the country forward.

Now, various Senators speaking focused on certain basic things, and I want to mention those. They mentioned the energy sector decline, and the hon. Minister of Energy and Energy Affairs spoke to that issue and explained what was happening in the sector. They spoke to the question of the non-energy sector growth, which is small, minuscule really, but what it points to is the fact that something is happening in the non-energy sector, principally in the services sector, and if you look at the Central Bank report you will see where it is happening: some of it in construction; some of it in banking; some of it in other services.

One hon. Senator raised the issue of business confidence missing. Now, I think you can say that perhaps there is not enough private sector activity of the kind that we need in order to help to stimulate the economy, but I do not think that you can say that there is a lack of confidence. From where I sit—certainly, in terms of the Ministry of Planning and the Economy—one of things we have had to do recently is to establish a committee, just as we did for the public sector projects, that would look at new private sector projects that are fairly substantial in nature. Because one of the things that we found was that there were long delays

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between the time that somebody came to present a project to Town and Country Planning and the time that this would be approved—first of all, the outline approval and then the more detailed approval that would make construction possible.

We have had to do that; and from what I can see in the pipeline, I do not think that there is any lack of confidence by the investing class in this country or by the business sector in this country, certainly from that point of view of being willing to put their money into projects that matter. These projects involve buildings; many of them seeking buildings that are taller than is now normal under the system, and we have had to look at that. Some of those projects involve significant acreages of land—400/500 acres of land—in which people are willing to make investments and develop.

But what I am finding is that the mechanism in the system, unless you basically create the conditions in which things like these can be fast-tracked and stimulated—and you have got to make the commitment too so that people know that they have to act on the approvals rather quickly so that things will happen—unless you create the conditions to facilitate the process, it does not happen because the system is not responsive to this kind of energy level that is required.

So you cannot treat a project coming to you to develop 500 acres of land, or a project coming to you that wants to put a high-rise building, or a project coming to you that wants to put a warehouse that will involve significant numbers of jobs—you cannot treat that like a house and land project. You have to see it as part of the development trajectory of the country and, therefore, you have to treat it as an investment, not as a request for permission. It is this kind of challenge that one has to wrestle with in order to deal with some of these issues.

So I want to say that while it is reasonable to claim that you are not seeing private sector activity to the extent that you would like to see, that is not to deny that certain institutions in this country—private sector institutions—have invested, and are investing now, millions of dollars in the country, and that they are doing things that involve construction, and that they are doing things that are expanding their business, which would only make sense if they saw the possibility of expanded sales at home and export possibilities abroad. And I think you can pick up even from the Central Bank document that there is a slight stimulation in the real estate market again, and I think that you are going to begin to see, together with that, a certain amount of construction activity in the country.

The other issue that was focused on is the issue of revenue and the deficit

position in the country. I do not wish to get into the details of that. I am sure the hon. Minister of Finance in his winding-up will address those issues. But I do want to say that I think, in the request for additional funds, the assumption was always that the revenue side—as indicated in the budget—has not been negatively affected; and I think one can take that for granted, which is why a big to-do was not made about it.

The second thing is that in talking about debt financing or loan financing and the creation of a deficit, again, one has to ask oneself what is the philosophical premise that informs the budget as part of a development tool on an annual basis as you move forward with the country. And if your approach is, in fact, to determine what it is that is needed to take the country forward on a year-by-year basis and you budget on that basis—and I am almost sure the hon. Minister of Finance did not mention it, but just as we have a medium-term framework and we have other plans, he has a three-year fiscal framework within which he is working.

He is not working by guess. He has a fiscal framework within which he is working over the next three years and, therefore, there are projections about how much you are going to budget and what is going to be the amount of financing that is necessary for that, and what is the gap between what you are going to be able to generate in internal revenues and, therefore, what else you are going to have to finance and there is a projection about how much it is going to cost over the years.

10.00 p.m.

I do not think it is fair to come here and make heavy weather of the fact that you have not heard everything that you wanted to hear, and assume that the things on which the Minister of Finance has been silent, that there is nothing to say. I feel that is a wrong assumption and a wrong way to approach the whole business of the presentation of this Bill here today.

So, I think it is important to understand, for instance, that in the Central Bank projections of the external debt service ratio, there is a clear indication of a declining stream of payments of both interest and principal after 2012. It is important to know that in all the projections, these are not projections of the Minister of Finance or the Government; these are projections of the Central Bank.

So what may seem like things are just happening, involves a plan and involves some thinking about where we are going, not just for today but for later, so that the projections, for instance, will take you until the year 2016. There is no need to

read out the numbers. This is not the time or the place, in my view, for it. There is, in fact, a projection of both interest cost and repayment cost for every year until 2016, and that is based on the debt servicing that we have as of 2011.

The response to the presentation and the response generally to the debate today is basically to knock the Government for not generating the kind of revenues that it could from oil and gas, to warn us about the falling price of gas and to berate us for the falling or the decline in production in oil, not understanding that the reason this has become—not fully giving cognizance to the fact that the reason this is such a central issue and such a big issue for us is because as, Sen. Deyalsingh was pointing out, over 45 per cent of the contribution to the GDP comes for that sector. That has been our situation for the last— God knows how many years in Trinidad and Tobago.

We have no problem with finding more oil or finding more gas or developing the energy sector as the Minister of Energy and Energy Affairs will tell you. But, the point is, that is not going to take us anywhere unless we do other things as well. It is precisely because that sector is such a significant contributor to the GDP and such an important part of our economy, and that we have been stuck in this zone for so long that anything that happens to it affects us either positively or negatively. It has that kind of capacity for shock and happiness. So we live with that.

Somebody raised the point that the state of emergency had caused some of our economic problems. The Central Bank report definitely says that it is surprised about the fact that, in spite of the state of emergency, the services sector and certain sections of the services sector did pretty well, in noting the point that the non-energy sector had in fact improved by about two percentage points on the last year.

So, the point I am making is that a lot of the criticism was not based on information but, in fact, misinformation. It is not wrong or unreasonable to express caution about the state of the economy and how we proceed and how we budget and how we spend. I think it is important to root all of this in the facts. I thought that in that regard, Sen. Subhas Ramkhelawan was more on the ball than most. But, he asked about the growth poles, and basically, he asked about it in the context of suggesting or insinuating that nothing was happening with the growth poles.

I want to explain to you a couple of things in relation to the growth poles. These growth poles were identified as growth poles that needed to be developed. The reason that they were identified was because the thrust was for diversification, diversification by the type of industry, because of what I just raised, the heavy dependence on oil and gas and energy. Therefore, you needed to diversify the range of products that you produced, the kind of industries that you had, the

sectors that you went into, the clusters that you created, et cetera. And you needed to move this not only away from oil and gas even though you wanted to diversify using the gas feedstock as well, but you wanted to move it to other areas that related to, let us say, an IT base.

Secondly, the fact that you had 5,000 people coming out of the university system—not just UWI alone but the whole system—every year, you wanted to link that to your human capital base, so you needed different kinds of industries. All of us know that the energy industry only enjoys or only hires about 3 or 4 per cent of our labour. So you wanted to do that.

But, the other thing is that you wanted to geographically spread the diversification. So it was diversification not only by industry but diversification by geography. And more than that, you wanted to create the conditions in which this could stimulate communities and communities could be stimulated by it.

These five zones were established. I want you to know that what happened was that an Economic Development Board was appointed to deal with this matter. That was only done about a year ago. The Economic Development Board was only appointed one year ago. They were appointed and did not have a structure. Because it was new, they did not have a secretariat. It was just a board. What we had to do was work with the IDB, and the IDB worked with us and they got a consultant. The consultant was able to work with the current board, and on the basis of working together they were able to carve out the spaces that these five growth poles would occupy and also the things that could be done in some of those growth poles and the way these growth poles could be managed.

Therefore, it has taken us time to get off the ground, but that does not mean that they have not been talking investment or creating investment. Since then, a lot of things have happened. We had eTecK which we inherited, which is under the Ministry of Trade and Industry and eTecK has a number of estates.

You have a number of institutions in this society: the International Finance Corporation (IFC), you have that; you have eTecK; you have the Economic Development Board; you have the Tourism Development Corporation and you have NEC in the energy sector. What was happening, you have all of these institutions involved in all kinds of things—some of them with estates, some without—Free Zone Company, et cetera, and there was need to try and make sense of that. And that is how investTT was established, so that you can have one investment capability that would handle the business of an investment and manage the one-stop effort that you need, so that somebody could do the walking for the investor.

But then you had specialized agencies like the IFC or the NEC or the Economic Development Board or the Tourism Development Corporation or all the others, which really were either aligned to zones themselves or were aligned to specific sectors and interests and the investment could then be managed in such a way that you could have a link between getting the investor in, walking him or her through the “hoops” and then eventually assigning that investor to a location and to an entity that could execute the process. That we have now been able to do. It took some doing but we have been able to do that. I want to say that the investors are being talked to. Today, I had a meeting with the Economic Development Board and I am aware of who they are talking to and about what; and so is the NEC, so is the IFC and so on.

But investments do not happen because you “flick your finger”. It takes time to do that. There is a gestation period, there is a management of the process and ultimately the person comes and you get to the point where you turn a sod, as we did in Frederick Street, which is a private sector investment. And you turn another sod which is something that is going to happen within the next month, and you turn another sod and so on. So you begin to see things happening.

I want to let you know, hon. Senators and Mr. President, that things are indeed happening and they will happen. And you will see action on the growth poles; you are going to see action in the north coast growth pole because action will take place there. You will see action in the central growth pole because it will take place there. And you will see action in the south west growth pole because action will take place there.

The point was made that you cannot see the result of Government spending and action and investment in the country in terms of growth as you would do in Barbados or Grenada, and so on. This is a very different economy; we might be neighbours and these might be Caribbean countries too, but it is a different kind of economy. And we also, as strange as it may seem to say so, we are also a larger country. An influx of tourists in any one year in excess of the norm can make a difference in Barbados or Grenada, but it will not make that much difference here in Trinidad and Tobago. Therefore, we must understand, because of the structure that I mentioned before, the role of energy.

Sen. Dr. Lester Henry said it. He said that even if you had significant activity in the non-energy sector it would not contribute to the GDP to the extent that a little difference in the energy sector would. That is a fact. That makes a difference. Therefore, it takes a tremendous clustering of opportunity and a synergy of energies from different sectors within your non-energy sector to create the kind of momentum that you need in order to cause growth to happen with those sectors making a difference.

10.15 p.m.

Now, I want to say something, a little thing, because some of the projects here had to do with the PSIP, and the Central Bank report did, in fact, mention a little thing about it. What it said was that:

“While capital expenditure in the first half of the year”—on page 10 of the report—“is some 20 per cent higher than last year, it is significantly below budget projections.”

—which means to say that we did not do the work or expend the funds as fast as we could, or to the extent that we could, but that we did better than last year. So that something was happening but it was not happening fast enough, and it was not hitting the point that it should have hit fast enough or high enough.

I think it is important to understand that after eight months, perhaps we should have had about 64 per cent of the expenditure of the PSIP which was just over \$8 billion, but what we turned out to have was about 48 per cent. So, 48 and 12 is 60 and 4, so we were 16 per cent short. What needs to be done now is to accelerate this process and to accelerate the action on specific projects. What needs to be done as well is to see the extent to which we can focus some of the funding on the things that can, in fact, make a difference, and can, in fact, be accomplished in the time; and that in itself will have its own stimulus because when you have concentrated action of that kind, it can make a difference, at least in the local economy in the area where it exists.

So, I do not want to go on too much longer, Mr. President, hon. Senators. I want to make the point that what we are asking for here, what the hon. Minister of Finance is asking for here, is not unreasonable, and far from taking the position that this is a “gimme gimme” presentation in which you come to the Parliament and say, “Gimme this and lemme spend it.”

We have always, every year, been accountable and everything that we are doing now is being measured. Just like I can tell you that it is 48 per cent and it should have been 64 per cent for this PSIP, every other thing that we are doing in this country is being measured. There is a strategic plan for each Ministry. There are five priorities. There are seven pillars. The priorities are measured by Ministries; the pillars are measured by clusters of Ministries and everyone has a target. So you can come here and say that crime is more than it was last year, which, of course, is not true. But, when you measure the numbers at the end of the year, you would know whether you have achieved your target. The hon. Minister, the police service, ultimately will know what their targets are because that has been set.

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The hon. Minister of Food Production, Land and Marine Affairs knows what his target is at the end of the year and he will meet it. I spoke to him a few days ago and those targets will be met; some will be exceeded. We will come to you and tell you what they are, and then you will tell us whether we are just talking off the top of our heads, or whether there is a reflection, an accurate reflection, of what we are saying in terms of numbers.

That brings me to the CSO. It is not true to say that numbers are not being provided by the CSO. I do not know why you all insist on doing that. I explained in this Senate that the census resources that were required, created a setback for the routine work that the CSO used to be doing. That had to do with the numbers for inflation—doing the work that was necessary to calculate the numbers for inflation, which they have now dealt with—and it also had to do with the unemployment figures. The last set of figures that we have is for the third quarter of 2011, and they are going to catch up within a matter of weeks to the end. The problem is that we are two quarters behind in 2012; I explained that in this Senate.

The CSO is not perfect and I explained why it is not perfect. It is not my doing; I have been there for a year. The CSO has had a lot of problems in the past; we are trying to fix it now. There are consultants there; they have just done the preliminary report for the census, which I will share with this Senate. They have promised me that by the middle of September we will have a demographic report based on the last census, and that will put us ahead. Although it looks to you like we are late, that would put us ahead of most of the countries that have done a census in 2010 or 2011.

So, it is all right to criticize; I have no problem with that. It is all right to point out the shortcomings; I have no problem with that. But, it is not right to come and say what is not true. I have a problem with that.

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes.
[Sen. F. Al-Rawi]

Question put and agreed to.

Sen. The Hon. Dr. B. Tewarie: Thank you very much, Mr. President. Thank you very much, Sen. Al-Rawi. I just want to close that issue with the CSO.

I want to close on one final thing which Sen. Deyalsingh raised and Sen. Al-Rawi said, that the Minister of Energy and Energy Affairs did not speak to the issue of the gas contracts that were coming up and so on. The Senator, the Minister of Energy and Energy Affairs, was correct not to say anything about it. You cannot take

issues that have to deal with negotiations about gas price with companies and come in the Parliament and talk about your strategy, your methodology and what you are going to do. I mean, it is unreasonable to ask those things.

I think that we need to understand that the Government must be given its fair opportunity to govern, and to manage its governance in a certain way. It is not every question that you have in your head, that you want to find out, that the Government sometimes has a responsibility not to say what it is. There is a lot of public information that we put out. I do not think that any Government is more open and transparent with information than ourselves. We hide nothing; everything is there. In any case, there are so many things that eventually find their way, either on the Opposition side or in the newspapers, that you could not possibly hide anything in Trinidad and Tobago.

I have no problem with the press. Somebody mentioned that we had a problem with the press. We have no problem with the press. The press is the watchdog of a society; that is their job. It is their job to report the news; to reflect on the reality of what goes on from day to day; to be a tuning fork for the population that it serves; and to criticize in a constructive way what is happening in the society. I have no problem with that. The stronger the press is in this society, the better it is for democracy. I have no problem with these things.

We are not afraid of scrutiny and the press has to do its job. It should continue to do its job, but not every question that is asked by anyone requires an immediate answer or an entirely comprehensive answer because some things you have got to manage because that is what the people put you in office for—to manage the business of the country. We must never forget that a Government is there because the people put them there and that their ultimate responsibility is to the people. At the end of the day, they are custodians in office of the interest of the people.

The other thing I want to mention, and I have mentioned it in this Parliament as well, is that the Government properly constituted includes every single Member of this Senate and the other House—both Government and Opposition. While we must distinguish between the Executive, the Parliament, the Judiciary and the press—all of these have their own roles—we must also understand that the governance is a shared responsibility of Executive, Parliament, Judiciary and the press—all of us are part of that governance structure. Therefore, honouring the roles that we are supposed to play is important, and playing those roles responsibly is also important; and recognizing that the shoes that one finds oneself in often determine the parameters that limit the role that you can play is also important.

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So, Mr. President, I want to thank hon. Senators for the opportunity to share a few words and to support the Minister of Finance on this Bill, and more than that to make a few points in response to some of my colleagues. Thank you very, very much. [*Desk thumping*]

Sen. Shamfa Cudjoe: Thank you, Mr. President, for the opportunity to contribute to this Finance (Supplementary Appropriation) (Financial Year 2012) Bill. At this time, I come at a very late time in the debate and some of the areas that I wanted to talk about would have been covered by some of my colleagues, so I hope to have a not-so-lengthy contribution.

Now, before I jump into the little bit that I have to say, I just want to treat with some of the issues raised by Sen. Dr. Tewarie. Now, Sen. Dr. Tewarie, through you, Mr. President, when we ask for certain information and figures and so on, we are only holding you to your own standards. [*Desk thumping*] Because when you were in Opposition, when members of this People's Partnership—well, the UNC in Opposition were talking about all this transparency and accountability, and they will make the gas price figures public and the contracts public so that people can have a chance to review and all this transparency and so on—it also was a promise on your election campaign, so when we ask for these figures, you cannot get upset with us; we are only holding you to your own standards. [*Desk thumping*]

So you say, “Give Government the space to govern.” When you were on the other side you were not thinking about that—give Government the space to govern. Everything that we did, we were criticized and being called a “dictatorship” and so on, and now you are on the other side, and just as you are saying now, to govern a country is not so easy, you cannot get things done just by the click of a finger—now, you are in the kitchen and you are feeling the heat and when we hold you to your own standards, you want to get upset. [*Desk thumping*]

I also want to treat with the comment made saying that crime is down.

Sen. Beckles: Which crime?

Sen. S. Cudjoe: I am tired of this Government—I do not know in which country. It certainly cannot be Trinidad and Tobago. [*Desk thumping*] Using figures and all these advertisements, Mystar and Miss Archie and everybody in the press is trying to tell you that crime is down. We live in our communities; we know what happens in our communities daily. So nobody can fool us, talking about crime is down. [*Interruption*] Sen. George, welcome back. I said not in Tobago.

Sen. George: You do not have crime in Tobago?

Sen. S. Cudjoe: Yes, we have crime in Tobago, but look at today, in Trinidad, your murder rate is about—what? What is the total?

Sen. Al-Rawi: One hundred and seventy-seven.

Sen. S. Cudjoe: One hundred and seventy-seven reported murders. In Tobago, we have two for the year.

Sen. George: God bless Tobago.

Sen. S. Cudjoe: Now, that does not say that we do not have crime in Tobago. The thing is that you cannot just use murder figures to determine the state of crime and so on, in your country. You have to look at the nature also of crime. So to continue to use statistics is something that we have to get out of. [*Desk thumping*] It would not get us anywhere.

When you even look at the nature of the crime, in front of the newspaper, “A grandmother robbed of a gold tooth out of her mouth.” You understand what I am saying. Look at the nature of the crime, also. Look in front of the *Newsday* today, “Young blood flows”. So, when you look at the nature of the crime, people being more violent towards children and towards women and so on, you can count the numbers and figures and say, “Okay, it is lower than last year”, but we all know that we are not where we are supposed to be. Nobody should be bragging and boasting about it, and we all need to make a concerted effort to do better. [*Desk thumping*]

Hon. Senator: Young blood!

10.30 p.m.

Mr. President, I also want to treat with—Sen. Bharath would have raised—every time this People’s Partnership comes back to the Senate to try to get more money, they always raise the issue of all these expenses they would have inherited and the Clico matter is raised again and all these old matters are raised again and they try naming out all the projects and so on. Today I just want to treat with the Scarborough General Hospital. I am tired talking about Scarborough General Hospital in this Senate because all of us know the different information, the development, that took place with Scarborough General Hospital, the litigation and so on and the old conceptualization that was done by the UNC, where the soil feasibility test was not done properly and when they started building the hospital the building was slipping and they had to start all over again.

What this UNC tried to do was add the old figure, of 135, along with the new figure, 447, and we got a new contract, not just for building because the first contract was for building only, it was building and fixed equipment. So, it is something completely different from what we started off with and new buildings.

Sen. Al-Rawi: Apples and bananas.

Sen. S. Cudjoe: It is like weighing it on apples and bananas, apples and oranges and we have gone—[*Interruption*] I am dealing with the Scarborough General Hospital, which I know about. When you have your chance to speak you would speak about what you want to talk about. [*Desk thumping*] For the record, I want to treat with that and to say that you experience these debts that you now have to ask for this money because of cost overruns with the Scarborough General Hospital. That is very disingenuous because, in 2008, when we did over that contract with the Chinese company it was a fixed time/fixed price contract for a turnkey operation and the price never changed from 2008. [*Desk thumping*]

So if we are talking about incurring any more liability from the Scarborough General Hospital project from the 2008 figure, we would be talking about the dates from August 2010, where we had, in the contract, that every day after August 2010, the Chinese company has to pay the Government of Trinidad and Tobago TT \$65,000, so we were to gain from this and to this day, this hospital still is not completed.

Due to the relationship between the Division of Health and the Ministry of Health, they have worked it out so that they can take this thing in stride but it is still incomplete and there are still things to be worked out. We have accepted an incomplete hospital due to our relationship. We were bursting out of our seams from the old hospital. You have to deliver the goods and services to the public. We did not say we are not accepting it because it is not finished. We tried to work out something that would be a win/win situation for both of us. We could have been stubborn and say: Okay, we are not accepting it. So, to go down that road is very, very, very disingenuous. I am just about tired of talking about Scarborough General Hospital.

This Government is so quick to probe everybody and so quick to question everybody. Who is probing the probers?

Sen. Al-Rawi: Aaah. [*Desk thumping*]

Sen. Deyalsingh: Aaaaah. [*Desk thumping*]

Sen. S. Cudjoe: Anyway, let me go right into my contribution. I would not waste any more time on that. This Bill comes at a very interesting time for me. This Finance (Supplementary Appropriation) Bill for the financial year 2012 comes at

a very interesting time for us as a nation. It comes at a time where the Governor of the Central Bank is saying that we are facing an economic recession/a slump/a slowdown. Then we have the Minister of Finance getting in the Parliament yesterday and saying it is not so. So, now we are forced to choose between what the Minister of Finance is saying and what the Central Bank is saying, when they should, in fact, be on the same page.

Another reason this Bill comes at an interesting time for me is that it is coming on the heels of the People's Partnership's second anniversary party/fete/fiesta/celebration—[*Interruption*]

Sen. Al-Rawi: Singalong.

Sen. S. Cudjoe: This weekend the People's Partnership was in Tobago making more promises about what they are going to give to Tobago and what they will see if they can do and what they are working on.

I just want to draw to your attention—their little motto or mantra this weekend was “it is time to put Tobago first.” They did not know that all this time before there was an election in Tobago? But it is now time, so let us put Tobago first. [*Desk thumping*] The Prime Minister, in her speech and the different presenters—[*Interruption*] yes, for the last two years. Check our track record under the People's National Movement and see the strides Tobago has made under the People's National Movement. People come over in Tobago and talk about Tobago and do not know one thing about Tobago.

Sen. Al-Rawi: Oh my. [*Desk thumping*]

Sen. S. Cudjoe: Anyway—all you know is you want to win an election in Tobago. After that, you do not care about anything. Anyway, Mr. President, let me not be distracted by noisy seagulls. There were all these pontifications about what this Government was saying it is going to do and that they are going to respect the assembly and they are not going to break any laws. I want to point to some of the quotes from this weekend. These quotes came from the Prime Minister's speech. I quote:

It is time to give Tobago the respect it deserves. It is time to put Tobago first. For far too long, Tobago has been treated more like the orphan child than the sister isle. There is no need for Tobago to beg for what is her due. It is time to correct the injustices and neglect. Tonight I pledge to you that Tobago will find its rightful place in the priority of our nation's plans and budgetary allocation.

From our hon. Prime Minister, Kamla Persad-Bissessar. I want to repeat the last line.

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Tonight I pledge to you that Tobago will find its rightful place in the priority of our nation's plans and budgetary allocation.

Mr. President, with that said, it is somewhat unsettling for me to come and have to face this Bill today. Now, the Government is asking for \$1.5 billion more so that it can execute its duties. And I recognize, under the heads of expenditure to be increased, seven headings, no money for Tobago, none, no allocation for Tobago, after the Prime Minister said—[*Interruption*]

Sen. Al-Rawi: Nah!

Sen. S. Cudjoe:—Tobago is going to take its rightful place in the priority of our nation's plans and budgetary allocation. We are going to put Tobago first. This was—[*Interruption*]

Sen. Al-Rawi: Zero comes before one.

Sen. S. Cudjoe:—two or three days ago. Here I come, faced with this Bill today, nothing for Tobago. You have the Office of the Prime Minister, \$11.9 million; Ministry of Finance, \$1.18 billion; Ministry of National Security, \$63 million; Ministry of Transport, \$50 million; Ministry of Science, Technology and Tertiary Education, \$45 million; Ministry of Housing and the Environment, \$260 million; and Ministry of Arts and Multiculturalism, \$5 million. Not even money for the Ministry of Tobago Development, no money for the Tobago House of Assembly.

Mr. President, it worries me. I am deeply disturbed by this because I think if you claim to love Tobago so much and put Tobago first, the least that you can do is follow the law. The least that you can do is meet your minimum obligations under the law.

Sen. Al-Rawi: Nah!

Sen. S. Cudjoe: With that said, I am talking about the Tobago House of Assembly Act. I am talking about section 5, which speaks about the Dispute Resolution Committee which states that for budgetary allocations, Tobago is supposed to be allocated at least 4.03 per cent to 6.9 per cent of the national budgetary allocation. So, this Bill today abrogates, violates and disregards the law.

This Government—I almost said, this Government probably takes Tobagonians for fools. Something—the thinking is not right, because this is known. This has been practised for the past—or up to 2011. Every time the

Government goes into the Consolidated Fund, Tobago is supposed to be allocated 4.03 per cent. If you go into the Consolidated Fund and you increase the allocations by \$1.00, we are expecting our 4.03 cents. It is due to us. It is the law. It is your minimum obligation whether you love us or not.

Sen. Dr. Tewarie: But you got more than that.

Sen. S. Cudjoe: We did not get more than that. Let us treat with the figures since Sen. Dr. Tewarie is doubting me. Both in the original allocation and any supplementary allocation after that, the Tobago House of Assembly is supposed to get 4.03 per cent. This is the mandate. It is the law.

Sen. Al-Rawi: Tell them.

Sen. S. Cudjoe: It is no favour or no love thing. You do not have to like us. We do not want you to like us. It is the law.

Sen. Beckles: That is life.

Sen. S. Cudjoe: Let us go through the figures, if you think I am lying. When we came to the Senate last year in October to pass the budget, the total budgetary expenditure was \$54.6 billion. Of that, the Tobago House of Assembly was given \$2.2 billion. When you do the math, that is “4.029-long decimal” per cent. When you round it off to the nearest cent it ends up to be 4.03 per cent, the bare minimum.

Sen. Dr. Tewarie: Add the PSIP to that.

Sen. S. Cudjoe: I am talking about the whole thing for the Tobago House of Assembly. Go back to your figures. If you have an iPad or you can go to the computer room right there and pull it up, or your iPhone Blackberry.

Anyway—[*Interruption*]

Sen. Abp. Burke: 2007.

Sen. S. Cudjoe: Can you repeat that?

Sen. Abp. Burke: 2007.

Sen. S. Cudjoe: Go back to all your years for supplementary budgetary allocation. Ever since the Dispute Resolution Committee came up with this thing in 2000, that has been the practice. It is the law and Governments have to meet the bare minimum. Even if you look under this Government, even last year, we got our 4.03 per cent when you came back for supplementary allocations. Check the figures.

So, in October last year, the total budgetary expenditure was \$54.6 billion. We got \$2.2 billion that rounds off to be 4.03 per cent. Then we came back to the Senate in January of this year, as Sen. Deyalsingh said and the Government took another \$2.7 billion, nothing for the Tobago House of Assembly. I raised it. Yeah. I raised it.

In the beginning you tell yourself they probably do not know or they do not understand this thing but many of the people in this People's Partnership Government were in the UNC before and have a long history of being in the Parliament. You need to at least know the law. It is not an excuse. When we came back to the Parliament in January, the People's Partnership took another \$2.7 billion from the Consolidated Fund, nothing for the Tobago House of Assembly. So we are still standing at \$2.2 billion against \$57.3 billion, that brings us to 3.8 per cent.

10.45 p.m.

Now, we are here today, the Government is coming back for \$1.5 billion, bringing the total aggregate to \$58.8 billion and Tobago still stands at \$2.2 billion because we were not given anything in this last allocation. [*Desk thumping*]

Sen. Al-Rawi: No way! "Nah!"

Sen. S. Cudjoe: You understand what I am saying? So, \$2.2 billion of the \$58.8 leaves us at 3.7 per cent of the national budget.

Sen. Al-Rawi: That means you are first in the line of bad treatment.

Sen. S. Cudjoe: Do the math. Go back into your records for those who have iPads or phones or whatever; go into it and check it out. So we end up with much less than we are supposed to get—[*Interruption*]

Sen. Al-Rawi: "If dat is stepchild"—[*Inaudible*]

Sen. S. Cudjoe:—and this is further compounded by the fact that to date, as Sen. Dr. Wheeler raised, the \$100 million that was allocated for recurrent expenditure for the Tobago Regional Health Authority has not been released.

The Tobago House of Assembly has been writing, talking and chatting with the Minister, and I know the last time the Minister spoke with the Chief Secretary, he had committed to provide the funds by the end of the week. Now, this is way after the end of the week, probably a month or so after. We are more than six months into the financial year and you would have heard of the problems up at the TRHA. We do not have the \$100 million. So if you minus the \$100 million from this \$2.2 billion we will end up with less, and we will end up even lower than the 3.7 per cent.

Sen. Al-Rawi: “Nah!”

Sen. S. Cudjoe: This People’s Partnership Government and its followers come to Tobago and talk about all this love and all these things they are going to do, and thinking about and seeing about, all these things that they hope to do—your action does not measure up, it does not fall in sync with the things that you are saying. It is not consistent. This is a Government that loves Tobago so much. This is a Government that puts Tobago first.

Mr. President, I am even more bothered by a recent—I think it was last month, the Minister of Tobago Development on Channel 5 on a morning interview said: “This \$100 million, Tobago House of Assembly doh need dat. That money would just be used for PNM campaigns.” I do not know if that is what she learnt from her friends in Trinidad, but that is not how it works in Tobago. [*Desk thumping*]

Sen. Al-Rawi: Wow! Wow!

Sen. S. Cudjoe: It is the law. It is the budgetary allocation that we are supposed to get.

Sen. Baynes: There are so many discrepancies in the management, how could— [*Inaudible*]

Sen. S. Cudjoe: Ohhhh! Keep it coming. Sen. Baynes is telling me that because there is so much discrepancy in the management, we do not get what is required by law?

Sen. Baynes: “Doh say what I did not say, eh.”

Hon. Senator: “Well, den doh say anything.”

Sen. S. Cudjoe: Please do not say anything, I am on the floor.

Sen. Baynes: There is reason for the perception.

Hon. Senator: Well, get up and talk after.

Sen. S. Cudjoe: You said there is reason for the perception—you know what, I am not even going to go down that road; you are on that road by yourself, or you and the Minister of Tobago Development might be on that road together. But this is the law. [*Desk thumping*] It is our duty to follow the law— [*Interruption*]

Sen. Al-Rawi: Call upon them to rectify it.

Sen. S. Cudjoe:—and despite what anybody thinks, whether you like us or you love us or you do not like how we look, whatever, or you do not like something about our operations, this is the law. You ought to follow the law and this Government should be the last institution to speak about mismanagement of money, transparency and accountability. [*Desk thumping*]

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Anyway, Mr. President, let me go on. *[Interruption]* I will not be distracted, I am on my feet and this is my time, and I will make my contribution. When you have your time you make yours. So anyway, let me go right on to Heading—let me give you some examples of this nothing-for-Tobago thing. Heading No. 54—*[Interruption]*

Hon. Senator: London Bridge is falling down.

Sen. S. Cudjoe: We would see “who fall” under it. Anyway, yes, Heading No. 54, the Ministry of Science, Technology and Tertiary Education, and this \$45 million is to treat with the first phase of the South Campus for the University of the West Indies. I find it rather interesting that the whole idea for the Tobago integrated campus came way before this idea of the South—was promulgated by the Government way before this idea of the Penal/Debe university. And to this day there are no funds going to the Tobago integrated campus, but you have here \$45 million to complete the first phase of the Penal/Debe campus.

There is still some discrepancy with this whole campus—how is this thing going to operate? How is this thing going to work? Is there some kind of memorandum of understanding? Has there been any discussion between the universities that are going to be involved? Has there been a memorandum of understanding? To my knowledge, no. Has there been any discussion with the Tobago House of Assembly or even with the prospective students for this project? As far as I understand this whole idea of this integrated campus, whatever that would mean—because when you talk to the universities, they do not have any idea of how this thing is going to work.

This new innovation sounds really bright, it sounds really smart, and if we can get this to work, I would—I mean if you can go to a one-stop shop and get everything you need, why not, but we need to have some discussion as to how we are going to really bring this thing to life. As it stands right now, it is just a policy being bandied about, and if there is no money allocated for a project, then you know there is no project.

So this Pene/Debe university comes after—*[Interruption]*

Sen. Oudit: Penal.

Sen. S. Cudjoe: Yes, Penal/Debe came after—thank you for the correction—and received the allocation. And I see in the newspaper that the award for half a billion dollars was allocated to a Chinese construction company called China Jiangsu International to construct this campus. During our time they used to “bad-

talk” us for hiring Chinese and tonight they did it again, but they awarded this \$.5 billion to a Chinese company to do this work. And while that is going on for Penal/Debe, there is a bus in the yard of the MIC, and we are told: “Okay, well, this is the beginning of the Tobago University”, a bus in the yard at the MIC. So all this talk about loving Tobago and doing this and doing that for Tobago, we are hearing it, but we are not seeing it.

Sen. Al-Rawi: Stepchild treatment. Orphan child treatment.

Sen. S. Cudjoe: Mr. President, I will go on now to—oh, and I recognize as the Government struggles for accomplishments to put under the Tobago development part of its little pin out for its party, they talked about they are now building this open campus. I remember being in sixth form in the year 2001, or so, when the open campus was being built, so this is nothing new, people have been going to the open campus. I remember taking a course at—no, going to a meeting when I was a Caricom Youth Ambassador at the open campus, that is how the youth ambassadors throughout the region used to communicate, through the open campus.

Sen. Al-Rawi: “Nah!”

Sen. S. Cudjoe: Tell me now, you building the open campus in 2012? I was a Caricom Youth Ambassador in about 2002—2003, around that time, and I was operating out of the UWI Open Campus. [*Desk thumping*] So I do not get it. And making all these announcements about: “Well, Tobagonians would now be able to stay in Tobago and get their degrees.” Tobagonians have been staying in Tobago and getting their degrees for a mighty long time. [*Desk thumping*]

Hon. Senators: Ohhhhh!

Sen. Al-Rawi: “Nah!”

Sen. S. Cudjoe: The people at my work who are now completing their masters in business administration with Arthur Lok Jack, they are—my cousin did her bachelors in education in Tobago—they never left Tobago. [*Desk thumping*—and now doing her masters right there in Tobago. Of course, these kinds of services could be expanded, but to give the national community the feeling that this is something new to them, and the People’s Partnership Government is now bringing relief to downtrodden Tobago and it is something new, and we should bow down for that—it does not operate like that. We have had these services for a really long time.

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Anyway, Mr. President, let me go on to national security. I want to commend Sen. Brig. John Sandy for the work that—I do not know if it is Sen. Brig. John Sandy to commend or who the programme falls under, but I think it is the Ministry of National Security, the Citizen Security Programme, they are doing a wonderful, wonderful job in Tobago. [*Desk thumping*] Anslem Richards and Anne-Marie De Gazon-Washington, they recently did a programme on domestic violence and incest in Bethel Village and they are really, really doing a good job with helping out youth groups to treat with their issues in the community. So I want to commend the Ministry of National Security for that Citizen Security Programme.

Sen. Al-Rawi: Well done. [*Desk thumping*]

Sen. S. Cudjoe: I recognize that the money allocated to the Ministry of National Security is for these two helicopters, but I just want to point out that there are some other less costly things that could be worked on and especially for Tobago. [*Crosstalk*] Would one of these helicopters be stationed in Tobago? Really!

I remember when we were developing Hermitage Estate it was for better security services for that area of the island, because of the kind of fishing and the kind of activities taking place on the island, but anyway I did not do too much research so I am not going to “trod” into areas I did not plan to.

I want to call on the Ministry of National Security again to treat with that 999 situation, where the calls are being answered in Trinidad, and then the person has to reroute it to Tobago, sometimes it takes a really long time. I called 999 either last month or the month before—I was travelling along a certain street and a man was beating, beating, really beating up a woman, and I called 999; it took them 9 minutes and 37 seconds to answer, and then after I answered, she said: “Well, hang up, I will then try to reach them in Tobago.” I do not know what happened after that, but I think 9 minutes is a long time. If we can develop a system where probably people from Tobago do not call 999, maybe we call 888 or another number where Tobagonians could be connected directly then there is a way that we can work it out. [*Desk thumping*]

I know the 211 system that was developed by the Tobago House of Assembly is working very well. I do not know if we can incorporate that into the national security programme, but there must be a way. To be told: “Well, the current technology does not allow it,” I cannot settle with that. [*Desk thumping*] I think that I waited too long and while the lady was bawling, there was a child crying. You know, it was something a little difficult to deal with and there must be something that could be done. So I really want to point that out to the Minister of National Security.

Now, I want to talk a little about the status of police stations in Tobago. Under the previous administration we had started the process for building the Old Grange Police Station and the Roxborough Police Station, and the contracts were already awarded. I remember asking question No. 85 on the Order Paper—it was in June of last year—and the answer I got was: “Okay, construction is going to begin soon, soon, soon.” And here we are two years after, from the date I started in Parliament and have been talking about this police station, and now I heard over the weekend it is now bandied about on the election campaign. It gives the impression that okay, these projects were being delayed to happen coincidentally close to the election.

And I can say the same thing for the Roxborough gas station because I have been talking about it since the very first day I was able to speak in here. If you go back and check the records, you will see me constantly raising the issue of the Roxborough gas station. This is another project that was agreed to and conceptualized under the previous administration and the awards were given. When this new Government came into power, they said we need to review and construction would start soon. We will review and get back to you. [*Desk thumping*] So the review took two years, and now at the time of an election you are hearing: “Oh, we are turning sod for Roxborough.” Now, I would hate to believe that these projects were being delayed and to coincidentally re-emerge at the time of an election. It would mean that this Government is playing smart with foolishness.

11.00 p.m.

Mr. President, I am glad to hear that there was a sod turning and I really hope that this project comes off so that there can be some form of relief for the people of Roxborough.

I want to say the same thing for the land regularization Bills. I saw an interview, I think last night, on Channel 5, with Sen. Dr. Tewarie talking about the land regularization initiative of the Government. This land regularization initiative is something that was started under the People’s National Movement. We created a package of three Bills: the land titles and registration; the land acquisition and the land tribunal. It was a package of three Bills to treat with the regularization of land. We had gone through the consultations and so on and now this Government came into power, decided to review the whole initiative and now—around the time of an election—all of a sudden, talking about this land regularization.

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I have seen it on the Order Paper to take place during this session and, interestingly, these two Bills are being allowed to lapse. I hope that in the next session this project is taken up with urgency. Again, Mr. President, I would really, really hate to believe that these projects were being delayed and are now being brought back to the forefront because of an election.

I want to say a little more on that land regularization process in Tobago. This is a very, very long-standing problem. I will tip my hat to any administration that can sort this thing out; but this thing will take some time and some money. What you are hearing from some of the people, who are even involved in the committee which was set up to treat with this, is that it is a big bite to take, a big responsibility to take; and the kind of money that would be required to complete this initiative is going to be challenging and is going to take a long time. I hope that it comes to fruition.

I know the Tobago House of Assembly and I know the Opposition, and any right-thinking citizen would be more than happy to assist in treating with that matter. I want to point out some concerns of some of the people that I have talked to in Tobago. There are some serious suspicions and scepticism about this process.

I am hearing lately from the Government—in the public domain when they get on their little campaigns, they are saying that 90 per cent of the lands in Tobago do not have proper deeds and documents. A recent comment was made that Tobagonians have been squatting. I said: “Squatting?” Now that is not a nice thing to say. That is rather disingenuous and I think that would be disrespectful to all the parents and grandparents who would have worked hard and gotten land and passed on their land to their children. It is not that we do not have—[*Interruption*] Sen. Oudit is now saying: “How can you pass on land if you do not own it?”

The thing is that these people own these lands. People would not have taken care of their little documents. I know of a situation where, let us say, a grandmother says: “Give this piece of land to Keisha”, on her dying bed, and there is no paper. We honour it as that.

One thing about this land legislation that the People’s Partnership is bringing back is that they have left out the land tribunal and that is bothering to me. The land tribunal is very critical because you have the elders in the villages and certain people who know the history of these lands. They can tell you, from that calabash tree to this other tree, that piece belongs to Thomas. You need the elders and the people who are intimately involved and know the history of this land to be

involved in that land tribunal process. That was prescribed by the People's National Movement, by the package that was created by the past administration and I would really like, before we bring this legislation to the House, that we reconsider that land tribunal to treat with land issues.

Long stories could be told about our land issues in Tobago, but when somebody on their dying bed says, "I am passing this on to this person or that person", it is honoured and recognized like that. There is some concern and people are getting suspicious and sceptical about these public announcements being made that we do not own our land and so on. People are beginning to feel like this is some sort of trick to fool me from owning my land and they are going to give up my land for sale; they are going to take my land. So, there needs to be some public education and some kind of outreach programme so that people can understand what is taking place.

I did not see any money allocated to this land regularization process and the Government claimed that this is one of their priority projects. As you know, if there is no money allocated to a project, then you can pretty much say that there is no project because it is the money that makes this thing happen.

So, Mr. President, there are projects, processes and programmes that would have been started under the previous administration and now "I hear the Government getting up on the stage and talking about it" as if it is their project. Over the past two years, opportunities have been missed by this Government to create its own legacy and leave its own footprints in the sand. You had so many chances and you blew it. You have three more years, now buckle down and try to see what you can get done!

I heard Sen. Emmanuel George speaking earlier about the Courland pipe project, there was some sod turning or something done there on Friday. Some officials at WASA are saying that while this project will bring water to some communities that did not have a proper flow of water before, this project has not brought as much benefit as it could have for the people of Tobago.

The people I spoke to are saying that the Government brought to Tobago their own workers to lay these pipes, stating that the workers in Tobago do not have the experience and the expertise in doing this kind of work. There is an opportunity missed that you could have used to train people in Tobago about the knowledge and know-how of how to do this. Also, they are saying that the Government brought their contractors from Trinidad, with their own trucks and backhoes and so on. So, this is a major capital expenditure project and where does it leave the Tobago contractor or the Tobago businessman?

This is something that you have to look into if you are serious about developing Tobago and showing all this love. When there is a contract in Tobago, it might not be that beneficial to our development to bring all the workmen from Trinidad and not train Tobagonians how to do the job; and bring the contractors and the backhoes and trucks and so on from Trinidad. That is what is being said about that Courland pipe project.

However, I must say that it is a noble initiative to try to give everybody water. I know in my area we are supposed to get water three times a week. Sometimes it comes for two hours; sometimes it just does not come; sometimes I spend all Saturday calling WASA asking: Can I have some water please? So, we have a way to go as it relates to supplying water.

I just want to stick in there, Mr. President, that when we talk about coming back to the Parliament and requesting more money, people want to see where the money is going. People want to see an improvement in their services. When you go to the supermarket, you want to be able to buy food; you want to be able to buy building material to build houses and so on.

Because of our land situation in Tobago, you find that some people do not have deeds, so when you go to the bank, they would not give you a loan so you have to build out of your pockets. It can be very, very challenging for a young couple or a young person who would have been given land by their grandmother, but who are unable to get a loan from the bank.

These are things that the Government needs to look into.

Now Sen. Danny Maharaj—

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes.
[Sen. F. Al-Rawi]

Question put and agreed to.

Sen. S. Cudjoe: Thank you, Mr. President, and thank you colleagues. I was making the point that the Government has missed some opportunities to really make an impact on the development of this country. Even now, as it speaks about development in Tobago, there are some missed opportunities.

Mr. President, Sen. Danny Maharaj would have shouted out some comment alluding to nothing was done by the PNM in Tobago. I was speaking about the allocations for Tobago, and I just want to point out a couple of the projects

because Sen. Ramnarine, speaking glowingly about the BHP gas pipeline—and I remember when Minister Alleyne-Toppin, Minister of Tobago Development, made her contribution in the House, she was saying that there was no gas line there. This money has been going down a black hole.

It was so interesting. I was looking for news on the pipeline and I went to the website of the Ministry of Energy and Energy Affairs and I saw a PowerPoint presentation about Tobago's natural gas pipeline. It said that the project was started in February 2007, construction began in April 2009 and when this Government took over, it was 91.4 per cent completed. So I do not understand the point that representatives of the Government are trying to make that nothing has happened.

The People's National Movement had spent \$1.04 billion on that gas pipeline project and these investments are outside of the 4.03 per cent for Tobago.

Let us talk about the gas processing plant at Cove at \$300 million, that was in excess of the 4.03 per cent. Let us talk about the T&TEC plant at Cove—\$600 million in excess of the 4.03 per cent. So when you talk about gas to the Eastern Caribbean and to Barbados and Cove, you are talking about the work of the People's National Movement—give that praise where that praise is due.

Mr. President, there is much talk about this free zone for Tobago. The Government came up with this brilliant idea, but I am asking: which Tobagonians were consulted on this? Was the Tobago House of Assembly consulted on this free zone? Did Tobagonians tell you—

Hon. Senator: [*Inaudible*]

Sen. S. Cudjoe: An idea. I am saying that consultation needs to happen. I know that the Tobago House of Assembly had written to this Government since the Government came into power in 2010, asking for Cove Estate to be made a regional economic development zone. To this date, as far as I understand, there has been no response.

11.15 p.m.

Now, Mr. President, Head No. 34 deals with the inter-island transport, and I am proud to say that the water ferry service was conceptualized by the Tobago House of Assembly which then encouraged the Government to seek funding for the water ferry service. They do not like to hear it, but that was the work of the People's National Movement. I am happy to see that this Government is going along with that project. [*Desk thumping*]

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Now, what I want to advise is—we are bursting out of our seams in inter-island transportation services—I am thinking that it is probably time for us to consider an additional vessel for transportation between the two islands, and also for the—[*Interruption and laughter*—I will let that slide in good faith.

Anyway, Mr. President, the planes, the air service between the two islands. These planes have been—I want to place on the public record, and it is not my intention to scare anybody, but I know when I am travelling, I am scared. I have been flying for years, so it cannot be my fear of flying. But, for the past couple months there have been many complaints about these airplanes not working properly, mechanical problems. When you get on the plane they make you come off the plane to fix it. Flights have been cancelled.

Many times in the night—I remember going up there last week Tuesday to try to get home and that was the situation, even last week Tuesday. Every time I come here it is probably being taken as if I am trying to bash the Government, but please, look into that, because more than once over the last three, four months, we had to disembark so that they could fix this problem and it takes three, four hours before you get on the next flight, and so on. It is scaring people. Please take this into consideration.

Mr. President, I just think that this Government needs to take strides in making its own contribution, building its own legacy and stop coming here and telling me about the inheritance from the past Government. What are you leaving for us to inherit? [*Desk thumping*] I just want to say that there had just been promises and promises, and for the most part these promises are more in breach than in compliance. I see them as empty words with no intent.

This Government wants us to just come here and trust their words. How could we trust their word, Mr. President? The pensioners trusted their words. Last week I saw pensioners crying on the Channel 5 news because of the whole pension situation. I see the Ministry of Finance and other Government officials trying to explain, and trying to educate the public as to what is going on.

But for the most part, there has been nothing new, especially as it relates to a development in Tobago by this Government. I think I can safely say that throughout the country, by extension, there has been no major, no significant new project. Most of the projects, even down to your legislation and some of your policies, are rehashed work from the People's National Movement. Where is the meat, where is the substance? [*Desk thumping*] For the most part you have been pretty much preparing meat that has been purchased, reared, plucked, cleaned and seasoned by the People's National Movement. [*Desk thumping*]

All that is left for you to do is prepare it—stew, bake, fried—however you like it. For the most part, the hard work, the foundation was laid by the People's National Movement. [*Desk thumping*] And they do not like to hear that. I would have liked to go a little bit in-depth on CEPEP, Mr. President, but some of the other Senators would have already covered CEPEP.

I want to talk a bit about this loan—[*Interruption*] nothing, wow—anyway, this loan situation. There is the concern that the country is facing a recession or a sluggish period or slowdown, or whatever. And I see that we are making arrangements with the Andean Development Bank probably for more borrowing. I just want to know how we are going to finance it. Now, this ability to come back to the House, to request more funding, it is a wonderful thing; more for the Trinidadians than it is for Tobagonians.

For the most part, as you see this year, Tobago has to just hope and pray that Trinidad follows the law which it has not been doing for the whole year. We just have to make do with that 4 per cent. So while you see Trinidad has access to loans for its housing projects, and so on—all of the housing projects in Tobago are done out of the pockets of the Tobago House of Assembly. There is no coming back; there is no loan; there is no loan facility for the Tobago House of Assembly. All of that is done from our allocation.

Mr. President, with that said, I want to really commend the Tobago House of Assembly for the strides that it has made over the years. While Trinidad can come back to the Parliament for more funds, can borrow funds—can even have professional engineers from outside, and so on, to come and help them with their work—we are left to work with the resources that we have in Tobago. I think for the most part we have done a good job with the little resources that we have. [*Desk thumping*]

Now, I am saying that there is room for improvement, it is not perfect, and there have been some challenges; but to hear a Senator shout that nothing has been done, that is so disingenuous. That is not true. To really understand the progress that was made in Tobago you have to understand where we came from. I remember in school we used to show off about whose street is paved, and whose street has street lights. Mr. President, we came out of a situation of poverty. We came out of a situation where no school was built in Tobago for 25 years until the People's National Movement came into power in Tobago. [*Desk thumping*]

When you talk about nothing has been done, and the Minority Leader in the papers talking about Tobago needs to be developed, it is time for development in Tobago, that same Minority Leader was in the anti-PNM party for 20 years. Most of these

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people have been in this party. The PNM did not get the chance to get power in the Tobago House of Assembly until after 20 years of the existence of the Tobago House of Assembly.

So, we came in for the last 10 years and are trying to bring Tobago up to standard; and Rome was not built in a day. If you are going to blame us for incomplete projects, I would say for the most part we probably “bite off more than we can chew”, but we have brought Tobago a very long way, and made significant strides in the development of Tobago. [*Desk thumping*]

Mr. President, I talked about the fast ferry service—we have transformed the landscape of Tobago. During that time we built four new secondary schools, updated each and every primary and secondary school; road construction; not to mention improving the quality of life for Tobagonians. I could go on and on. Tertiary education grants; 2,200 home improvement grants and so on. They like to talk about tourism, but I remember when we came into power in 2001 there was only one international flight into Tobago. We brought hotel occupancy from 17 per cent to 76 per cent. [*Desk thumping*]

Sen. Al-Rawi: Tell them.

Sen. S. Cudjoe: In 2001, tourist arrival was 4,900; we brought that all the way up to 89,000. Sen. Dr. Wheeler spoke a lot about unspent balances, but it is the same unspent balances that were used recently when the Ministry of Sport reneged on its commitment to provide funding for the golfing association, and we had to pay ESPN three-hundred-and-something thousand dollars.

The Buccoo Integrated Facility unspent balances paid to build that; Mount Grace Pavilion, Buccoo Community Centre, Pembroke Heritage Park, the housing settlements in Blenheim, Plymouth, Castara; and I could go on and on and on. So to come here and act like everything has been going down, and everything has been so terrible in the Tobago House of Assembly, and in Tobago and nothing has happened in Tobago, it would be disingenuous. I would continue to say, to know the strides that we have made, and to appreciate our improvement, you have to know where we came from. [*Desk thumping*]

Sen. Al-Rawi: Well said!

Sen. S. Cudjoe: Mr. President, two years later, and one-hundred-and-something billion dollars later, the people of Trinidad and Tobago want to know, okay, where is all this money going. They like to ask, “Way de money gone?” It

is the same question people are asking now, Mr. President. And for the most part this Government has contributed to further segregation and discrimination in Trinidad and Tobago. They have widened the gaps between the rich and the poor. For the most part their policies, their projects and their programmes go towards fattening the pockets of their family members and their friends at the expense of the hard-working and the poor. [*Desk thumping*]

So, we come to the Senate and the ask us to: just trust us, sign us a blank check, just give us the money; but at the end of the day we end up foodless, while everybody on their side, “eating ah food”, Mr. President. So, to ask me to support this legislation today, and to give the—just close my eye and give the Government, the PP, \$1.5 billion, that is hard for me, especially as a Tobagonian, knowing that this Government is abrogating its duties, and violating the laws of Trinidad and Tobago. [*Desk thumping*] To give Tobago 4.03 per cent, it does not even sound right to your ears.

Mr. President: You would have to wind up.

Sen. S. Cudjoe: Sure! With that said, Mr. President, this Government came into power on a wave of hope, and we are all going downhill now as I have said before; we feel like we are being driven like, by a whole group of drunkards.

Hon. Senator: What?

Sen. S. Cudjoe: I cannot support this Bill. I thank you. [*Desk thumping*]

Sen. Helen Drayton: Thank you, Mr. President. I will be brief as possible as I make a few comments on the Finance (Supplementary Appropriation) Bill for 2012. I want to go to the heart of one or two matters. The first one is regarding the additional \$30 million requested for legal, financial and consultancy services in respect of the restructuring of Clico. I think, Mr. President, the hon. Minister knows exactly where I am coming from there. I want to ask the hon. Minister to advise whether we should expect, at all, to see quarterly reports on the status of the restructuring of Clico as promised.

Now, I will be a little harsh here because given the burden that has been placed on the taxpayer—we have spent, as the hon. Minister said, \$9 billion to date in bailing out Clico—and given the Government’s commitment to law enforcement, I think it is a sad reflection on both the Government and the Central Bank for so flagrantly flaunting a commitment made to the taxpayer, the public of Trinidad and Tobago, and for ignoring totally the law of the Central Bank.

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Now, section 7 of the Central Bank Act says that the Bank shall report quarterly to the High Court on the proposals to restructure an institution. It goes on to say to also report on the progress of the proposals. And when we debated the Central Bank Bill, the hon. Minister gave an undertaking that a copy of that quarterly report would be submitted to Parliament. We have not seen any such report, and I do hope that the Minister in his summary would indicate whether it was the intent in the first place to submit any reports.

Regarding Head 61 which has to do with the Ministry of Housing and the Environment—the \$260.5 million for the expansion of CEPEP—we take it for granted that that is in addition to the commitment which was made a few months ago, to invest \$300 million in the Colour Me Orange programme. Now, let me say that, I have no problems whatsoever with social programmes per se. I think social programmes are absolutely necessary and when you consider that the unemployment rate between ages 15 and 35/37—and I am talking now about the fourth quarter 2010 statistic—is in the region of some 50,000-odd people, it is very easy to see why national employment programmes are necessary.

11.30 p.m.

What is also necessary—given the constraints of the budget and given the overall economic situation—is that these programmes are managed and implemented well. So, more importantly, the Government may wish to consider utilizing some of those funds to expand the OJT programme to include youth with CXC and GCE passes, particularly in hot spots, and who are unemployed.

You see, we continue to pump a lot of money into CEPEP, and now we are pumping millions into the Colour Me Orange programme, and we have generated no new ideas whatsoever for assisting our secondary school graduates who have worked hard for their CXC certificates, and they are left totally out in the cold. So, I am saying that the Government could consider, instead of pouring all this money into Colour Me Orange and CEPEP, paying some attention to those secondary school graduates and expand the OJT programme to embrace them.

Now, I know that the Government has expanded the OJT programme, but I am not convinced that the targeting of that programme—as the targeting of CEPEP and other programmes—is done in a systematic and well thought out way that will embrace and cushion the people who really deserve that sort of assistance.

Now, I listened to what Sen. Bharath had to say, and he is right that the Government just cannot disband such programmes. I do not think anybody would advocate that. The CEPEP programme has played a role and it will continue to play

a role, albeit it is a role which is a local government role. So no one would advocate that the programme be disbanded, but I think that with all due respect, the least we could expect at this point in time is that the Government does not reinforce the weaknesses of programmes like CEPEP, on the basis that it is what it inherited and what was done in the past. I think we have heard too much of that. [*Desk thumping*]

Now, I empathize also, again, with Sen. Vasant Bharath when he made mention of the fact that the Government continues to service the debt that it has found and that is a fact. All governments must do that. Also, of course, the Government is saddled with a lot of infrastructure that requires maintenance and renovation, and reference was made to all the shoddy work that was done. So there is a lot of empathy in that regard, but what I have less empathy with is the fact that the same Chinese contractors who were responsible for that shoddy work, they are the same contractors who were awarded half a billion dollars in contract, and that is painful.

Let me also commend the Minister of Food Production, Land and Marine Affairs, Sen. Vasant Bharath on the progress of agriculture infrastructure and, unquestionably, excellent work is being done. We have talked a lot about economic diversification, and given what is taking place in the world economy if, at least, in the years to come we can feed ourselves, then we would have made a lot of progress, and this is why in my budget contribution, I had said we needed a revolution in agriculture. I am glad to see that the Government has started with onions.

With respect to the fuel subsidy, I think we are all heartened to know that there is a 20 per cent reduction in that subsidy. What I would like to know is this: who will be brought to justice for stealing the people's resources to the tune of \$3 billion over the years? Now, surely, the authorities must have such indication.

The people who would have sold them the diesel and sold in bulk, they did not have a licence or authority to do so, and the people who bought it, bought it illegally and it comes back to the question—we raised the issue of white-collar crime in this debate, and it comes back to the question of justice in the society. Where in those same hot spots we will round up a few guys for a stick of marijuana, people are stealing diesel “left, right and centre”, and the authorities will boast about the good work and you hear absolutely nothing about any sort of arrest, and the people who would be brought to justice, and time and time again we see that happening, and it is going to happen with Clico and the HCU. We should not fail to remind the authorities of those things because it is a travesty of justice.

Regarding the CSO, again, it is great to know that good things are happening there and I commend the Government for that. I am sorry always to have a little backhand, but the reality is, after 50 years we have to bring in people to organize our CSO and we have two universities; we have excellent management consultants; we have excellent organization development people; we have excellent statisticians in the university; we have excellent technology experts; and excellent business analysts and researchers. I know it is a specialist area. I am sorry, if we cannot do it after 50 years. It speaks again to the endemic failure of our education system including the university.

Mr. President, half way through the fiscal year, it is a good time to examine where we are. I think that the report of the Central Bank, its forecast of a 1 per cent growth instead of the 1.5 per cent mentioned by the IMF and its own 1.7 per cent, certainly, it should be taken very seriously.

As the Minister rightly said, we will not be left unscathed with respect to the global financial crisis, and it is an economic crisis that is probably the worst that the world has seen since the 1930s. It began with the decline in the US prime debacle, US financial institutions and, certainly, since then it has infected virtually every continent.

Now, I will not go into all the details with respect to the decline in oil production and things like that because a lot has been said. There is no need to regurgitate that. But while I appreciate the Government's optimism and I think we should certainly try and be optimistic with respect to all the good things that are happening, there is absolutely no major local private sector activity that sends a signal that our local private sector has confidence.

It has been mouthed, but when you consider that really you are not seeing any investments whatsoever—yes, there was a 3 per cent growth in business lending in the latter part of last year, and that was very positive, but since then it seems to be a “wait and see what happens” which, of course, is not very helpful.

Through you, Mr. President, the hon. Minister of Finance gave reasons the growth rate had to be revised downward. I share Sen. Ramkhelawan's view, when he made reference to *déjà vu*, because exactly the reasons that were given, it is exactly the reasons Senators on this bench had given during the budget debate as to why we thought that 1.7 per cent was unrealistic in the first place. We had cited the three years of GDP decline; we had cited developments in the international marketplace that would impact energy prices; we cited the unhealthy IR climate and we cited the crime rate. So I do not think that we are surprised that we are where we are at this juncture.

In the budget, the Government had planned some \$26 billion in investments for public and private sector projects. Then, it was also pointed out that all the planned projects have a long gestation period, and we were not likely to see any income or jobs being generated at this point in time. So, again, one has to empathize with the Government. One has to be very realistic about these things. You are to some extent between a rock and a hard place.

But, again, when we debated the budget—if we look at one other item, which is the Value Added Tax in the budget—the Government planned a projection of \$1.8 billion over the 2010 figure, or a 40 per cent increase over 2011, and we asked then whether that was realistic, and I think that in looking at the revenues, we need to ask now, at the sixth-month, or the half year, whether indeed it is a realistic projection.

So that, yes, while the Bill before us is a short Bill and it is about additional spending—no problem with that—if it is needed, it is needed. Not much has been said with respect to revenues, and I hope that the Minister in his summary will make a few comments in that regard.

I said that I would be brief, so I want to close by asking the Minister to comment on the Government's or the Central Bank's intention to submit the quarterly reports on the progress of the restructuring of Clico. Mr. President, I thank you. [*Desk thumping*]

The Minister of State in the Ministry of Arts and Multiculturalism (Sen. The Hon. Embau Moheni): Mr. President, thank you for the opportunity to join in the debate at this point in time. I stand to give my full support to the effort and the initiatives of the Minister of Finance in this Finance (Supplementary Appropriation) Bill, 2012 which comes at a time when we are trying to continue to steady the ship, yes, but to refocus ourselves as we move into the second part of the financial year.

What we need to recognize is that this People's Partnership Government came into office at a time—a lot has been said already about the global financial situation, but we had to look at trying to balance our priorities between the immediate needs of our population; the needs for laying a platform and a foundation for middle and long-term development and, at the same time, trying to address some of the serious problems that we were confronted with.

The challenges were definitely immense in trying to chart a course that would optimize the options at our disposal. I do not envy the role having to be played by the Minister of Finance. I do not envy his role at all but, at the same time, what

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we have been able to do is, within all of the demands that we were faced with in seeking to address the demand to optimize a situation that was grave—and a situation that was so critical to the welfare and the survival of our people—we have been able to begin, within the first two years, within different sectors of our society, to establish a standard in terms of performance and delivery which needs to be commended by any yardstick that we use.

11. 45 p.m.

We do not even have to compare it to what prevailed before—that would be a disservice—but by any standards, whether you go to public utilities, education, health, works, national security, agriculture, you name it, performance has been the name of the game. [*Desk thumping*] That is after just two years in office; a Government that is now settling in, given the challenges that we would have faced, having been in a unique position, with there being little or no other example on which we could have drawn on to say how do you manage a partnership with five different parties, coming from five historical backgrounds, five different persuasions and channel it into one unit with that ultimate goal of building a better nation for the people of Trinidad and Tobago. [*Desk thumping*]

I must say that after two years, in spite of all the criticisms, in spite of all the errors that would have been made—yes, there were errors—we can portray to this nation, and to the world, that this People’s Partnership Government has laid a platform for solid, forward movement that our people can benefit from within this first five-year term. [*Desk thumping*]

I have heard mentioned the fact that this year’s budget is the largest—I am sorry it could not have been even larger—giving the impression as if it was taking money to play with as if it was a toy. The size of that budget is more than simply an effort to satisfy the needs of our people; the size of that budget also reflects the sense of responsibility of the People’s Partnership Government, something that we have not seen under previous regimes.

When this Government took office, our contractors were owed hundreds of millions of dollars because of the irresponsibility of the previous regime that was not living up to its responsibility. So, do not come and tell me now that the budget is so large. It is that large because we have to pay off the debts that we inherited. It is that large because of our sense of responsibility in ensuring that while, on the one hand, we seek to lay the foundation for investment and development, on the other hand, we cannot ignore urgent and immediate needs of our people to live.

Yes, the CEPEP has been expanded, and we make no apology for that. At a certain level of poverty there is that need to, at least, ensure that people live; that the horse does not starve while the grass is growing. [*Desk thumping*]

I concur with Sen. Drayton when she spoke in terms of half way through we need to review; we need to reflect; we need to discuss; and we need to chart the way forward. That is what we are doing at this point in time. Rather than be trapped, it is better that we seek to establish a national consensus which is what is needed at this critical juncture in the interest of the people of this country.

Where Tobago is concerned, I am very happy with the work and the effort of WASA at this point in time. I heard Sen. Cudjoe talking about bringing workers from Trinidad. There is something called perception and it is often said that in politics perception is reality, but that does not go for progressive politics; that does not go for new politics; that does not go for the politics of change; for the politics that will take our country into the future, because what Sen. Cudjoe is talking about is a perception, not a reality.

The work that is being done there was not given out to contractors from Trinidad; it is being done by WASA, in-house, and yes, there was a need to bring specialized persons from Trinidad. That is the reality that we have to deal with, not the perception. Yes, the work on the processing plant was started in 2007 by the previous regime. She got that quite correct, but what she did not tell this honourable Senate is that when the People's Partnership formed the Government, we had to revamp the whole process, which was totally poor and shoddy in terms of the workmanship. It was started by the PNM in 2007 and the People's Partnership Government had to redo the reducting of the wells; the welding process was terrible, almost everything had to be redone at an exorbitant cost.

Sen. Dyer-Griffith: How many millions?

Sen. The Hon. E. Moheni: Millions of dollars to the taxpayers of this country.

In terms of the question of the land titles, I am very happy because since I was a little boy, in the early days of the PNM, we have been complaining in Tobago about the regularization of land titles. I grew up with that experience for years. So when you want to come and say it is an election "gimmick", I cannot understand what they are talking about. I grew up with that and it has never been addressed. It is only now that this Government is seeking to address that critical need to the people of Tobago. [*Desk thumping*] The question of the Roxborough gas station, that has been there for years. I must commend Minister Kevin Ramnarine, who turned the sod on Saturday for the opening of that new gas station.

Hon. Senator: They do not like good news.

Sen. The Hon. E. Moheni: That is the problem.

That was there for years. [*Desk thumping*] It is years now we have wanted that—not two years—and it was never addressed by the previous regime and this present Government is now going to—[*Interruption and desk thumping*]

However, I must say that Sen. Cudjoe showed that her mathematics could be right. We believe in giving credit where credit is due. [*Interruption*] We believe in giving credit where credit is due.

Sen. Dyer-Griffith: “Doh be distracted.”

Sen. The Hon. E. Moheni: I am not distracted. I, myself, was a maths teacher and Sen. Cudjoe knows that very well. Her mother was one of my students, a brilliant one, as well. If there is an expansion, a supplementary appropriation, the national budget is expanded, therefore, the mathematics is correct. What I can say is that I will raise it with the Minister of Finance and what I will guarantee is that the law will be upheld. Notwithstanding the fact that when we look at the performance of the THA, they are not deserving, but what I can guarantee you is that it will be addressed and the law will be upheld.

Whether we are talking here about the national Parliament or the Tobago House of Assembly, we are talking about the people’s money. The people’s money is not just a figment of the imagination, it involves people’s livelihood; it involves the development of our nation and our island. To be frank about it, when I read the Auditor General’s Report for the financial year ending September 30, 2004 where the Tobago House of Assembly is concerned—

Sen. George: What year was it, again?

Sen. The Hon. E. Moheni : 2004.

Sen. George: It is very current.

12.00 Midnight

Sen. The Hon. E. Moheni: It is really sad. I am wondering whether Sen. Cudjoe did not read this.

Sen. Dyer-Griffith: Read it; read it for “dem”.

Sen. The Hon. E. Moheni: Because after reading this, to stand and make the kind of statements and the kind of projection that she has been making here, where is politics going?

Sen. Al-Rawi: Does it have the word “corbeaux” in it?

Sen. The Hon. E. Moheni: With the permission of the President, I would just like to go through some of these. First of all, the basis of the presentation of accounts, the very basis:

“Note 1 of the Notes to the Accounts states that the Accounts were prepared on an accrual basis. However the accounting system in use during the financial year did not support this. Further, Note 1 to the Financial Statements did not disclose the policy with respect to the measurement basis used in preparing the financial statements.”

So the very basis of the accounts is wrong. Are you talking about the accounts for a Government, for an agency like the Tobago House of Assembly that has a responsibility for 55,000 people?

We are talking about the fixed assets:

“The figure of \$545,035,735.00 shown as Fixed Assets was not verified for the following reasons:

(i) A Fixed Assets Register for each Division of the Assembly was not produced for audit examination.”

This is after how many years—eight years, after 2004? Within eight years you could not have produced proper accounts?

“(ii) The figure brought forward was \$540,000.00 less than the closing balance at the end of the previous year.”

Where did that money go to? Who has it? These questions are to be answered. That is \$540,000.

“(iii) Expenditure of a capital nature totalling \$8,080,320.13 was charged incorrectly to Revenue and was therefore not included in the account.”

So where is it?

“(iv) An adjustment was not made in the current period for the understatement of \$2,006,773.00 in the previous period relating to the acquisition of a warehouse.

(v) The figure of \$12,641,857.00 shown as the Depreciation Charge for the year will be affected by the comments made at (ii) to (iv).

Further to this, Mr. President:

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“An amount of \$400,000.00 was expended for the purchase of ‘a parcel of land with buildings’”—\$400,000. “The title deed for this property was not produced neither was the status of the property determined.”

You are telling me that responsible people at the THA, who we are now pleading to give them more money, purchased land and buildings for \$400,000 and they cannot even produce the title after eight years? And that is the institution you are coming here begging for more money for? Yes, it is the law; if it is deserving we will give them. Let us go on. On the other hand, they have to account as well. It cannot be one-sided. [*Desk thumping*]

Hon. Senator: Very good point.

Sen. The Hon. E. Moheni: Mr. President, the report stated:

“Fixed Assets did not bear identification marks at several of the of the Divisions where a physical check of assets was undertaken.”

So there is no guarantee as to whether what they said they purchased, they really purchased or whether it reached the division. Maybe they purchased it and it could be somewhere else, so I will not deny that they purchased it. Maybe they purchased it, yes, but the question is: where are all of these things?

In terms of the Contingency Fund:

“Section 34(1) of the Tobago House of Assembly (THA) Financial Rules 1990 (the Rules) makes provision for the transfer of surplus funds ‘where the expenditure of the Assembly for any financial year is less than the amount shown in the final estimates.’”

Those are the rules; that is what you are supposed to be guided by.

“There was non-compliance with this section of the Rules in that, an amount of \$4,573,891.00 was transferred from the Fund Account to the Contingency Fund bank account on 2004 January 15...”

January 15? The financial year is ending on September 30, at which point you would know how much you did not spend and how much is the surplus, so this is a total breach of the THA Act. Who is going to account for that?

“Disbursements totalling \$3,362,162.96 were made to the National Emergency Management Agency (NEMA) and the Community-Based Environmental Protection and Enhancement Programme (CEPEP) for which supporting documents were not produced.”

Over \$3 million, no supporting documents. Are you telling me that these are the people who we are saying we must give \$2 billion, \$3 billion, \$4 billion of our people's money?

“Expenditure of \$840,214.63 was incurred on this account as settlement of a loan guarantee for a private company.”

Who is the owner of that company?

Sen. Dyer-Griffith: “Say dat again. Say dat again.”

Sen. The Hon. E. Moheni: I will repeat it:

“Expenditure of \$840,214.63 was incurred on this account as settlement of a loan guarantee...”

If this was incurred it means that the loan was not paid, and therefore the THA has to pay the loan for a private company. Try to understand what is happening here.

Sen. Dyer-Griffith: Private company you say?

Sen. The Hon. E. Moheni: For a private company; we want to know who the owner of the company is.

“This extraordinary activity”—most extraordinary—“was not disclosed in the Notes to the Accounts as required by International Accounting Standard 8 (IAS 8).”

We move on to the “Fund Account”, \$28 million:

“There was not an adequate audit trail with respect to transactions in the Fund Account. Further, Warrants were not produced for withdrawals from this account totalling \$88,939,785.00.”

No warrants produced, so no one knows what really happened to that money. What are we to do, give them another \$2 billion?

“Some deposits were made to an account other than the Fund Account, contrary to section 141D of the Constitution.”

So they are flouting the THA rules, flouting the Constitution, doing whatever they want. No wonder they say, “dey doh want any mas in October; dey play dey mas since in January.” [*Desk thumping and laughter*]

“Contrary to section 32(2) of the Rules, funds received for the current period were disbursed and spent on items that were not approved in the Estimates.”—funds that were not approved, and this includes—“Investment in a private company—of \$5,000,000.00”

Sen. Dyer-Griffith: Private company you say?

Sen. The Hon. E. Moheni: “Investment in a private company of—\$5,000,000.00.”

Sen. Abdulah: “Which party in charge?”

Sen. The Hon. E. Moheni: PNM in charge of “de” THA.

Sen. Abdulah: That is why they are so quiet on that side.

Sen. The Hon. E. Moheni: “Lease of two aircraft”—to the tune of—”\$1,512,000.00.”

Sen. Dyer-Griffith: Who was on that aircraft? [*Crosstalk*]

Sen. The Hon. E. Moheni: That is the question.

Sen. Dyer-Griffith: What did they lease that aircraft for?

Sen. The Hon. E. Moheni: The report continues:

“2004 Road Maintenance Programme- \$13,500,000”—none of which had been approved in the estimates.

Sen. Dyer-Griffith: “Nah”, no. Are you serious? Not approved?

Sen. The Hon. E. Moheni: “No, dey doing their own ting.”

“Further, expenditure on four projects was in excess of the approved allocations.”

Sen. Dr. Tewarie: Sanctimonious hypocrisy!

Sen. Dyer-Griffith: Somebody say sanctimonious hypocrisy?

Sen. Abdulah: Where is Sen. Cudjoe?

Sen. The Hon. E. Moheni: Let us move to investments:

“The figure of \$20,497,347.85 on the Balance Sheet did not agree with that of \$20,487,347.85 at Note 4 to the Accounts, a difference of \$10,000.00.”

Where de \$10,000 gone? So millions missing, and even a lil \$10,000 missing too”?
[*Desk thumping and laughter*]

Sen. Dyer-Griffith: Nothing was spared, boy!

Sen. The Hon. E. Moheni: Nothing was spared. [*Crosstalk*]

“The amount of \$20,487,347.85 also includes an amount of \$2,500,000.00 representing equity participation of 25,000 shares in a locally registered company.”

Who owns that company? I was hoping the Senator would have been here to answer these questions:

“A liability by Guarantee of \$750,000.00 plus interest in respect of this company was not disclosed in the financial statements.”

Why did they not disclose it? It was \$750,000.00 plus interest, not disclosed, hidden under the carpet. *[Interruption]* “Nah, we lift up de carpet already.” *[Laughter]*

“This investment amounted to 29 percent of the total issued share capital of the company and in accordance with IAS 28 is deemed to be an associate company.”

So the THA is an associate company with this company.

Hon. Senator: Ringbang!

Sen. The Hon. E. Moheni: “Disclosure of the proportion of ownership interest and if different, the proportion of voting power held and the method used to account for such investments as required by IAS 28 was not made in the Notes to the Accounts.”

Let us move on to Loans Receivable:

“The figure of \$1,297,618.23 on the Balance Sheet did not include amounts of \$336,776.15 and \$309,003.00 shown at Note 5 to the Accounts.”

I think I have said enough on this.

“The figure of \$9,270,483.98 shown as THA Deposits was not verified.”

Sen. Dyer-Griffith: Say that again.

Sen. The Hon. E. Moheni: Based on audit examination, the figure is understated by \$5,555,954.00.”

“Where dat gone”, over \$5 million? Who is going to account for that? Is Sen. Cudjoe going to account?

“Unspent Balances

Contrary to section 48 of Tobago House of Assembly Act, at the close of the financial year, the Accumulated Unspent Balances totalling approximately \$39,850,403.94 were not retained in Assembly Fund and reflected on the Balance Sheet.”

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“So dey flouting de laws left, right and centre and then backward as well.”
[*Laughter*]

“Expenditure for ten Divisions”—which are those divisions? Health, education—10 divisions in a small, little THA?—“exceeded the expenditure according to the Divisional Financial Statements by \$14,579,208.65.”

Sen. Dyer-Griffith: How many, 10 divisions?

Sen. The Hon. E. Moheni: Mr. President, \$14,579,208.65, 10 divisions.

Sen. Dyer-Griffith: Ten divisions?

Sen. The Hon. E. Moheni: None was spared.

12.15 a.m.

“Further, accrued expenses were not taken into account for the respective Divisions thereby understating the divisional expenses recognized as expenditure in the Statement of Income and Expenditure.”

If we go to Development that is even worse:

“The figure of \$147,079,861 is overstated by \$9,252,453.13, being items of a capital nature which were expensed incorrectly. Further, the figure of \$147,079,861.21 exceeded the expenditure according to the Divisional Financial Statements by \$51,368,272.12.”

That is another \$51 million.

Sen. Dyer-Griffith: Plus the 10, plus the others.

Sen. The Hon. E. Moheni: “Oh lorsee, this thing not only making meh tired, it making meh sick.”

Sen. Dyer-Griffith: “Doh” worry, read it. Read it.

Sen. The Hon. E. Moheni: Well, this one is interesting:

“Advances to Assemblymen and Contracted Officers. Amounts totalling \$239,628.38 which were disbursed in respect of loans for the purchase, insurance and repair of motor vehicles granted to Assemblymen and Contracted Officers were incorrectly recognized as expenditure...”

—not as loans. Why? Why put it as expenditure?

Sen. George: That means they do not have to pay back the loans.

Sen. The Hon. E. Moheni: You understand. You understand what is happening there? I cannot go any further than this.

Hon. Senator: Go on, go on.

Sen. The Hon. E. Moheni: Mr. President, we are talking about the livelihood of the people of Tobago, and this is 2004. What about 2005, 2006, 2007, 2008, 2009, 2010, 2011? And “the mas that must be playing, being played” right now in 2012.

I believe that there is no alternative. I could remember in 2010 when I spoke in this very Senate, not at this location but at the Red House, with regard to the Auditor General’s Report for 2003, when I brought to the attention of this Senate the fact that \$389 million could not be accounted for in 2003. Now we have received 2004, you see what is happening? Are we to expect anything different in ’05, ’06, ’07 or ’08? In 2010 I called for a forensic audit. I repeat that call, [*Interruption*] not at our luxury where time is concerned, but as a point of urgency to protect us from further—

Sen. George: Loss.

Sen. The Hon. E. Moheni: Yes—loss and suffering. [*Desk thumping*]

When we look at the widespread nature of this, covering so many items and areas, this requires more than just a forensic audit. It calls for a thorough investigation of that institution. [*Desk thumping*]

Sen. George: They must account for taxpayers’ dollars.

Sen. The Hon. E. Moheni: They must account. Then to have the gall to stand and talk about wanting to represent our people for another four years, and want to talk about what the People’s Partnership is saying and respect for Tobago. If you respected Tobago you would respect the people’s money. [*Desk thumping*]

While all of this was happening the hospital was left undone; the financial complex is undone; Shaw Park, they are now trying to correct the mess that they made with it; we have not had a library since 1997; the “lil” playground in Moriah they cannot finish that in 10 years; and while all of that, while our people are suffering and in need, this is what we are seeing.

Hon. Senator: They are “a scamp and a thief”. [*Desk thumping*]

Sen. The Hon. E. Moheni: There must be a forensic audit and there must be a thorough investigation into what is happening in that institution which seems to be rotten to the core.

Mr. President, thank you.

Sen. Fitzgerald Hinds: Thank you very much, Mr. President, and a very good morning to all of my colleagues here. After the most horrible nightmare that you have just experienced I hope you have a brilliant day today.

Mr. President, Sen. Moheni spoke lustily about all manners of things regarding matters that he clearly knows little about. He belongs to a political party that has not had an internal election in 40 years.

Hon. Senator: “Ooooooh”.

Sen. Moheni: Lie!

Sen. F. Hinds: Well then his leader, Makandal Daaga, must have been re-elected unopposed for 40 years—

Sen. Moheni: That is not true.

Sen. F. Hinds:—and he is the second in command.

Sen. Moheni: That is not true either.

Sen. F. Hinds: Mr. President, I would not trouble myself with that. All that he just said, all the report of the Auditor General that he just read—

Sen. Moheni: It is here. [*Holds up document*]

Sen. F. Hinds:—all that he just read he has not been able to tell us anything about which private company or if any—I mean there is no suggestion that any money was stolen by anyone. This is the kind of folly that he is engaging in and we do not have time for that. [*Desk thumping*] We do not have time for that so let me make my contribution—[*Interruption*]—and added nothing to the debate.

Mr. President, we are talking money here this morning, national resources, and I looked at the daily papers of yesterday and I am troubled even at the headlines—the *Express*: The Minister of Finance: “What slump?” And we have heard elements of that already here today, but right under that, some people in a certain community in east Trinidad saw the need to scatter about the main road tons of garbage as they protest and demand better roads. And that is the *Daily Express*.

One of my colleagues made reference to it and I am saying this to my colleagues—I wonder if it troubles them, I wonder if it bothers them or if they have become cold and immune to these realities. I think it was Sen. Faris Al-Rawi who reminded us of the headlines in yesterday's papers, eight murders—“Young blood flows”—in eight days. Another headline last week in the *Mirror*, and not

one of them spoke anything—Sen. Moheni spoke boringly a while ago about all the things he did and not a single word; he spoke about some \$10,000, not one word about a front-page allegation about a Minister who took a \$1.1 million bribe, and none of them want to investigate it. Nobody wants to know anything about it.

You would think, Mr. President, that if Sen. Moheni could talk about \$10,000 tonight, he would talk a hundred times more about \$1.1 million—a Minister. Not a word. [*Desk thumping*]

Mr. President: Senator, you may resume your seat. You are not permitted to introduce in this debate, except by special Motion on the subject, inferences referencing any Member of this Senate or Member of the other House.

Sen. F. Hinds: I thank you. Mr. President, in those circumstances I crave that the words of my mouth and the meditation of my heart be acceptable in, not yours, Mr. President, but in God’s sight. [*Desk thumping*] And I am only too aware—I have now become accustomed to privileges Motions being filed against me and pre-action protocol threats coming left, right and centre. I have a plethora of them, and I should be guided, Mr. President.

My friend Sen. Al-Rawi was criticized by Sen. Dr. Tewarie for using the word “shame” to describe the Government, and how could he have said the Government is shameless, and I agreed with Sen. Al-Rawi. This Government has broken almost every promise it has made. It has broken every truce, every agreement including the Fyzabad accord, and Sen. Abdulah would bear testimony to this. It has broken its promises to the pensioners of this country. It has broken its contractual obligations with BAE Systems Limited who had undertaken to provide this country with three offshore patrol vessels. It has broken its promise to the labour fraternity who it embraced, and embraced it when it insisted on a 5 per cent wage ceiling. This Government is indeed shameless! [*Desk thumping*]

I am not making any pretence of it. I am not here tonight to talk too much economics since that is not my forte, but the issues in the debate have been opened sufficiently for me to make a few passing comments on a number of matters which I propose to do without fail and certainly, Mr. President, without fear. [*Crosstalk and laughter*]

Sen. George: “Black jacket, white jacket yuh call dat—speak with fork tongue.”

Sen. F. Hinds: Mr. President, one of the measures before us—to explain the need for this Government’s approach to this Parliament seeking an additional \$1.5 billion, and the citizens of this Republic must understand that this does not stand in isolation.

A few months ago—in September—the Government came to Parliament to ask the Parliament to allocate the largest amount, by way of budget, that this nation has ever seen, some \$54.6 billion, and sometime after that came back for another \$2.7 billion and here again tonight for another \$1.5 billion. This Government accused the previous regime of squandermania and waste. Part of the allocation that they are asking for tonight has to do with \$25 million to satisfy claims made under the State Liability and Proceedings Act, to September 30, 2012. This, for those who do not know, would have to do with payments to citizens whose constitutional rights—who have suffered loss at the hands of the State or State operatives or servants of the State.

Sen. George: Not that alone.

Sen. F. Hinds: Not that alone, of course.

Sen. George: Contract too.

Sen. F. Hinds: Of course. But it says, “claims made under the State Liability and Proceedings Act”.

Sen. Ramlogan SC: They do contractual things, not under the Constitution.

Sen. F. Hinds: Of course. Mr. President, not far below that there is an allocation—and the Minister of Finance explained—of some \$52.9 million to deal with the development of some fishing facilities in 12 communities: Blanchisseuse, Cumana, Fullerton, Carenage, Las Cuevas, La Ruffin.

12.30 a.m.

The Minister of National Security is here, and he is aware that a few years ago Trinidad and Tobago approached some obligations under the ISPS code, and all ports of entry are supposed to be subject to the ISPS code. I simply want to say to the Minister—and without identifying any specific area, not to prejudice the residents and the fishermen—that it is a known fact, and law enforcement personnel will tell you, that some persons who are engaged in the trade of fishing also import illegal stuff into this country. It is important, as you establish these, to pay some security concerns because these can easily open the door to drugs and guns and accentuate or exacerbate the problems that we know.

Mr. President, my friend Sen. Al-Rawi noted that \$63 million had to do with the purchase of a number of AgustaWestland helicopters. And he dealt with that, so I do not want to detain us too much on that any further. In respect of the Ministry of Housing and the Environment, we saw—and my colleagues analyzed this sufficiently in my view—a significant allocation to go to CEPEP. My friends pointed out, and I concur, that there is a tremendous amount of hypocrisy on the part of the Government in relation to this.

Sen. Beckles has a question on the Order Paper—a very thorough question, which the Government has deferred, week after week for the longest while, obviously not wanting to answer it—where she asked the Government for the names and addresses of the contractors awarded CEPEP contracts since June 2010; the dates of award of these contracts to companies and NGOs—because there are a number of NGOs who are now CEPEP contractors—the amount of money paid to each of these; the dates of incorporation and registration of these companies and NGOs; the directors; the criteria for selection of contractors; and a list of all contractors who applied for contracts and who were unsuccessful or were rejected. The Government has been playing around with this and not wanting to answer for the longest while because no doubt they want to hide from us while the notes before us today, as they seek our approval, say and I quote:

Additional funds are required to meet costs associated with an expansion of the operations of the CEPEP to provide employment opportunities for more persons in the lower socio-economic bracket across all communities.

While it emphasizes the lower socio-economic bracket, and as we know the CEPEP programme was designed to assist those who were largely unemployed and unemployable and put them to productive work, work that they described as “painting stones”, many years ago, and had all other manner of vile things to comment upon it. We are aware, and probably the reason they do not want to answer Sen. Beckles’ question is that they have friends with quick shops in Penal and other parts of the country who are also CEPEP contractors, and yet they put for us today that this is designed for people who are of the lower socio-economic bracket. There are board members, members of boards, state boards who are CEPEP contractors—[*Interruption*]

Sen. Deyalsingh: Chairman of CAL.

Sen. F. Hinds: We had Senators who were CEPEP contractors here on that side. He is now one of them, former Sen. Rabindra Moonan who was a CEPEP contractor while sitting here as a Senator, and he is now the chairman of the CAL

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board and his first order of business, after one meeting for which he was paid \$7,000, was to accept the board's decision to provide him with a top-level SUV at the cost of \$20,000 per month—and of course I saw on a list of CEPEP contractors, a company by the name of RenWar. So the Government will be hard-pressed—*[Interruption]*

Hon. Senator: *[Inaudible]*

Sen. Hinds: Spell it backwards. The Government will be hard-pressed to demonstrate to us how this is targeting people of the lower socio economic bracket.

Mr. President, this Government, I remember them speaking about the PNM engaging friends and family, and I heard Sen. Moheni, who is a member like I am, of the Public Accounts (Enterprises) Committee, demanding a forensic enquiry and demanding an investigation following the report of the Auditor General that he quoted from a while ago. But he is on the Public Accounts (Enterprises) Committee which I chair, and we had reason to look at the Education Facilities Company Limited. He, Sen. Moheni, is a part of the parliamentary team. He never called for any forensic enquiry then—*[Interruption]*

Hon. Senators: Aaaaah.

Sen. F. Hinds: He never called for any investigation. As a matter of fact, I will welcome if he would do that because we would like to see that.

Sen. Moheni: I am investigating it.

Sen. F. Hinds: Yes, we are?

Sen. Moheni: Yes.

Sen. Beckles: On his own.

Hon. Senator: Quietly.

Sen. F. Hinds: A company where—I mean the business of friends and family is rife. If it is not a Minister's niece holding high office in that company, it is the supreme Minister's niece—only friends and family. But I would save this for another occasion, only to tell this Parliament tonight, as we began our incursion, to use Sen. Moheni's words, "our investigation" into the EFCL, the Chairman has recently resigned and three directors packed up and off they go. But as Ken Valley—may his soul rest in peace—used to say, you could run, but you cannot hide, because there is a hell of a paper trail. We will be calling for a forensic investigation there too. I assure Sen. Moheni of that.

Mr. President, let me focus now on the further elements of what is before us. Sen. Dr. Henry made a very important point and I want to use it as a launch pad to go forward. He reminded us of a Motion that was brought here by Sen. Mary King as she then was, first order of the business of Government where we debated the state of the economy—was it?

Hon. Senators: Yes.

Sen. F. Hinds: In June of 2010. And it was obvious to those who have political lenses like we do. The purpose was to demonstrate and to support the Government's, very loud call that all that they inherited was so bad, the economy was in bad shape and expectations were high and there was massive corruption and so on.

So they spent a lot of time bad-mouthing the economy at home and abroad. Not realizing that it is that same bad-mouthing of the economy that scared away, frightened off, local investors and in some cases foreign investors, because they do not know that every single word that flows from the mouth of persons in this Parliament, in particular, Ministers of Government is recorded by embassies and high commissions in Trinidad and Tobago, and it is sent to their investors and so on abroad. I am telling you that. That is a fact.

This is not speculating—I saw it and Sen. Corinne Baptiste-Mc Knight could bear testimony to that. Together we visited the Caribbean arm of the Department of Trade in the US in 1994, when she was then the High Commissioner. They have about 2,500 members of staff working on the Caribbean and Latin America, and every single—we saw it—every single comment made by politicians in this country, especially Ministers of Government, are recorded and sent to Washington. When you are going to invest you have to get investment insurance, you go to the department of commerce or trade there and you get to see what is being said about Trinidad and Tobago. They were bad-mouthing the country, thinking that they were bad-mouthing the PNM and hurting the country without understanding.

Of course, the phenomenon of crime also has a negative impact on the potential for attracting foreign investment, and corruption too. It is important to know that in their first budget presented to this Senate by that Minister of Finance—eventually they anticipated a budget deficit of some \$7 billion and it turned out in their first fiscal—with our support and based on the strength of what was happening before, the figures were reduced—the deficit was reduced to something like about \$4 billion. In other words, the economy did better in 2010/2011 or 2009/2010 than was anticipated.

Sen. Al-Rawi: One billion in the Heritage Stabilisation Fund.

Sen. F. Hinds: Yes. But still notwithstanding that, they blame the last regime for everything on earth.

Mr. President, I remember very well pointing out to them in this Senate many times before, that all in the indicia, all the elements for the measurement of a strong and healthy economy were all very healthy, were all very positive when they came into office.

Part of the allocation that we are dealing with here again has to do with Caribbean Airlines which my colleagues have alluded to, an airline that is absorbing a lot of resources, resources that could be used on other things. It has to do with some poor management too, because as one of my colleagues earlier reminded us, that when the line Minister, Minister Warner, who was then Minister of Works and Transport, when he complained to his Cabinet and to the Prime Minister, about the goings-on in CAL and his discomfort with it and he was supported by the Minister of Finance, I understand that he said, “is either the chairman go or I go”. It turned out that he had to go. He lost the portfolio, and the saga continued.

The new Minister came on board a little more sanguine than the last, and he supported—the CAL board chairman tendered his resignation and that Minister, the Minister of Works and Transport, he rejected the resignation of the CAL chairman for whatever reason. The next thing you know we were hearing that the company was very profitable, and so profitable that it was willing to contribute \$30 million to the Prime Minister’s Children Life Fund. And when the reality came upon us, it turned out that the company was in a horrible lost position. They had given the impression that the entire \$30 million was paid. We discovered that it was not altogether paid, but only part was paid, fortunately, but there was a lie, a misleading impression that all was paid. That was when they wanted to promote the life fund. And when the news of the reality of the accounts of CAL came into the public attention, the Minister of Works and Transport told this country it must have been some error on the part of the last chairman of the board. Minister of Transport, yes, he says some error maybe, and so the story goes.

12.45 a.m.

The board chairman eventually left and they chose none other than my good friend, former Sen. Rabindra Moonan, who admitted that he knew nothing about airlines—knew nothing about it—but that he would do a good job. And he is, indeed, doing a good job, according to the plan of the United National Congress,

which seems to me to be “is we time now”, it is as if a measure of fatalism has set in. It is as if they know that theirs is a one-term Government and they are hell-bent on doing as much as they could do—I do not think anything is unparliamentary about that—for the short while that they have left.

The people of this country are deeply concerned about the way you are managing their money and their affairs, and they do not want to hear you talking about the PNM; they want you to be telling them about what you are doing with their money, and what they are seeing tonight is that you came with the largest budget—\$54.6 billion, a few months ago—and then came back and asked to increase the debt ceiling, and when we asked you why, you told us, “Trust us. We doh really need to borrow; we simply want to increase it in case we have to.” And they have seen that you are now contributing about \$.6 billion—\$686 million—to the Andean Bank to purchase B-class shares in order to access loans, or a loan, to finance that highway from Point Fortin to San Fernando and the other way too.

So it is about borrowing and borrowing and borrowing, and spending and spending, and then you came for another \$2.7 billion, and tonight another \$1.5 billion. So the people of this country are very, very justified in being very concerned about the direction this country is taking, and I want to join Sen. Subhas Ramkhelawan who put it so poignantly when he asked—like Sen. Al-Rawi—where are we going? Where is this Government taking this country? And Sen. Ramkhelawan, given his economic and finance background, stood here confidently to say that he anticipates, in light of the fact that this Government does not seem to be able to put a brake on anything, and his fear that your politics will trump rational thinking and economics, he fears that this will continue and we will have deficit financing, certainly for the next three years.

And Sen. Al-Rawi, to amplify those fears, pointed out rather poignantly as well that in the course of the discussions with the Minister of Finance here, and my friend, Sen. Vasant Bharath, and your Minister of Planning and the Economy, Sen. Dr. Tewarie, that the word “revenue” was mentioned on about three occasions—or twice. Nobody on that side is talking about revenue. It is only about big spend and big borrow—big spend, big borrow, and I want to add, big “tief” too, without apology, because I am aware that that is what is taking place up and down Trinidad and Tobago—up and down.

You will remember, Mr. President, I raised in this Senate, and outside, serious concerns about the issuance of a contract for \$40 million at NP. I raised issues around that. I raised issues about the Prime Minister’s relationship with the main player in that company. The Attorney General intervened after the then Minister

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of Public Administration—or she was then the Minister of Energy and Energy Affairs. She instituted an investigation in response to our concerns. The Attorney General intervened and scuttled her investigation. She eventually lost the Ministry.

The bottom line is, the Attorney General told this country that he cancelled the contract but he did not tell us why; he did not tell us who was at fault; he did not tell us whether it was simply an accident, a mistake, negligence or downright dishonesty, and that it was put to rest; so they think. But facts are stubborn things. They would not go away, and my business is to remind the people of this country that coming from a Government that had promised a better way of doing things, a cleaner way of doing things, it “eh ha dat”.

I told you just now, we started an investigation into the affairs at EFCL. When we raised it in the Motion of No Confidence in the other place, the Minister of Education got up promptly and said, “I have initiated an investigation.” We have heard nothing about it again. It is when we took action in the PA(E)C: chairman gone, and three directors resigned. [*Interruption*] Yes, yes, “umhm”. I know. But that is our business, to talk and to let the country understand what is happening.

And the old-age pensioners, as you spend big and borrow bigger—spend and borrow, spend and borrow, in a time of little, because no revenue streams. The Minister of Energy and Energy Affairs admitted here today, for whatever reason, that our natural gas production has fallen and as we have been told by experts, that is not the end of it, you know. The experts have told us other things.

Let me, Mr. President, with your leave, share with you some of the things that the experts have said on this matter. A local expert for whom we all have tremendous respect, this is Prof. Ken Julien, who was at the heart of the development of the gas industry in this country, and many other things, a man who has been vilified from time to time, but who has served this country powerfully and well. He points out in an article in the *Express* of Tuesday, May 01, 2012, that Trinidad and Tobago’s energy industry is in crisis. And I am quoting:

“From what I see we have three major crises in the energy sector, two of which we have no control over and one in which we do have control but we need to find solutions’...

The country needs to arm itself for the possibility that one its export markets—the US—will soon be exporting LNG. ‘I am relatively certain that players in the LNG market—BP, BG, Repsol—are developing their own strategy on how to protect themselves against what is taking place in the US,’ he remarked.”

The first crisis, as he sees it, is the drop in the natural gas prices. The second crisis is in terms of the natural gas reserves that we have. It does not rank even in the top 15 countries in the world, and he gives the figures in support of that. And the third crisis, according to Prof. Julien, is the curtailment of natural gas to existing producers in the Point Lisas Industrial Estate. I am quoting him:

“I am told that there is substantial curtailment of natural gas to existing users of natural gas. I am not sure what the problems are; it’s not because we don’t have the reserves. There must be other commercial factors that I am unaware of...”

But he identifies it nonetheless as a crisis. And the Minister of Energy and Energy Affairs did not use that word today, but he admitted, as he spoke today, that there has been some shrinkage. He called it—what did he call it?

Hon. Senator: Slippage.

Sen. F. Hinds: Slippages, in terms of the sector and the investors willing to stay and come into the sector in the Point Lisas area. So we have some crises on our hands.

The Government, for political reasons, rejected all the big-ticket items that they met on the agenda for creating revenue. So while you want to borrow big and spend big, and drive fancy SUVs, and travel to India and Australia and do all these mighty things—and want to triple and quadruple CEPEP, which you have now fallen in love with, notwithstanding the things that you had to say in the past—you have to demonstrate to a sensible and sober and discerning Trinidad and Tobago, where you are going to get the money from to do this. Where are you going to get the money? You are not telling us that.

The old-age pensioners, you told them firstly that the age for qualification will move from 65 to 60 years. When the reality, when the figures, when the arithmetic struck you in the face and you recognized the difficulty in doing that, notwithstanding the wild campaign promises, of which there were many—unfulfilled as they are—you resiled from that and said, “I never said 60”. Never said it, although it was in your manifesto, and it remains at 65.

But worse still, I heard Minister Glenn Ramadharsingh telling this country two days ago, not one cent the pensioners would lose. But I want to tell you, Mr. President, I am aware of two pensioners in the island of Tobago who are reporting that, as at this past month-end, they received \$1,000 less; and, therefore, Minister Ramadharsingh is probably right—not one cent, but \$1,000.

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I would like to know how you would explain that to this large contingent of citizens who are dependent on you for their sustenance, for their livelihood. They have worked; they have served this country in manyways. They paid their NIS contributions—they contribute to it, and they feel hard done by, they feel lied to, they feel duped, they feel tricked. And this is why I make no apology outside of this place in telling Tom, Dick and Harry this Government is dishonest in its orientation and is prone to speaking untruths, and I could demonstrate that every day of the week. And this is why I agree with the suggestion of my colleague—shameless! Because it is only a shameless Government that would tell lies like that, morning, noon and night!

I saw an old East Indian woman on the television last week talking about her pension and she broke down in tears. I think she is from Penal or Barrackpore. She broke down in tears and I could see her, as Bob Marley said, wondering how she can work it out because she knows that the wages of political sin is political death, and she committed a political sin, no doubt, by giving support to you when you came deceptively to her.

And that was not the only tears I saw on television that night. I saw the tears of those East Indian women who sat in their immaculate white outfits on—

Hon. Senator: Indian Arrival Day—

Sen. F. Hinds: Indian Arrival Day—

Sen. Ramlogan: “God, boy. Yuh cyar even pronounce it.”

Sen. F. Hinds: Indian Arrival Day, crying, trying to reach out to the Prime Minister, trying to get a moment of her attention, trying to touch the hem of her garment, if I may use that biblical metaphor, and they were moved like a sack of aloo, as stated by Minister Moonilal, who is on record and was quoted here today as calling the workers of CEPEP “corbeau”, and having said on record that CEPEP was at the heart, at the origin, the genesis, of crime in this country.

1.00 a.m.

And, today he came through the Minister of Finance to almost triple the allocation—how much more he came for today, CEPEP?—some two-hundred-and something million dollars. If that is not shameless then what is? What is?

I saw these women as well, the same night, on the same television, on the same channel also in tears—plenty tears. All I say is, “I feel sorry for these women.” “I feel sorry for these pensioners.” But I say, “I told you so.” A leopard never changes its spots.

Hon. Senator: You not sorry for Kublalsingh too?

Sen. F. Hinds: I am not too sorry for Mr. Kublalsingh; he did not get carted away like that on this occasion. “Like no sack of aloo.”

Sen. Deyalsingh: But on a previous one—

Sen. F. Hinds: Mr. President, people are—as we discuss money matters here this evening—losing their jobs, people are feeling hopeless and Trinidad and Tobago is not rolling along beautifully at all. The reality of governing has no doubt set in on them. They are obviously feeling the pressure. As you saw, as I demonstrated earlier, there is mass protest all over the country. And the criminals are starting to come out from the woodwork yet again.

One of my colleagues pointed out, very sadly—and Mr. Commissioner, Dwayne Gibbs, he admitted recently—that the murder spiral is getting out of control. While the Minister of National Security tries his best with his mentorship programme, we know from experience that that is necessary but not sufficient. When the media attempted to speak to my friend, the Minister of National Security on these pressing matters—where blood is flowing, young people are losing their lives and they promised they had a formula to stop it—he told the media, “you cah talk to me, I am at a sports and if you ask me about sports I will talk about sports.” He does not want to speak to the people who supported his Government anymore. The media are only reflecting public sentiments. So, I want to remind my friend, take it nice and easy. Take it soft.

Let me, Mr. President, identify to you, why I say this Government is shameless. It was recently ventilated—because whatever allocation they come here for today is to buttress that which went before—additional expenditure.

This country was told that we would not purchase the three vessels to protect our borders again. Last year, I filed a question in this Parliament asking the Minister of National Security what was the status of the arbitration taking place in London. The Minister of National Security, in reply to my question—it is on *Hansard*—he told me that it was expected that they were making final submissions at that time. That would have been about September of last year, and it should have been resolved in March of 2012. March has gone by, April has gone by, May has gone by and I have not heard anything from the Government on this matter.

So, I ask the Minister of National Security tonight, what is the status of that this morning? What is the status of that? Has it been resolved? Has it been settled? If so, on what terms? Because, this Government, I am told, Mr. President, is in the

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process of ordering three or two OPVs, yet again. It may surprise you. I will not be surprised if they are ordering one from the same BAE—would not be surprised. But, I will leave it for the Minister to tell us. And he would also tell us how much they also spent altogether in legal fees. What is the status of it? Mr. President, if it was not one thing—

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

Motion made: That the hon. Senator's speaking time be extended by 15 minutes.
[*Sen. F. Al-Rawi*]

Question put and agreed to.

Sen. F. Hinds: I thank you very much, hon. Senators, my colleagues. I thank you very much for the extension. Mr. President, as I said earlier, \$63 million is to be allocated to the Ministry of National Security. It is our duty in this Senate to ensure that the public gets value for money. The helicopters that are to be bought, no doubt, are part of the effort to deal with crime.

Law enforcement is now reporting that almost every little boy in some of those communities out there is now carrying an illegal gun. Only last night, it is reported in yesterday's newspaper, the police went and took an AK-47 from the Quarry Road area, San Juan.

Some folks in Santa Cruz reported three little boys showed up—they said they looked like 17 and 16 years old—on a block. Nobody knows them. Strangers. They just ordered everybody off the block. Some persons moved too slowly, they opened fire, shot one, killed another. The thing is happening. Guns are about. And, this Government is obviously hopeless and helpless in dealing with this.

I have a fair idea of what is involved because I myself spent some time in the police service and some time in national security, and I am not too confident, based on what I am seeing and hearing, that this Government will get on top of this. They are doing what they want out there now. You just have to look at the papers: it is rape, robbery and murder.

In the other place, the political leader, the Leader of the Opposition, challenged the authenticity of the suggestions that crime has been going down. He was able to demonstrate with figures and facts that in terms of housebreakings there has been a rise. In terms of robberies the figures are showing a rise. And they are admitting that there is an increase in murders. It is a fact as we speak today, that month on month, year to date, the murder figures as at today are greater than they were in 2011. We have many, many troubles.

Last week, the Minister of National Security told my colleagues on this side that the Government had a crime plan. We have not seen it. We have not heard it. And, it is not being felt in the real world, in practice out there. It is not being felt. So the thing continues to get terribly out of hand.

Let me—because time is running hard on us—say that the Leader of Government Business also told this country that our accession to the Caribbean Court of Justice, if only in its criminal jurisdiction, is part of the Government's crime plan. Can you imagine that, Mr. President? At a time when obviously the court wants to ensure that it is not branded in any particular way and certainly not wanting to encourage the citizens of the Caribbean to feel that ours is a hanging court. There were two cases decided—I think from Barbados—murder appeals. And the Caribbean Court of Justice followed closely on the same human rights and the same approach that we had seen in other cases coming out of the Privy Council.

But, the point is that this Government, like so many other things—I am aware—they admitted to us recently—that they have appointed a committee to look again at the issue of the revenue authority. They condemned it. You remember that. This Government now has in place a committee looking at the whole question of a revenue authority.

This Government condemned State special-purpose enterprises like the Sports Company and so on. You would have thought that when they came to office, under the direction of the Minister of Planning and the Economy, they would have scrapped them. Not at all. They have embraced them and they continue to work happily with them.

This Government was dead set against the CCJ. Suddenly the Prime Minister returns from Jamaica and became a halfway supporter and adherent to it. So we are now going to it in its criminal jurisdiction, not civilly, after saying that we must not do so.

The Prime Minister is on record as Member for Siparia, simpliciter, saying that she could not support the “Caribbean Court of Injustice” as she called it. She went as far—scandalously—to say she could not support it because it did not reflect any elements of the East Indian community. She is on record as saying that—how reckless—and now suddenly jumps in to the Caribbean Court of Justice, suddenly jumps in with a new-found love for it, without taking the time to explain to sensible citizens of Trinidad and Tobago what is the intellectual basis. What is the rationale? How did you move from complete objection to participation?

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It is for these reasons and more that I can confidently say for the thousandth time that the citizens of this country have lost trust and have lost confidence in your Government. [*Desk thumping*] You are hopeless because trust and confidence is really where it is at. I am telling you the truth. That is the reality.

Sen. Dr. Tewarie: “Dem public meetings really affect all yuh.”

Sen.. F. Hinds: Yes, yes.

Sen. Ramlogan SC: Bad.

Sen.. F. Hinds: I know, I know. So as we discuss these measures here today and time has run, I simply got up and I told you not to discuss any economics. I left that for the Minister of Finance, for my friend, Sen. Deosaran and Sen. Shamfa Cudjoe and others.

Hon. Senator: Where Deosaran?

Sen. F. Hinds: Sen. Ramkhelawan and so on.

Sen. Ramlogan SC: Well, “yuh see any time dem Indian name come out your mouth yuh”—[*Laughter*]

Sen. Al-Rawi: Oh gosh.

Sen.. F. Hinds: Just behave, behave, behave.

Hon. Senator: “Take dat boy.”

Sen. F. Hinds: Mr. President, my business today was simply to reflect on some of the elements of the expenditure that we have before us, some of the purposes to which this money is to be put and to point out to the citizens of Trinidad and Tobago, more so to the citizens of Tobago because they went to Tobago recently in a mad rush. I am relying on the consciousness. I am relying on the sobriety of the people of Tobago to look upon us with pity in Trinidad and see the price we are paying for making the mistake we made to vote in the UNC and a few of its hangers-on friends. I am pleading with the people of Tobago because this concerns them. Do not be fooled. They are dangerous. They are dishonest.

1.15 a.m.

Mr. President: Sen. Hinds, you are not permitted to use that language. You will have to—[*Interruption*]

Sen. F. Hinds: Which language, Mr. President?

Mr. President: You have referred to people being dishonest.

Sen. F. Hinds: The Government.

Mr. President: Yes, there are Members of this Senate who belong to it; they are not some amorphous group. You cannot use abusive language or derogatory language.

Sen. F. Hinds: I thank you, Mr. President. I used those words after showing, on at least six occasions, circumstances where honesty was absent. I did that. I demonstrated what they did with the old people and the pension. I demonstrated what they did to Mr. Abdulah and his friends in the labour movement. I demonstrated what they did with the revenue authority. I demonstrated a number of things where honesty was absent, and my word for the absence of honesty is dishonesty.

Mr. President: Sen. Hinds, please have your seat! You will not use the reference to any Member of this Government being dishonest. It will not be allowed. You need to withdraw it.

Sen. F. Hinds: I withdraw that, Mr. President. [*Desk thumping*] Let me say this Government then must not be trusted. So, I appeal to the people of Tobago, I crave that they listen to me this morning, I want to say to them that this Government is a threat to the well-being, security and the safety of Trinidad and Tobago. [*Desk thumping*] Serious threat! It is incapable of managing the crime problem. It has demonstrated gross incompetence in terms of the management of our economy because when they came to office, all the indicia were strong, healthy and powerful. The economy was experiencing, small, but growth. They promised that they would turn it around. In fact, they have turned it around and it is heading in the other direction.

They have demonstrated—[*Interruption*] I am not talking to you, I am speaking to the people of Tobago—even their own, even those who they support. Look, I have an article here, Mr. President, under the headline “‘Alligators’ in Kamla’s Govt”. *Sunday Express*, April 22, 2012: a deep-rooted interview with a former Senator, Mary King—Mary King, who sat right here with us and was very critical of the PNM. The entire article is pain and tears, she is complaining about the Prime Minister’s handling of her. Essentially, what she is saying is that the standard that she was judged by to be fired has not been applied to other Members of the Cabinet.

She is also saying that she—and insists—that the events that led to her dismissal were known by the Prime Minister. She is saying that. She has not been sued. Nobody has come out and denied it, and this is a former Cabinet colleague. So, I want Tobago to know that they have the habit of treating even their own with disdain and brutality. Look at Sen. David Abdulah today.

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Mr. President, as I move to a conclusion, Sen. Abdulah was told publicly recently, “Yuh doh want de party buh yuh hanging around by the back door for de ice cream and the cake.” I mean it is just painful.

Hon. Senators: Ooooooh!

Sen. F. Hinds: Mr. President, as I promised, my purpose for entering the debate was simply to remind the citizens of Trinidad and Tobago what is ahead of us—an incompetent Government who has demonstrated an inability to manage and grow our economy; who all persons on this side, in their contributions for those who have spoken have demonstrated, find no satisfaction in your financial management—your fiscal management: short on revenue, big borrowing, big spending, while the country seems to be spinning out of control.

So, Mr. President, having done so, I am sure, quite successfully, will now take my seat and I would listen. I understand that the Minister of National Security is coming right after me, and I want to remind him that I want him to tell this country what has become of the arbitration proceedings in London; whether they are still going to buy two OPVs, and whether, in particular, they are going to be buying one from the BAE Systems—the same company that they rejected. I thank you very much, Mr. President.
[Desk thumping]

Sen. Dr. Rolph Balgobin: Thank you, Mr. President. I rise at 1.20 to—
[Interruption]

Hon. Senators: a.m.

Sen. Dr. R. Balgobin:—a.m., for those members of the public that will see a rebroadcast of this debate lest they be confused as to the time. To make a contribution on this Bill, it is always difficult to so do coming after such a spirited contribution from Sen. Fitzgerald Hinds. I do feel that the intervention occasioned by my rising to speak is useful in that I may very well have prevented this from becoming a national security debate.

I would like to speak a little bit about this Bill because even in the debate so far, I think that we may be going down—and have gone down—a dangerous road. So, I just have some observations to make on some of the arguments that have been put forward so far, as well as to make some brief but broad recommendations to the Government, as money Bills and Bills such as these, permit us to do.

I would like to begin at the beginning as it were, and that is to say that, in my view, the economy is not in a good state. It is not in a great state nor is it in a crisis. But, I think it would be very hard for me to look at the underlying conditions that prevail today and say that we are where we want to be. I think anyone, any

reasonable or objective person, would probably come to a similar conclusion. That having been said, it is also manifestly obvious that these seeds were planted a long time ago, and it is of concern to me that we are continuing to engage in a dialogue about whose fault the present set of circumstances relate to, who has caused the current position that we are in. For me, what is more relevant is that deficit spending puts us in a hole. Old people's wisdom would say, "You should not hang your hat where your hand cannot reach."

To the extent that we continue with deficit spending and given that the majority of this spending is, in fact, not investment spending, we are in the process continuing to hang our hats where our hands cannot reach. A lot of money is being put into current transfers and subsidies—significant amounts of money—and when you look at the level of recurrent expenditure that we are currently engaged in, it is difficult to avoid the conclusion that Trinidad and Tobago has established a pattern of spending that we cannot sustain. We have established a pattern of spending that we cannot sustain.

Therefore, in my view—no one has a crystal ball, but if I look at the pattern of spending that we have and I look at the structure of budgets, present and past, it would be my estimation that we will continue with budget deficits for at least another few years. I would bet that those deficits are likely to grow if my read of the current environment is correct, and I have no monopoly on correctness, so I can very well be wrong. One wonders whether any real structural change in the economy will occur, or be attempted, prior to the next election. That may make good politics. The only question that I am asking myself—and I will ask myself out loud here—would be: will it be too late?

What I have observed in this debate, and in the general national conversation—and I am extremely grateful for this Bill having come forward now—is that there is a tremendous degree of noise in the environment. It appears to me, if I sort of total it up, to look like the politics of distraction. That is not to say, at all, that this is something of the Government's manufacture; that is not what I am talking about. I am talking about our culture and the behaviour of the society, when we think about what is important.

I was making a short list and here is what I have got in terms of the politics of distraction, what we have been contending with over the last several months: credit card use, Ministers' cars, transport contracts, board seats for contacts, travel companions, various corruptions, dog bites, plane flights, helicopter use, OPVs refused, FIU, SIA, SSA, CAL profits flying away. In the end, do any of these things really speak to or treat with the issue of our economic foundation and whether we are on sound footing or not? I seriously doubt it.

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In fact, to the extent to which we engage in these fixations, at the expense of paying attention to the very real difficult economic problem that confronts us, I think that we place ourselves, more and more, every year, at a disadvantage.

1.30 a.m.

Sen. Vasant Bharath indicated that Trinidad and Tobago has one of the five best-performing stock markets in the world. I would be careful about using comparisons like that. This is for 2011, the number one performing stock market in the world was Caracas, with an 80.8 per cent growth rate. The second best-performing was Mongolia, with 32.6 per cent. The third was Panama, with 29.2 per cent. The fourth was Tehran with 29.1 per cent and then there is Trinidad and Tobago with 19.3 per cent. Four out of five of those countries are mineral-based/extractive-industry-based economies. If you look at the first quarter of the 2012 and you look at the stock market performance globally, the same thing. Egypt is doing very well now because it is growing after having been flattened.

Our stock market performance at present does not reflect—it does not say much about anything as far as I am concerned and in any event it seems quite dead. But, what really gives me pause in all of this is this notion of a comparison of Government records: you are reaping the benefit of what we started, or you were doing this and we are doing that. I am not quite clear what that is about.

Sen. Moheni spent quite some time giving us some revelations, which really, again, does not—it seems to be the suggestion: “Well, you are talking to us about this but here is a list of all that you have done, so why are you asking me anything?” This is not how governance is supposed to go. And in any event, while it may make good politics, it, again, obfuscates what the critical issues are and that is, we have an economic problem here. We have an economic problem here.

So, what I would like to do is engage, very briefly, that big question and that is, for me anyway: How do we change gears? To my mind, the Government deserves all of the support that we can muster to help resolve that question. How do we change gears so that we can mount a concerted, coherent national response to what is more and more going to manifest itself as a national problem? How do we do that?

I would like, there, to make my first recommendation to the Minister of Finance and by extension to the Government, and that would be to say that we should stop making it appear to the citizens of this Republic that they have no adjustments to make. This is a legacy of a very dangerous political culture that has kept us mentally enslaved for too long, and that is: “Do not worry my children. We will take care of it.”

We were born, we gained our independence as a nation 50 years ago with a set of mistaken, flawed assumptions about how a free state will operate. And Government as big brother in this context is going to find it extremely challenged. The society, the nature of it, has changed. So, I want to encourage the Minister of Finance and the Government to start confronting the society and not make it appear that the ordinary citizen has no adjustment to make.

Very quickly, in looking at the issue of CEPEP and the proposal to give CEPEP more funding, okay, I do not agree with—I have a fundamental difficulty with the CEPEP programme as it is presently configured. I have a fundamental difficulty with the URP programme as it is presently configured, but that is just me. That may be a matter of personal taste. But, I disagree with the argument that my friend, Sen. Moheni, would make—that is to say, to justify expanding spend on CEPEP by saying “the horse must not starve while the grass is growing”. When in fact I am sure, in private conversation, if I engage any of the very intelligent people in the Government that they would be very happy to agree that what is required, in fact, is a radical retooling of our population and we need to really think about the magnitude of that task, before we decide on its hopelessness.

We seem to assume, successive Governments have, that CEPEP, URP and these sorts of programmes cater for a type of person who cannot or will not be trained to be better. But, we need to retool the population, otherwise these things are just going to continue to be a drain, and a drain is tolerable up to a particular point, but it becomes intolerable if it also becomes a haven for corrupt practice or for criminal activity. So, CEPEP and URP can and should be reconfigured. I was very encouraged to hear Sen. Bharath mention the beginning of some reconfiguration efforts with the URP and I wholly and entirely support such an initiative and I only hope that it can grow to a kind of encompassing magnitude where the entire programme, really, is transformed.

We have to break the cycle of “everybody has to eat ah food”. That is a dangerous, dangerous mindset and it has entrenched itself in this country. It is not just among the poor and the illiterate. [*Desk thumping*] When the wealthy start behaving like that, and they are, in this society, or when someone is given a political appointment and they find themselves with a natural income of a few thousand dollars but in charge of hundreds of millions of dollars, the food that you want to eat goes from a sandwich to a banquet. What happens then? Or are we doomed to go through this continuous cycle of endless recitations of who stole more? That is what we are doing here at this hour—you “tief” more than me.

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I think the fundamental issue, and this will speak directly to Minister Tewarie's portfolio, would be that Trinidad and Tobago is not competitive. It is not competitive. Natural resources have allowed us to look far better than our latent performance would justify or would merit. So, our natural resource endowments have given us an advantage. We have not used that advantage enough to propel ourselves forward, in terms of the development of our human capabilities. What we have done is live off the returns, the rents.

Now, with some open questions about how much more we have coming down the pipeline, it is as good a time as any for us to look at ourselves in the mirror and recognize that we are not as competitive as we would like to be. I am very encouraged to hear the Minister of Energy and Energy Affairs speak about oil and gas exploration activity, and I note the unprecedented level of interest and activity taking place and I applaud that. I encourage that. Will it be enough? I do not know. Will it change the economics, for example, if you did find oil and gas and could bring it on shore? Would it change the economics of the downstream sector? I also do not know.

I think it is dangerous to roll the dice on that and expect that something good will happen. I think that we should confront the society about poor productivity. When I say confront the society about poor productivity—I have a lot of respect for the Government's stance with regards to salary increases. We have to engage the labour movement and get them to understand that this is a time of difficulty for us and we cannot just give increases willy-nilly. We cannot afford it.

I heard someone say when the Petrotrin negotiations were settled: "Well, you know, the increase, it has cost us an increase of \$300 million or some such thing like that, but we can afford it, they had a good year last year." This was a public statement. But the increase is a permanent increase. It is not just about how you did last year. If our State enterprises are chronically loss-making, or unproductive, these are things that we need to face down and deal with, and it is not something that has confined itself to a particular sector or a particular enterprise. It has run right across the board and creates all sorts of problems for us when we try to implement change.

So, the labour movement has to partner with the Government and with the rest of the society. And I want to encourage the movement—while they may have their concerns, rhetoric and interruption and threats of disruption and unrest, I think these are things that should be avoided because we have very difficult choices to make and we have to find a way to understand what the Government wants to do and let us try to encourage that and move in one direction. And so, I would recommend, of course, a more inclusive engagement with the labour movement.

Coming on the heels of that, I would also like to recommend that we see more legislation here that treats with the encouragement or the management of economic activity. Just in the financial services sector alone there remains a lot of work to be done such as financial services, insurance, the credit union movement. Even with collapse of the HCU, we need that credit union Bill coming forward. We need to regularize some of these things.

I also would like to recommend, based on what is put forward here, that we put more state firms on the stock exchange. There is really no reason for the State to be involved in many of the enterprises it is currently involved in. It is perfectly fine for the State to seed an industry or seed a sector, but then get out. Get out! The private sector needs to play a bigger role and it needs to accept its responsibility for so doing. The behaviour of successive Governments over the last several decades has allowed the private sector to remove itself from its responsibility in national development.

And so, everyone in the society is playing their own corner. The Government will bat for itself. The Opposition will bat for themselves. Civil society is out there saying: Please, please, can I have some more? Or trying to do more with very little. Labour is saying: "I am not getting meh fair share" or "I need more because our people have legitimate interests and needs." Where do we go, in a small society with limited resources, when you have all of these forces just pulling in different directions?

If five groups of people pulled at the five fingers of your hand they would probably just dislodge all five. If we can stand together, if we can come up a bunched fist, I think there is a lot that we can do and I think one place to start is start getting some of these other stakeholders on the hook and I would like to see the State exit some of the state enterprises that they are currently involved in.

I think as a general bit of feedback for the Government, one observation I would make, which is not complimentary, is that your boards are weak. Your boards are weak! You took a very long time to appoint these boards. You laboured and brought forth a mouse. You need better boards and better directors, so that they can focus on the problems in state enterprises.

Mr. President, what is happening in this economy is the private sector is de-leveraging. The money that the private sector is making, they are paying down debt with it and that is classic behaviour of people who are not confident about what the near-term holds. That is not to say that they are de-camping from Trinidad and Tobago and they are shutting down their businesses and going to

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live somewhere else. It is not saying that, but what it is saying is that there are some near-term concerns about what is happening. What they are doing is adopting a wait-and-see approach and we need to get them out of that as quickly as possible.

I was very encouraged to hear Minister Tewarie mentioning that we are finding ways to try to cut through the red tape because one of the things that is really most important, outside of all of the plans and all of the frameworks and everything else, a very simple thing that we can do to generate economic activity is make it easier for business to do business.

It is very hard, and I think that city and municipal corporations have an unacceptable degree of corruption in them, and it makes it very difficult for businesses to do good work.

1.45 a.m.

I watched on in rapt attention over the last several weeks, while elephants fought about the ownership of a mayor, and as a citizen, I looked at that and I thought, well, what is happening here, because to me the most critical aspect of that entire debate really ought not to have been about the political affiliation of the person involved. It really ought to have focused on their record of performance. That is what I would be interested in seeing.

If you really think about it, when you drive through San Fernando, there are parts of San Fernando now that look like a bomb hit them. Waterfront project? Fine. That is putting lipstick on a bulldog. So how are we going to drive national development this way? How do we do that?

Many of our cities—and again, it is something that Sen. Dr. Tewarie spoke about—how do we regenerate our cities? Were you not talking about that? Port of Spain and the regeneration of—Port of Spain looks awful, there are slums that are now encroaching on Port of Spain, they almost reach the city centre, you know. You know, in the not too distant future, you actually have to give up the city centre and run.

So, San Fernando looks awful, “but dey getting some lipstick”. Port of Spain, well, they got lipstick already—international waterfront centre, what is that? What is a waterfront centre? “Two, three buildings and ah fountain.” You know, I have been to lots of places in the world and I saw lots of buildings, and lots of fountains on waterfronts so, what is so international about that? I do not know.

So how is Arima doing? Not good. What is happening with our cities? What is happening with the places where people agglomerate to live, or play or work? And there is a kind of latent hostility inside of here which is encouraged by us calling each other “tief”, by us calling each other liars. I do not think we understand the effect we have on the national consciousness when we engage each other this way, and we have not dealt with the problem. What is the problem? The problem is right now we are spending about \$9billion more than we make. That is the problem.

I think, Mr. President, there are things that are fundamentally wrong with our economy. I think that these need to be urgently fixed. It is my guess that our pattern of spending is really about, and has been for a very long time—this predates this Government—it is really about the preservation of social stability. We are using money like oil, so it is a lubricant. I did not know that paper was a lubricant, but that is what we are doing—to avoid societal friction, we put money inside there; that is what we have done, and that is what we continue to do.

So we have to ask ourselves, Mr. President, in a country that is not short at all of demagogues, where you have a multiplicity of radio stations, with lots of morning or evening or drive-time commentators who appear almost equally ill-informed, and who create or accelerate or exacerbate an environment of intolerance and of hostility, what happens one day when the money runs low? “Not even run out, eh.” When it runs low, what happens? Do we have the conditions here for social problems? And if we do, how do we confront and contend with that?

Mr. President, we have some borrowing capacity left, and my encouragement to the Minister of Finance and his team would be: act while we can, your capacity to borrow will diminish faster than you think, it always does. The standard rule, of course, is D-R-O-O-C, “Don’t Run Out Of Cash.” The more you borrow, the less you can borrow.

Both sides in this debate, at 1.51 a.m., sound like it is an election year. We have serious problems to fix. And in supporting this Bill, I would ask that we try to get past ourselves, and get on with the very serious work of fixing it because it is not going to be easy; that is the lesson of 50 years of independence. That is the lesson of 50 years of trying. We have never succeeded in weaning people off the “Government tit”.

So, I support the efforts of the Government. I think we need to find a way to get behind that. I think we need to find a broader consensus here with what we are doing, and I do not think it helps when we attack each other because it just distracts us from what the real issue is, which is, we are uncompetitive and we need to become competitive.

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As I said before, I do not envy us; it is a hard road ahead. I wish the Government and everybody else involved, the best of luck.

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

The Minister of National Security (Sen. The Hon. Brig. John Sandy):
Thank you, Mr. President, for allowing me to participate at 0153, on the eve of Corpus Christi, in this chilly Chamber, as I support this Bill brought to the Senate, by the hon. Minister of Finance.

Before I say anything else, I want to associate myself with the remarks made by Sen. Bharath with respect to the achievements of the People's Partnership over the past two years. I wish to declare that I do not think there is any Government in Trinidad and Tobago that would have achieved what we achieved in the past two years—[*Desk thumping*] none, in such a short space of time.

We must never fail to recognize this country's geographical location, where we are poised—nestling just above the South American mainland—between North and South America. It lends itself readily for that passage, being at the base of the archipelago—allows for the passage of narcotics, firearms and other contraband. We in the Caribbean, all of our little islands carry little coves, bays and gulfs. I do not think there is any island in the Caribbean that does not carry little islets or two around that lend themselves readily for smuggling and things like that.

Mr. President, before I get into my brief presentation, I wish to respond to some of the pronouncements of my colleagues on the other side. Sen. Deyalsingh spoke about big fish and little boys in Laventille not bringing in guns. Little boys in Laventille were not bringing in guns in 2008, when there were 549 murders in this country of ours.

His colleague, and subsequently Sen. Hinds, used the words shame and shameless. I will simply say that they have short memories. In 2001, wearing another hat, I had proposed a national security strategy for Trinidad and Tobago. Governments changed and it was never implemented. And we come here from time to time and we hear: "Yuh doh have ah plan." I have come here on numerous occasions and outlined all those plans, we look at our suppression; we look at our intervention; we look at our prevention; look at our rehabilitation.

We do not have names like Anaconda 1 and Anaconda 2. We do not have names like the 30-day plan; the Weed and Seed; Weed Eater; Rich Plain Model for Laventille; Operation Restoration and the Mastrofski Plan—all failures. So we would not come with any fancy names. We will indicate what we do and how we do it.

Mr. President, we looked at what is happening now in our communities and, of course, the murder rate has risen, and I do not think there is any one of us in this room who can say that we are happy about that. We are not happy about that. We need to put our minds together and come up with different strategies to ensure that we suppress that. But we must recognize as well that the majority of the criminal activity—and it is not today that has started—exists in the constituencies held by the Opposition; this is a fact.

As was said by Sen. Dr. Balgobin, we come here and rather than dealing with the issues, we come and we banter. I am one of those who do not like to delve in statistics, but I have statistics here—I can go on and say in this year we did that, but we are not here for that. We are here to debate this Finance Bill, share ideas and educate each other as my colleague, the Minister of Energy and Energy Affairs, did yesterday afternoon.

2.00 a.m.

Not to go on in this vein, I simply want to respond to Sen. Al-Rawi, who spoke about the aircraft flying illegally. I am advised that our aircraft are not flying illegally; they are maintained to the FAA and Transport Canada standards since acquisition from the United States of America by a US Government company and approved and contracted by the US Government similar to the RSS in Barbados and other countries like Colombia, Venezuela, to name those close to us.

The Trinidad and Tobago Civil Aviation Authority visited the facilities in November 2010 and approved all the training. The previous administration negotiated financing for the AW139s, via the US Ex-Im Bank and BNP Paribas. They did not conclude the training and maintenance component of the loan, so funding has to be done now by the Ministry of Finance. This is why we are here now with respect to the aircraft.

The C-26 that we have are not being operated illegally because they maintain the standards of the FAA and Transport Canada. As I indicated earlier, other countries—Colombia, Venezuela, Mexico—they acquired the C-26 aircraft under the same programme as did Trinidad and Tobago.

My dear friend, Sen. Hinds, spoke about pensioners being deceived—not his word, I paraphrased it. I do not think—if I am wrong, correct me—that there is any pensioner in Trinidad and Tobago today who is getting less money than he got from the last administration. [*Desk thumping*] Then he spoke about my being at sports. Yes, I was at sports and I told the press: “I am at sports; let us talk about sports. We will talk about crime after.”

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[SEN. THE HON. BRIG. J. SANDY]

You know, Mr. President, I speak of an experience I had last year at the fathers' fair. I was interviewed for about seven minutes and then they asked one question about a contentious matter with some employee who had sent emails to someone. I said: "I had nothing to do with that. If it is a police matter, let the police deal with it." Do you know that in the news, with the fathers' fair activity going on in the background, that is the clip they brought, that question they asked me about that?—nothing about the fathers' fair.

The members of the press know me by now. Whenever I am interviewed, I say, "Let us talk about this first and then we will talk about what you want to talk about after." That is how that came out.

You know I am always in Laventille, so it is not likely that when the people rejected you and said they do not see you at all; not at all—[*Crosstalk*]

Mr. President, my colleague, the hon. Minister, has quantified the supplementary funding that is required at this time for some seven Ministries, including the Ministry of National Security, which is seeking \$63,072,700. [*Crosstalk*]

Mr. President: Senators, the crosstalk.

Sen. George: Sorry.

Sen. The Hon. Brig. J. Sandy: We heard all about the BRICS and the PIIGS and what is happening with Greece and what is happening with some of our better-poised economies in the world, so I would not go there; I would leave that for the economists to deal with. However, Mr. President, I will say again that we look, from our suppression perspective, at four principal areas: border security, serious crimes, money laundering and traffic and road safety.

I will just mention in a little more detail border security because our helicopters lend themselves readily to that and, of course, in some instances with serious crimes, when they assist the police and law enforcement. You find I might run through this, Mr. President, because at this hour I know other people want to be away from here. I think that some of the points that I would make have already been made.

As I indicated earlier, we look at suppression; we look at prevention/intervention and, I think, the entire country is aware of our intervention strategies with our youth, our outreach programmes, our mentorship, our panyard initiative. We are looking at partnering with other Ministries like health, sport, community development and others; our thrust with the police and

fire youth clubs; our cadets; our citizens' security programme. You know we are now trying to merge our citizen security programme with the Mediation Board. They have agreed to train committees in respect of communities. These are some of the things we are trying to do to get to the communities.

Mr. President, on Sunday afternoon, I had the pleasure of attending the opening of a cricket competition—the Minister of Public Utilities was there—in the La Horquetta/Talparo constituency. It was amazing, the concept of the community patriotism initiative. In this cricket competition, there were 40 teams from that constituency and they all came together; families and—you know. That is the type of thing I would like to arrest and take all over the country. It was something else.

I am saying, in our challenged communities, our challenged constituencies, this is what I want to see our MPs doing—getting our communities together. If we were to do that, half of the problems we have in Trinidad and Tobago with criminal activity would be no more.

Mr. President, we in the Ministry of National Security are making several inroads in a number of communities, not only in north Trinidad. We have our outreach programme that we go all over the country, meeting particularly the young people because I have a passion for young people, quite apart from the fact that I know that if we do not restrain that conduit that allows them to get into the gang culture, we would be lost. We can skim off the top; we can do all the suppressing we want, but if we do not arrest those youngsters early and guide them into a virtuous life, void of criminal activity, well then, Trinidad and Tobago would be lost.

It hurts me to see—you held up the newspaper and there were young people getting killed: our young men, our young women, young fathers. I remember during the state of emergency appealing to the relatives of these youngsters to try to nurture them into a life void of crime because eventually they will be killed and when they get killed, the mothers—as someone said recently, you do not see too many of the fathers “holding dey belly and bawling” when their sons die. It is the mothers. Usually that son is a breadwinner.

We are pleading with the community out there: talk to your children. The mothers know when their sons are involved in criminal activity—the fathers, too. You read things like some of them saying: “We always used to talk to them”, but you have to do more than that as a parent. You need to do more than that as a parent when you are talking on that.

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It is my passion, so I will always—let me get back to the matter at hand with respect to the four helicopters that we are seeking to get some financing for.

The loan arrangement for the maintenance of the training support for the helicopters had not been concluded. When this matter was first raised, the Cabinet at the time—the previous administration—agreed for commercial loan facilities which they sought with BNP Paribas and US export credit facility with the US Ex-Im Bank and the Italian Export Credit Agency (SACE), but that loan agreement dealt with the acquisition and not the training and maintenance element and this is why we are in this situation here today. I am advised that now the Minister of Finance has to find money to make these payments because it was not negotiated initially with the Augusta people.

The capabilities of these aircraft—if you will allow me, I will read some information:

Rotary wing capability: To complement the current operational capacity to deal with current and emerging threats faced by the national community by gang-related activities, trafficking in persons, drug trafficking, gun-related crimes, it was determined that the acquisition of four medium twin-turbine multi-role helicopters in the short to medium term would afford capability that would meet our current rotary operation needs.

Then we speak about the role of the units to detect or acquire, cost, speed and basic identity, information for surface contacts using electronic and optical means with a capability for detection on both land and sea.

Monitor: to collect, analyze and prioritize contact tracking data of surface contacts and other targets of interest using electronic and mechanical means.

Intercept: to manoeuvre, close, overtake, intercept and, if necessary, disable surface contacts of interest with the interdiction operations we referred to.

Engage: to execute operational response to tactical situations and missions, but primarily use as a sensor platform for at-sea boarding of surface vessels and tactical insertions and extractions of troops, of law enforcement teams for land-based operations.

Speaking about joint operations with the police, with the military and, of course, it will form part of what we refer to as the border blanket covering Trinidad and Tobago.

Our maritime, the naval assets—we are now looking to establish those 12 maritime moorings around Trinidad and Tobago so that when someone, for instance, is seeking help off Manzanilla, you do not have to come from Galeota or from Staubles. There would be moorings closer so they would be able to respond within half an hour of any area around Trinidad and Tobago.

We are looking as well at the disaster relief search and rescue application, airborne civilians' recognizance, platform for acquiring, identifying, prioritizing and tracking surface contacts of interest and relaying data as well as communicating with our 360-degree radar system, operation centres and the NSOC, which is to be put in place.

Accordingly, Mr. President, the principal mission areas perform national defence and security, protection and defence from natural or man-made threats to the economy, infrastructure, population and maritime transportation system of the nation.

Earlier, we spoke about the application of the AW139s. The Minister of Energy and Energy Affairs spoke about the ESSI. The ESSI is the Energy Security Strategy Initiative. It is something that I established some time in November of 2010 when we recognized that our greatest asset, as was mentioned here yesterday afternoon—our energy sector—there was no real protection for our energy sector. We have established that and we meet from time to time and we are working with the energy sector to ensure that their platforms and other installations are secure.

Maritime law enforcement: enforcement of national laws within the maritime jurisdiction of the nation in a variety of tactical, meteorological and geographical environments.

This takes us, not only to our coastline, but into our territorial waters as well. Maritime safety is to save lives—not only people on pleasure craft, but others who are in danger and call for assistance. Sometimes we need to be spotted from the air, then direct other means of rescue to those who need that rescue.

2.15 a.m.

In summary, Mr. President, the missions in detail include:

- defence force support operations;
- maritime surveillance reconnaissance and interdiction operations with law enforcement;
- search and rescue, maritime and land-based operation;

- coast guard shipboard operations;
- law enforcement, maritime and land-based support operations;
- internal and regional disaster preparedness;
- relief response support operations;
- national resource, oil gas prevention and response operations;
- fisheries, customs, drug and immigration operations with surveillance and reconnaissance patrols;
- special forces support operations, utility and miscellaneous support operations among others.

Mr. President, helicopters require continuous maintenance and training; in that respect we have ensured that not only our pilots, our crew, and other members of staff are trained, and trained by the best.

The Government has adopted a proactive stance by making interim payments with respect to these aircraft, all four of them, which are here now in Trinidad and Tobago. They are all airworthy, and several persons, as I said, have been trained to date:

- Number of pilots trained to date: 11.
- Number of rear crew trained to date: six, plus two currently in training with a rear valley.
- Number of engineers, technicians in training: 28.
- Number of logisticians in training: five.
- Number of operations support personnel in training: four.
- Number of personnel in training on survival equipment: three.

We expect that from time to time we will be sending more of our personnel for training. As I indicated earlier, the loan agreement satisfied the acquisition and not the maintenance and training. As such, this is what we are seeking here now. As a responsible Government we are therefore taking the necessary steps to continue facilitating monthly payments until such time as the financial arrangements are finalized because we were hoping that—and this is the reason why we have come back with this—we thought that by now that loan agreement would have been satisfied so we would not have had a requirement to come here.

I know they had asked the question when we came here a few months ago: why have we come back now? Did we not know that we would have needed the financing at that time? But because of the fact that we were of the opinion that the loan would have been satisfied by now and it has not, so this is the main reason we are here.

Mr. President, our needs here in this instance are not frivolous. I remain confident that hon. Members here this morning understand and appreciate the supplemental appropriation of necessary funding that would contribute to effective and efficient institutions; and by extension enable not only us here to strengthen the law enforcement capacity in our continued fight against crime, but to facilitate financing of other critical projects in Trinidad and Tobago. I thank you. [*Desk thumping*]

Sen. Penelope Beckles: Thank you kindly, Mr. President, and good morning to all my colleagues. I join this debate on the Finance (Supplementary Appropriation) Bill, 2012 and I know that some of my colleagues would prefer if I either say nothing or talk very briefly, [*Desk thumping*] and someone is thumping the desk. Well, unfortunately, in my view this is a very important Bill. [*Desk thumping*]

To be quite frank, it is one of the times that I would have preferred to talk a little longer because there are some issues that I feel very strongly about, and it is only because of the fact that the staff at the Parliament would not have slept Monday night, Tuesday night—

Sen. Hinds: And the Government would not adjourn—

Sen. P. Beckles:—and no doubt that they would not be sleeping Wednesday night that I am not talking longer. I think it would not just be unsympathetic but I would be totally lacking in empathy. But nonetheless there are a couple of things that I have to say.

Over the last month or so in the Senate it is becoming almost a habit for us to be debating Bills at three, four and five in the morning, so this is not anything unusual. But I dare say that as someone who has been in the Parliament now for almost 17 years, there are some of us, as we get older, will recognize that these long hours that we keep will not serve us in any good stead. But I guess some of us would learn a little later on when we realize that our health would affect us at some point in time. But some of us do believe that we have probably some bionic features. All I can say is a word to the wise—especially, Mr. President, when Members of Parliament, the majority of us have no medical plan.

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We see about everybody else but we do not see about ourselves. Maybe one good day—because so many people think that Members of Parliament have the best packages in everything. I wonder if they know that Members of Parliament have no medical plan.

Sen. Al-Rawi: No overtime, no hazard pay, no maternity leave.

Sen. P. Beckles: Well, it is so many years, yes, but it is so many years when we, all respective Governments, have not seen it fit. [*Desk thumping*] And I just say that when we continue—I have sat on many House committees and I raise this at every time that I can raise it. I have raised it over and over again, and it continues to fall on deaf ears but I just want to say that it is much more important for us to be looking after our health rather than looking after other things, whether it be better vehicles or better salaries; it is very, very important. We see that at all levels in the society. And I hope if there are members of the Government and Independent and Opposition who are sitting on the House committees that you would take my point about a serious medical plan for all Members of Parliament. [*Desk thumping*]

You know, we were talking the other day about Sen. Louise Horne who is approaching her hundred—she has not—and left this Parliament—[*Interruption*]

Sen. Ramlogan SC: Well, that is a bad example, she just turned 100.

Sen. P. Beckles: Well, I know but you have not heard—[*Interruption*]—I say that she served us for 15 years and left with nothing. That is how well—and of course, now she is getting lots of gifts. You know, we like to do that—paintings. And she is probably one of those who got the pension.

Sen. Hinds: In tears!

Sen. Ramlogan SC: “Da is all all yuh give she?”

Sen. P. Beckles: I am talking about the government pension.

Mr. President, the few things I want to raise, I genuinely want to say to Sen. Bharath that I am very pleased with—

Sen. Hinds: With bodi and bhagi?

Sen. P. Beckles: A particular package that I saw here.

Sen. Ramlogan SC: “Da’ is the one with the onions?”

Sen. P. Beckles: [*Laughter*] Well, actually I was quite happy recently when he sent me a couple pounds of onions.

Sen. Hinds: Imported, you know. [*Laughter*]

Sen. P. Beckles: Locally grown.

Hon. Senator: From Chaguaramas.

Sen. P. Beckles: Locally grown in Chaguaramas. I must say that everyone that came to my home, I said “well, you know I got these from Sen. Bharath”. They said, “from Senator who? I said, “Sen. Bharath”. Do not get jealous Attorney General. [*Crosstalk*]

Mr. President, I hope you got some onions. Sen. Bharath?

Sen. Bharath: It was sent to his house whilst he was away.

Sen. P. Beckles: His wife used all those onions. Okay, I am not going to comment on it but, on a serious note, I have a Motion on the adjournment which I would deal with some other agricultural matters on another day. But in relation to the infrastructure development fund to facilitate the upgrading and construction of fishing facilities in 12 communities which is \$52,950,000—now, the reason I am happy about this is because Blanchisseuse is one of the areas.

Now, I will tell you why I had to speak about this. I hope you have better luck than I did, because we visited that community, all the technical people from the Ministry—and I am sure you would have seen a report somewhere; PS, Director and promised the community that they would have been back. I think that was in 2005.

We visited actually Las Cuevas, even though that was not my constituency at the time, but Las Cuevas, La Fillet, Maracas, Blanchisseuse at several different times. I know you visited and you know the challenge they face in bringing up the boats in La Fillet and Blanchisseuse because when there is a hurricane you would know that the whole village has to take the boats up for safety, so I really want to say that I know the villagers would be extremely happy.

If you are able to complete the project—[*Interruption*]

Sen. Bharath: It will, by September.

Sen. P. Beckles: By September or completed at all. Because of the fact that they have been waiting for such a long time, but September they would be very happy.

Sen. Bharath: Maracas has been completed.

Sen. P. Beckles: Of course, the other villages, I do not know all of them but I do know that Cumana and Grande Riviere which are those—and Salybia—which have also been waiting for a long time. And, of course, people from Carenage

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have been complaining. So I just want to say hats off to you for this project. There are things I would like to talk about in agriculture that I do not have the time only because of the fact that I am now talking at 2.28 a.m. You mentioned quite a number of things that I would have liked to deal with in agriculture.

But I would just say a few and that is, you talked about our failure to diversify over the last couple decades. And I really would have wanted to raise in a little more detail with the hon. Minister of Finance some issues as it relates to the tourism sector that is languishing. And he had mentioned in his contribution in the budget, looking at dry dock facilities which I think is one of the areas that can assist us in terms of employment particularly because of where it is located. [*Desk thumping*]

2.30 a.m.

I would not want to go into too much detail but I am just saying that those are two areas that come to mind that I would have liked to hear a little more about because of its intensity in terms of employment and the tourism sector that is still very, very important for us. I feel that the country has never really taken it seriously as an alternative—as diversification. That is as much as I would like to say at this point in time. I would get another opportunity.

I am glad that the hon. Minister indicated that he has paid the majority of contractors who have been complaining, but I just want to say that there are some other Ministries, like the Ministry of Community Development, the Ministry of Housing and the Environment, EFCL, where you would have seen contractors complaining that since 2009 and 2010 they still have not been paid. So, they might not have been as aggressive as the other contractors, but some of those areas are still there. You would recall that the Government did put a halt on the majority of community centres that were started under the PNM. I know that some of them have restarted, but there are those contractors who would have been contracted, and their moneys are outstanding.

Now, the other item is that of PTSC. I saw in the *Guardian* newspaper yesterday “Long lines for buses frustrate commuters.” And, again, I do not have the time to go through the article, but suffice it to say that people are talking about the long hours that they are waiting. Now, the Minister indicated that it is taking almost six months to get parts and so on, and it is not likely that we would see that improvement until September month but, clearly, it is one of the areas that we need to focus on as people have been relying a lot more on the bus service as a method of transportation.

Sometimes it is really painful when you are coming down on a morning when you see—I do not know, but sometimes it feels like thousands of people waiting to come into Port of Spain or coming from San Fernando.

Mr. President, the hon. Minister of Finance also indicated, as it relates to the issue of VAT payments, that some 4.8 per cent to 5.8 per cent—I do not know if it is the GDP—would probably amount to the VAT collection. I think the figures he gave us was \$5 billion in 2011, and already \$2.8 billion which probably would have made a number of businesses very happy because that has been one of the issues that have been languishing for some time.

You know, I have always raised my favourite topic of our collection of taxes. I do not know what your figure is now, having collected something like \$4 billion with the amnesty, if it has been reduced. I do feel that whilst you might not have accepted the PNM's policy on the reform of the Revenue Authority, the Government needs to clearly take some position on that matter if it is that your efforts at tax collection are to be improved. If it is that the Government does not want to go that way, I am sure you know that you need to take some sort of decision because it is a matter that has gotten out of hand.

There is an area I would have liked to raise with you, but I want to talk about it a little more in detail, and this morning does not afford me that time, so that when we deal with the budget debate I will deal with it at that time.

Yesterday we celebrated—well before I get in [*Crosstalk and laughter*] I was going to say the Minister of Finance may not hear my contribution because he was being disturbed by sweet music to his right. I want to say to the Minister of National Security that when you talked about your experience in La Horquetta in relation to the sports—you know that has been one of my recommendations—and you talked about the MPs doing something similar, but to me, that is really a Government's decision. In other words, it is really for the Government to take a policy decision to take that blueprint and really go all over the country.

Sen. Brig. Sandy: That is our community patriotism initiative.

Sen. P. Beckles: Of course, MPs should be very happy if the Government takes such a decision and that, of course, can also be a blueprint, both in sports as well as in culture, and that is why recently I made the point that areas like the Beetham where the community centre is incomplete—and let us now get out of the issue of who is responsible—but I am saying that if that is an area we recognize as a challenged area, and you have such an excellent facility, the likelihood is that we can reduce the chances of the young people there getting into

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trouble if a decision is simply taken to complete the facility and give them the opportunity to challenge their energies elsewhere. I urge you to really see what you can do to have that centre completed.

I wish to make a comment on the very controversial CEPEP issue. Now, I listened to Sen. Ramkhelawan and I wrote down his words—"hardback men doing soft work". It is really a discussion on productivity and a fair day's work for a fair day's pay. Yesterday we celebrated World Environment Day, and as the former Minister of Public Utilities and the Environment, and someone who has grown up in the country, I do not agree with him that there are a lot of "hardback" men doing soft work. I say that with all honesty because I think I understand his point when he says that you may have—[*Interruption*—let me finish my point so you will understand what I am saying, because I am making two points.

I am saying I do not agree with the point of "hardback" men doing soft work, but I agree with your point that if it is that we have a very small area where you have 25 people and 30 people doing work that two or three people could do, I agree with you that that is not right. I am also saying that working in the sun is not soft work. Even working in the night is not soft work, and we have seen in many communities where CEPEP has transformed the environment, and that is a fact. [*Desk thumping*]

Those of us who would recall—well [*Interruption*] you do not have to agree with me—what the Beetham looked like maybe eight or nine years ago—I am sure Sen. Burke knows what I am speaking about—would see what a lot of the CEPEP workers have done. If you are driving from Port of Spain on the bus route almost all the way to Arima it is as a result of the CEPEP workers having pride and working very hard.

Now, the Government has employed some 11,000 persons and, therefore, what it means is that there are some areas where you would pass and it looks very bad, where you have some workers—as you said, two people holding up two sticks with a mesh and everybody else around. That is something that needs to be revisited. I do not need to get into any detail about it, and that is the point you are making, and I do not think anybody is disputing that.

I would also say that there are a number of workers in the programme who genuinely have adopted a totally different work ethic and who have really made many parts of Trinidad and Tobago—from Barrackpore to Cedros to Mayaro to Toco to Carenage—look much different to what it looked like many years ago, and I say hats off to those CEPEP workers.

I also want to remind us that as we have the rainy season and we are going to see Port of Spain, San Fernando, Arima, Chaguanas and a lot of places flooding, the first workers they call for are the CEPEP workers. They call for them because in some areas they have adopted a kind of a skill to go and clean certain places that a lot of other people, even in the corporations, do not want to clean. They go into some of those drains that most of us will never go into, and they clean them and sometimes in very short periods of time.

After Carnival, some of us leave Carnival Tuesday and when we return on Ash Wednesday and we see Port of Spain, San Fernando and Chaguanas, we would not believe that it is the same place we left the day before, and it is the same CEPEP workers. So, I am saying that whilst we recognize that we need to revisit this whole issue of how we deal with social programmes and how we distribute funding, let us also understand do not always throw out the baby with the bathwater. There are some good things and some good lessons that we can learn, and I think that is what this Government has recognized.

The other thing I want to say is that when there was Hurricane Ivan in Grenada, in 2003, it was CEPEP that went to Grenada, and the Government of Grenada was so pleased that they have adopted the model. I had the opportunity to go to Grenada and see many houses flat—many roofs blown off and most of their trees destroyed—and for months many CEPEP workers left their families here in Trinidad and went to Grenada and helped in the rebuilding process. So, let us not forget those who have been committed, dedicated and who have made a contribution to the development and improvement of the environment of Trinidad and Tobago.

Just to say this final point to the hon. Minister of National Security, you talked about the improvement of morals and so on. Mr. President, the Scouts celebrate 100 years this year in Trinidad and Tobago. We know that the Scouts, the Girl Guides and the Cadets and many of those organizations have been struggling for funds over the years.

One of the reasons I said I had to talk tonight or this morning is, as we continue to deal with the issue of crime and as we continue to try and figure out what we can do to have better younger people in our society, it is the organizations like the Scouts, Cadets, Girl Guides and the Brownies that we really need to give a lot more funding because they are the ones, in essence, who are dealing with the issue of morality, respect for elders, respect for women and respect for society. A lot of schools no longer have those things as part of their systems and projects, and we need to help fund them. So there is where we could probably assist in terms of changing the mindset of some of the younger ones.

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Mr. President, as I said, there are a number of things that I am quite unhappy with that I am not able to speak about, and I gave the reasons I am not going to talk about them this morning. I really hope that we are going to make a better effort when Parliament opens that we do not have to sit these long hours. [*Desk thumping*] People argue that you should talk less, but I have not spoken for a very long time. There are lots of people who have not spoken for a very long time, but these are important Bills. These are not Bills which we should run through, just because we started in the night and we go through in the morning.

2.45 a.m.

It is a choice we make when we start at 1.30 p.m.; on a Monday and run until 3.00 a.m., then we start again at 1.30 p.m. on a Tuesday and run through until 4.00 a.m.; and then we start Parliament on a Wednesday at 1.30 p.m. and run, again until the next morning. Those are choices we make. Those are not things that anybody puts a gun to our heads and says, “You have to do it.” That is simply because the Government needs to organize its legislative agenda much better.

The Lower House—I have to say, is almost on vacation because they completed a lot of the Bills a long time ago—ends next week Friday, whereas we still have to sit to do other Bills. It is a simple issue of organizing the legislative agenda differently that allows us to use our time a lot better so that, we can make better contributions, quality Bills and, at the end of the day, be proud of our contributions in the Senate.

Mr. President, I thank you.

The Minister of Finance (Hon. Winston Dookeran): Mr. President, may I, first of all, acknowledge, with appreciation, the contributions that were made in this debate on what has been acknowledged as a significant debate in the financial aspect of our country.

I would like to, first of all, respond to some of the very specific questions that were raised by several Senators and, secondly, to address some of the broader issues that were raised in the debate. I would attempt not to repeat what has been said before so that we can complete this debate—notwithstanding the very valid comments of Sen. Beckles about debating at this time in the morning—rather quickly.

I believe it was Sen. Drayton, in her brief contribution, who asked the question as to whether or not there was a commitment on our part to lay, or, at least, to make available to Members of Parliament, the report that is to be

submitted to the court—on the restructuring of Clico—on a quarterly basis. I want to assure her that that remains our commitment and I am somewhat embarrassed that it has not been distributed on the last account and I would take steps to make sure that it is distributed. It is not for laying in the Parliament, but for making it available to Members of Parliament.

I know these reports are being submitted to the court, as required by the amendment we made to the Central Bank Act some time ago. So, I assure hon. Sen. Drayton that we would take steps to have this information circulated.

It was an interesting point that was raised both by her, and in a discussion I had with Sen. Baptiste-Mc Knight, as to whether or not we should redistribute some of the fund that we are allocating under CEPEP to ensure that some share of that fund goes into the OJT and other programmes aimed at self-esteem. I did indicate that that seems to be a very reasonable request and I would discuss with the Minister of Housing and the Environment how we can do some virement, subject to the need, to diversify the use of this funds to have a larger share go to other programmes that are aimed at the young persons coming out of school, as opposed to those who are going to work under the CEPEP Programme.

Mr. President, Sen. Faris Al-Rawi made a very eloquent contribution and I have always listened attentively to what he says, but his eloquence was perhaps exceeded by a sense of panic. I want to assure him that there is no need for panic. [*Desk thumping*] He painted a picture that was rooted in exciting the emotions of fear. What we are doing in the Government today, as we chart the economic and financial future of the country, is that we are evoking not a mood of fear but a mood of hope and expectation. [*Desk thumping*]

I believe it was Sen. Vasant Bharath who, very eloquently, in his own way, was able to establish what were some of the key milestones of achievement in the two years in which we have been operating. To have come to where we are today has not been an easy task, but then for us, everything we do remains a task that we know is in the interest of the people. Even my good friend, Sen. Lester Henry, was generous enough to acknowledge—on many occasions in his contribution—that the directions we are taking are, indeed, the only and the correct directions that ought to be taken in Trinidad and Tobago. [*Desk thumping*]

Sen. Al-Rawi made the point that the devil is in the detail and I want to address that very quickly, later on. Some of the contributions were, indeed, very sobering. The contribution by Sen. Dr. Rolph Balgobin was a very sobering one.

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[*Desk thumping*] As a professor, we would learn a lot from what he said, but as a Minister of Finance, I have to redo what he has said and make it practical for the solutions in this country. I applaud him for his sobering commentary.

We have had the usual provocative contribution from Sen. Hinds and, by its very nature, it does not require any further provocation. [*Laughter and desk thumping*] So, I would not say anything more.

Mr. President, one of the lessons that I sense we all have learnt in this forum is that, really, all politics is local. On many occasions we have seen Members in a self-serving mode—rightly so—bringing to the fore the interest of the local communities. I think that it is good that this has happened here because it goes on the record that we, indeed, have raised a number of constituency matters and those matters would indeed be incorporated, as they have been in the past, into the overall programme delivery of the Government.

Sen. Basharat Ali raised a very interesting point which I told him I wanted to research before I answered him, and it has to do with the formula that we were adopting with respect to the CAL—what has been called the hedge. I agree with Sen. Ramkhelawan that it is really a subsidy and not a hedge in the technical definition of that. Perhaps, it is an area in which we would need to explore some further financial engineering for the future in dealing with this subsidy.

Let me just answer Sen. Basharat Ali by putting into the records the exact information he sought. He wanted to know what indeed was the formula and the benchmark in the calculation of the fuel hedge for the CAL operations. On September 22, 2011 Cabinet agreed to the extension of the fuel hedge, as it is called, to cover the years up to 2011. For 2011, the benchmark price was raised from US \$1.50 per gallon to US \$2.34 per gallon.

In 2012 we agreed to extend it for a further year and review it on an annual basis. The US \$1.50 was based on a WTI price of US \$50 per barrel and US \$2.34 was based on a WTI price of US \$75 per barrel. So, there was a variation from the original formula which was less of a burden to the State and a little more burden to the airline itself, but not, in fact, so much that would have put it in great financial stress. That, essentially, is the formula you had asked for and it has been changed from what it was from the date you quoted in 2009 or somewhere around that time.

May I point out, that the fuel subsidy is not a direct payment to subsidize operations without understanding that an airline business is of benefit to the economy and to the country. Therefore, the maintenance of airline routes is very

critical in a strategic sense to the development of Trinidad and Tobago, including many aspects of our developing tourism, as well as, normal business transaction. Therefore, the justification for such support is based on the support that the airline provides for the region. The extension of the service to include Air Jamaica was to extend the routes that were available.

There are challenges, and we are all aware of them, and they are challenges that are being dealt with but I just wanted to point out that this must not to be viewed as a straight subsidy of the operations of a private enterprise but, indeed, something that has social benefits to our country as well.

3.00 a.m.

Mr. President, there were a few issues raised pertaining to some of the broader ideas that emerged in the debate; one has to do with the Andean Development Bank. Sen. Terrence Deyalsingh was somewhat sceptical as to the extension of our participation in the Andean Development Bank. I would just like to put on the record one paragraph of what the Andean Development Corporation is all about.

It is the largest source of public financing in the Andean region and is one of the principal drivers behind South American major regional integration programmes, the initiative for the integration of infrastructure in South America. The Andean Development Corporation plays an important role in shaping dozens of infrastructure mega projects, including dams, highways and energy projects that are having an enormous impact on these economies. The Andean Development Corporation is a major lender in these sectors, providing significant amounts of short- and medium-term financing to public and private banks throughout the region.

I just put that on the record to establish the point that one of the intangibles in moving in this direction is to support the Government's thrust that was, in fact—articulated by the Prime Minister on her visit to Brazil early on in her tenure—to open up the doors of Latin America and all that we could gain from that to Trinidad and Tobago. This is perhaps the first tangible evidence that we have opened those doors, notwithstanding the other issues that were raised earlier with respect to the funding. I wanted to put that on record, and I appreciate the comments that were made by some Senators who, in fact, encouraged us in that direction.

When we talk about opening up new space, and I said we opened up new space in the small islands of Trinidad and Tobago, we are also putting into place steps to open up new space in South America and Latin American countries.

Finance Bill, 2012
[HON. W. DOOKERAN]

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There was a lot of scepticism attached to the issue of the revenue accounts, pertaining to this increase in expenditure. I thought it was circulated, and it was indeed circulated to the Lower House as part of the Finance Committee meeting in which the details of the revenue were laid out. Suffice it to say that we maintain the revenue projections that we had agreed to in the adoption of the Appropriation Bill, except in two areas. We anticipate that there will be a higher return of royalty on oil and gas, and we also anticipate that there will be a higher return with respect to the unemployment levy and the Green Fund, and we did include some of the Central Bank inflows into the other financing which was asked about.

Other than that, the financing remains what it was, and these additions will allow us to finance the increases that we are talking about. But, of course, we did include in it an increase in deficit financing, as was pointed out earlier as well. But this information was indeed circulated in the Lower House and is available in greater detail because it was one of the questions asked. In fact, I did not realize that the very report was not circulated in the Upper House. I guess that is the right protocol because it belongs to the Lower House, but it has, for every one of the questions that were asked, a very detailed answer, Sen. Al-Rawi, which will expose the fact that there is no devil in the detail. This Government remains transparent. [*Desk thumping*] It operates transparently and it will always be able to provide in the public interest all the information that is available.

I do not wish to go through these details at this point, but there are perhaps 10 pages of details on the Finance Bill—the finance appropriation that we are doing here today—which would satisfy you, I believe, in all the questions you have asked about details. There is nothing really that is not being exposed.

This raises the question that was raised partly by Sen. Dr. Balgobin, and I believe by Sen. Ramkhelawan earlier on, about deficit financing. You see, we all acknowledge that there will be the need for deficit financing as a means to build the stimulus in the economy, to be able to inject and ignite activity. The question that is really relevant is: Would we be able to exit from that strategy at some time? That is why I indicated, when I presented the Bill earlier on, that there are hard choices that would have to be made—one of which would have to be made in the context of reducing the fiscal deficit over time.

As you are well aware, we have already set in motion some of the steps to deal with one aspect of the transfer, which has to do with the fuel subsidy. The Ministry of Energy and Energy Affairs indicated that he had already begun to see some evidence of a reduction in the fuel subsidy through administrative measures. You see, what I have learnt in this process of managing our finances is that there

are many administrative measures that could have been taken to deal with these issues. Rather than putting the pain on the people, we have decided, as far as possible, to put the pain on better efficiency of the existing system. [*Desk thumping*]

That was one of the underlying themes of the last presentation I made, not only in that area, but in revenue collection as well, where we broadened the net in order to deal with increased revenue. As was pointed out by Sen. Beckles, we did introduce an amnesty on the last occasion. What we have also attempted to do is to improve the efficiency.

There is no need to establish the Revenue Authority. What we have done is taken all that has to be done and transformed from within, the Inland Revenue Department. I can assure you that there has been significant progress in that regard. It will take some time, but it is happening gradually.

Mr. President, some Senators said that the current transfers were too high, but it is important for us, and someone even made the point—I think it was Sen. Dr. Balgobin—that perhaps our objective was for social stability, and he was right. We do not believe that there could be a sustainable growth process without social stability. The question is that the price which we have to pay for that social stability must not be out of bounds. I think that was the point you were raising, and I agree with that.

In that respect, there are certain points which Sen. Dr. Balgobin raised that are necessary to at least record on the agenda—if not answer today—that the pattern of spending cannot be sustained. I think the principle is correct, and I am very aware of that, that we must have a sustainable pattern of expenditure. That is why we have, in fact, been doing this. Minister Tewarie made mention of it in his submission, that we were doing whatever we were doing in the context of a three-year fiscal plan, with the view of having a sustainable expenditure pattern. They are not easy choices, but I recognize the need to follow that dictum.

The other thing that he mentioned was structural change. I will not say too much on that at this point because we make a distinction between the management of the economy as of today and the structural change that has to take place to make it better for tomorrow. That takes time, and that is what we had outlined elsewhere in our fiscal policy. It is located in a development context. I agree with the point that has been made by Sen. Dr. Balgobin, but I want to assure him that that, in fact, is exactly what we are doing.

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I just want to outline four initiatives that are supportive of the budgetary allocations that we have proposed here, that are supportive in the sense that they create the framework for an effective discharge of the responsibility. One that he mentioned, and I believe was also mentioned elsewhere, has to do with the need for social dialogue. I did not get the opportunity to explain that in my presentation, but in the other place there was a substantial contribution by the Minister of Labour and Small and Micro Enterprise Development, in which he said that during the month of June he would be convening a workshop with the assistance of the International Labour Organization to initiate, in earnest, the social dialogue which I referred to in the budget debate. That, hopefully, will be the beginning of the process by which we could now define our next bargaining period of negotiations.

For the benefit of Senators, the strategy for wage negotiations—and I thank Sen. Dr. Balgobin for acknowledging it—has been to deal with the 2008/2010 in a manner that can be sustained, and then beyond that is to start the current negotiations. By then we should have moved from negative growth to at least positive growth, and therefore we can deal with the next stage with greater flexibility. That is all I would say at this point. That was the strategy, and that remains the strategy.

The Minister of Labour and Small and Micro Enterprise Development had indicated that of the 56 wage negotiations we had conducted, we had already come to agreement on 37 of them, [*Desk thumping*] and others are at various stages. So there has been tremendous progress in terms of dealing with those issues which I identified, but it is all being done in the context of dealing with the current and future first.

The second area—and I will only briefly mention it because I think we said it before—has to do with the legislative agenda in the financial sector. There was a strong call to bring the legislation with respect to credit unions. We did lay in the Lower House the legislation with respect to insurance. I suspect it will not be dealt with in this term, and we would have to put it into the next term. It will lapse. There are some substantial amendments that had to be included, but that is also part of the thrust.

The public offerings programme that we spoke about is being conceptualized, but I want to just indicate what we mean by that. We said that the state enterprise sector had to be reorganized, but we will reorganize it in such a way to ensure three things: to ensure that we are able to distribute the ownership of the country to a wider cross section of people, and therefore make public offerings of state enterprises as they are defined.

Secondly, it will develop the stock market because we need to have some impetus for the stock market to have more activity. Thirdly, it will allow us to bring new investors into the state enterprises, as we rationalize it at the same time for the purposes of efficiency. That programme is still under final consideration by the Cabinet.

Finally, we have committed ourselves and we have begun the work for a tax review. The last time this country looked at a tax review was some 20 years ago in earnest. We have done many things subsequently, and we have committed to do and have begun a tax review of the taxation system. We did introduce in the budget debate the concept of transfer pricing, which is an important point, and we are well on our way to introduce these measures in earnest in the tax review that is going to take place.

3.15 a.m.

Those, Mr. President, are some of the initiatives that will be supportive of the appropriation that we have agreed to, that we have proposed here today, and in that sense I believe that the support of this Senate—which I sense is there—for the appropriation of \$1.5 billion is being justified.

Let me finally make the point—or someone said that most of that would be on recurrent or non-productive expenditure. That is not quite correct. A large part of it had to do with financing of infrastructure, and that would also mean the injection of more activity in the construction industry and in the infrastructure of the country, and that is in 2012. This is our expectation.

Beyond 2012 there are some more programmes. So, the programme is meant to inject more activity in the construction sector that we are approving here today, apart from some other measures with respect to CEPEP, et cetera.

I hope that I have responded to all the issues that have been raised by Senators on all sides, so to speak, on the Independent side as well as on the Opposition side and I want to thank all Senators at this early morning session for their endurance and their patience and for the real commitment to serving the public interest of Trinidad and Tobago that you have demonstrated here today. [*Desk thumping*]

I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

The Minister of Finance (Hon. Winston Dookeran): Mr. President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Bill accordingly read the third time and passed.

Adjournment

Tuesday, June 05, 2012

ADJOURNMENT

The Minister of Public Utilities (Hon. Emmanuel George): Thank you very much, Mr. President. Before I move the adjournment of the Senate, I would like to take the opportunity to say a very heartfelt thank you to all of the Parliament staff, in particular the Hansard editors, for their long-suffering in sitting through the night with us like this, and to the police officers who have also sat through the night and to you, Sir, Mr. President, and to the Senators on the Independent Bench and the Senators on the Opposition Bench, I want to say thanks very much for your input, and also to my esteemed colleagues on this side for your endurance, thank you very much.

Finally, Mr. President, I beg to move that this Senate do now adjourn to Friday, June 08, 2012, at 1.30 p.m., when the Senate would continue the debate on the electronic monitoring Bill, and I thank all Senators for their support on the adjournment of the Senate to that Friday afternoon.

Mr. President: Just for some clarity, Leader of Government Business, earlier in the proceedings you talked about a number of Bills as being referred to Wednesday, June 06, 2012. I take it that that is not on? [*Interruption*]

Sen. The Hon. E. George: Well, they would all shift to Friday.

Mr. President: All right, good.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 3.22 a.m.