

*Leave of Absence*

*Friday, September 20, 2013*

**SENATE**

*Friday, September 20, 2013*

The Senate met at 10. 30 a.m.

**PRAYERS**

[MR. PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. President:** Hon. Senators, I have granted leave of absence to Sen. James Lambert, who is out of the country.

**SENATOR'S APPOINTMENT**

**Mr. President:** Hon. Senators, I have received the following correspondence from His Excellency the President, Anthony Thomas Aquinas Carmona SC, O. R. T. T.:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ANTHONY THOMAS AQUINAS  
 CARMONA, O. R. T. T. S. C., President and  
 Commander-in-Chief of the Republic of  
 Trinidad and Tobago.

/s/ Anthony Thomas Aquinas Carmona, O. R. T. T., SC  
 President.

TO: ARCHBISHOP BARBARA BURKE

WHEREAS Senator the Honourable James Lambert, Vice President of the Senate, is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, ANTHONY THOMAS AQUINAS CARMONA, 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, BARBARA BURKE, to be temporarily a member of the Senate, with effect from 20<sup>th</sup> September, 2013 and continuing during the absence from Trinidad and Tobago of the said Senator James Lambert.

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 18<sup>th</sup> day of September, 2013.”

*Oath of Allegiance*

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**OATH OF ALLEGIANCE**

*Sen. Abp. Barbara Burke took and subscribed the Oath of Allegiance as required by law.*

**APPROPRIATION (FINANCIAL YEAR 2014) BILL, 2013**

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30<sup>th</sup> day of September, 2014, brought from the House of Representatives [*The Minister of Finance and the Economy*]; read the first time.

*Motion made:* That the next stage of the Bill be taken later in the proceedings. [*Hon. L. Howai*]

*Question put and agreed to.*

**PAPERS LAID**

1. Draft Estimates of Expenditure for the financial year 2014. [*The Minister of Finance and the Economy (Sen. The Hon. Larry Howai)*]
2. Draft Estimates of Revenue for the financial year 2014. [*Sen. The Hon. L. Howai*]
3. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2014. [*Sen. The Hon. L. Howai*]
4. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2014. [*Sen. The Hon. L. Howai*]
5. Draft Estimates of Development Programme for the financial year 2014. [*Sen. The Hon. L. Howai*]
6. Public Sector Investment Programme (PSIP) 2014. [*Sen. The Hon. L. Howai*]
7. Public Sector Investment Programme (PSIP) 2014 – Tobago. [*Sen. The Hon. L. Howai*]
8. Three Year Public Sector Investment Programme (PSIP) 2014—2016. [*Sen. The Hon. L. Howai*]
9. Social Sector Investment Programme 2014. [*Sen. The Hon. L. Howai*]
10. State Enterprises' Investment Programme 2014. [*Sen. The Hon. L. Howai*]
11. Review of the Economy 2013. [*Sen. The Hon. L. Howai*]
12. Value Added Tax (Amendment to Schedule 1) Order, 2013. [*Sen. The Hon. L. Howai*]

*Papers Laid*

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13. Value Added Tax (Amendment to Schedule 2) (No. 2) Order, 2013. [*Sen. The Hon. L. Howai*]
14. Value Added Tax (Amendment to Schedule 2) (No. 3) Order, 2013. [*Sen. The Hon. L. Howai*]
15. Annual Report on the Operations of the Equal Opportunity Commission for the years 2008 and 2009. [*The Attorney General (Sen. The Hon. Anand Ramlogan SC)*]
16. Ministerial response to the Tenth Report of the Joint Select Committee of the Parliament on Ministries, Statutory Authorities and State Enterprises (Group 2) on the Government Assistance for Tuition Expenses (GATE) Programme. [*The Minister of Tertiary Education and Skills Training (Sen. The Hon. Fazal Karim)*]
17. Annual Administrative Report of the Siparia Regional Corporation for the period October 2011—September 2012. [*The Minister of Local Government (Sen. The Hon. Marlene Coudray)*]

**Mr. President:** The Minister of Finance and the Economy.

#### **APPROPRIATION (FINANCIAL YEAR 2014) BILL, 2013**

**The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):**

Thank you, Mr. President. Mr. President, I beg to move:

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending September 30, 2014, be now read a second time. [*Desk thumping*]

Mr. President, this is a money Bill and it was approved in the other place on September 18, 2013. The Bill provides for the issue from the Consolidated Fund of the sum of \$56,441 million under various Heads as indicated in the Schedule of the Bill.

Mr. President, as I rise to begin debate on the 2014 Appropriation Bill, I wish to convey profound gratitude to you and to hon. Senators of the Government, Opposition and Independent Benches, for the opportunity to discuss our nation's fiscal plans and economic direction. The Bill has been formulated within the wider context of Government's strategic plans and achievements for the betterment of our citizens, and it represents another chapter in this administration's stewardship of our nation's economy towards our mission of prosperity for all.

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Sustaining Growth, Securing Prosperity, the theme of this year's budget, reinforces our commitment to economic growth, job creation, fiscal responsibility and the socio-economic betterment of the citizens of Trinidad and Tobago. To facilitate a full understanding of Government's expenditures and social and economic priorities, I have laid 11 other documents in the Parliament.

Mr. President, Trinidad and Tobago is a small, open commodity-based economy and we must implement measures to transform it into a dynamic and diversified entity. We must also continue to invest in creating the financial buffers to counter the cyclical movements that occur in commodity prices while we continue to work on economic transformation. Our economic action plan involves:

1. Initiatives to ensure a return to growth so as to maintain stability and increase job creation.
2. The implementation of reform measures to address intrinsic inefficiencies in the way we do business and to build capacity.
3. Initiatives to diversify and transform our economy.

Overlaying this action plan are our five priority areas for strategic focus, which are: poverty eradication, education, food security, crime reduction and health. These are markers in our road map to development, and with determined leadership and a great sense of assuredness and national commitment, we are guided to ensure no citizen is left behind.

Mr. President, it is almost six years since the onset of the global financial crisis, and the world continues to grapple to restore buoyant economic conditions. Dampened economic growth prospects, heightened uncertainty and weakened confidence continue to represent significant challenges to these restoration efforts.

Among the risks to the global economic outlook include concerns regarding financial stability, the possibility of a longer term slowdown in emerging market economies, a deeper than anticipated recession in the Euro area, and a strong fiscal consolidation effort in the advanced economies, especially the United States.

According to IMF estimates, global growth will remain subdued, as was the case in 2012. In 2013, growth is projected to be 1.7 per cent in the United States and Canada, 0.9 per cent in the United Kingdom and negligible in the European Union. For 2012, growth in tourism-dependent economies of the Caribbean region was less than 0.5 per cent.

Mr. President, while these economic conditions overseas undoubtedly impact our local economic performance, Trinidad and Tobago's economy continues to move in the right direction. Our economy has recorded positive year-on-year economic growth in the last four consecutive quarters. Inflation is 5.6 per cent; unemployment is near full employment and our gross official reserves are estimated to be \$9.4 billion in 2013, representing 12 months of import cover. [*Desk thumping*] But even as our economic fundamentals consolidate, considerable effort is required to protect the economy against downside risks and existing vulnerabilities in some sectors.

In respect of the local financial sector, Government has been able to strengthen regulation to ensure the sector remains stable and accommodative of growth and economic activity.

This year saw the implementation of the Securities Act, 2012 and the Financial Intelligence Unit Act, as well as the laying of the Insurance Bill. Government will advance work next year on the Credit Union Bill and the Occupational Pension Bill. Government is committed to building a strong regulatory environment to prevent crises in the financial services sector, as occurred with the Clico meltdown. [*Desk thumping*]

Mr. President, the 2014 budget is predicated on conservative price assumptions of US \$80 per barrel of oil and US \$2.75 per MMBtu for natural gas. Total revenue is forecast at \$55 billion, and total expenditure net of capital repayments and sinking fund contribution is forecast at \$61 billion. For fiscal 2014, the budget deficit is projected to be \$6 billion or 3.6 per cent of GDP, down 1 per cent from the last fiscal year.

**10.45 a.m.**

Mr. President, the budget for fiscal 2013 was based on an average crude oil price of US \$80 per barrel and a natural gas price of \$2.75 per metric cubic foot, resulting in a budgeted overall deficit of \$7.7 billion or 4.6 per cent of GDP. The revised outturn for central government's fiscal operations, however, is expected to result in a much lower deficit, largely associated with higher than anticipated oil prices that materialized over the period and higher tax revenues from the non-energy sector.

Total expenditure and net lending for fiscal 2013 amounted to \$59 billion or 36 per cent of GDP, representing an increase of 1.6 per cent over fiscal 2012. [*Desk thumping*] Of that amount, recurrent expenditure amounted to \$51.2 billion and capital expenditure amounted to \$8.3 billion. The net asset value of the

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Heritage and Stabilisation Fund stood at approximately US \$5 billion at the end of fiscal 2013 [*Desk thumping*] while transfers to the fund over the period amounted to US \$42 million.

Mr. President, Trinidad and Tobago has been able to withstand some of the major headwinds of the global financial crisis. Going forward, however, it is critical that Government continues to manage its debt and rebuild its fiscal buffers which have afforded our economy the fiscal space to manoeuvre thus far during the global economic downturn.

In the last fiscal year, Government signalled its intention to review all expenditure items including subsidies and transfers within the context of achieving a balanced budget in the medium term by establishing a reduction of 1 per cent of GDP in the deficit each year. While this fiscal adjustment exercise is necessary to rebuild our economy's fiscal accounts, it is being conducted without compromising Government's economic growth initiatives, employment generation and social equity.

Mr. President, the reintroduction of the land and building tax regime is one component of Government's broader fiscal strategy to strengthen revenue generation via various tax policy and revenue reform measures, and to improve the design of the local tax system.

Among the major priority areas in the review of the tax system include value added tax, transfer pricing, enforcement and compliance, business taxation and institutional strengthening at the Inland Revenue Division and the Customs and Excise Division. These measures will be conducted to boost revenue without stymieing new sources of growth. Government must also simultaneously move to prevent tax leakages, the primary rationale for formalizing the treatment of assets transferred between related parties and enumerating the capital allowance to be granted by companies using transferred assets.

Mr. President, on the expenditure side over the medium term, Government will review all transfers and subsidies. These currently account for more than 50 per cent of central government's expenditure. The fuel subsidy has also been the centre of much debate in the public domain. Given high oil prices and steadily increasing volumes of transportation, the subsidy on gasoline and diesel fuels was \$4.3 billion in the last fiscal year.

In this context, Government proposes to encourage greater use of compressed natural gas as an alternative transportation fuel. Infrastructure and appropriate incentives are currently being implemented to encourage the transition by motorists and fleet owners to CNG usage. This is a necessary precursor to an eventual systematic gradual reduction of the subsidy.

Mr. President, our economic growth in the last four consecutive quarters is particularly encouraging. In addition to achieving a balanced budget by 2016, an essential component of Government's fiscal framework over the medium term, is building sustainable economic growth momentum.

In keeping with our focus for this year's fiscal package, Government intends to sustain and build this growth momentum during the next fiscal year and beyond. This is critical if we are to succeed in expanding our economy's productive capacity, providing sustainable job opportunities for our citizens, and increasing incomes for the state and private sector.

Mr. President, we intend to achieve this via the following mechanisms:

1. our public sector investment programme;
2. public/private partnerships;
3. upstream energy sector initiatives;
4. downstream activities in the energy sector;
5. enabling business activity; and
6. building growth in the non-energy sector.

Firstly, Mr. President, Government has committed approximately \$8 billion or 4.5 per cent of GDP to the PSIP for the new fiscal year. Formulation of the PSIP 2013—2015 was based on an evaluation and prioritization of projects against key policy measures and strategies outlined in the *Medium-Term Policy Framework* which articulates Government's commitment to socio-economic transformation for a secure, prosperous and sustainable nation, and for which the five strategic priorities which I had outlined before—and which are crime and law and order; agriculture and food security; health care services and hospitals; economic growth, job creation, competitiveness, innovation and poverty reduction; and human capital development, are the pillars. Our principal focus of the PSIP is to ensure that capital investment significantly and positively impacts national development.

Secondly is Government's thrust towards public/private partnerships. This is aimed at redefining the modalities with which public services are delivered and managed, and strengthening the role of the private sector in local development. This arrangement uniquely blends social priorities with the managerial skills of the private sector, and relieves the State of the burden of large capital expenditure. Public/private partnerships have become an attractive option globally to improve project delivery and expedite the delivery of infrastructure services.

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Going forward, two projects have been selected as pilot projects for the public/private partnership programme—the first being the provision of early childhood education in primary schools infrastructure, and the second involving imaging and diagnostic services for outpatients of the public health care system. In the coming months, these pilot projects would be supported by the Inter-American Development Bank and, a third, by the International Finance Corporation, and they will be guided by Government's policy on public/private partnership.

Thirdly, Mr. President, is the energy sector. As the mainstay of the local economy, the energy sector must be given special focus in the medium term. The global energy situation is changing, given the resurgence in oil and gas production in some of the major fuel-importing countries, continued growth in renewable energy technologies and by the global spread of an unconventional gas production.

In the next fiscal year, Government will complete the development of the natural gas master plan to guide the development of the natural gas subsector, which includes the production of liquefied natural gas, ammonia, methanol, urea and melamine, and the utilization of gas as a fuel in metal industries and power generation.

Mr. Speaker—Mr. President, sorry, the natural gas master plan will guide the development of the sector through 2014—2025, to address the current local and global risks to ensure that Trinidad and Tobago remains competitive in the energy business. To add to the growth momentum, Government's energy policies have two primary areas of focus in the medium term: to make more acreages available for upstream exploration and development and to boost the attractiveness of the fiscal regime governing energy sector activity.

Trinidad and Tobago must remain competitive if we are to be successful in attracting investment. Our upstream energy sector companies must be sustainably encouraged to explore, appraise and develop our country's hydrocarbon reserves. Earlier this year, Government launched the 2013 onshore bid round for three blocks in south Trinidad to generate exploratory activity on land needed to arrest declining oil production in the short to medium term.

With respect to the energy sector fiscal regime, Government recently implemented an incentive for wells greater than 8,000 feet. A capital allowance of 140 per cent of expenditure can be claimed with respect to petroleum profit tax. This change in the fiscal regime was designed to incentivize exploratory drilling



on land for small oil accumulations. Moreover, Government has appointed a committee to provide recommendations on improving the existing fiscal regime, and these recommendations will be finalized in the upcoming fiscal year.

Mr. President, apart from these efforts upstream, the fourth area focuses on the downstream energy sector. Government's plan to construct a methanol to dimethyl ether petrochemical plant in La Brea fits strategically into our vision for the development of the south-western peninsula and our natural gas policy to diversify the energy sector by going further downstream. The development of dimethyl ether, or DME as it is commonly known, is a commercially lucrative project given its application as a transport replacement fuel for diesel and for power generation. This project is a collaborative one mainly between the State, Mitsubishi and Neal & Massy and will generate US \$850 million in foreign direct investment and create approximately 3,000 jobs during construction and 180 jobs thereafter.

Fifthly, Mr. President, to support our growth and economic transformation efforts are the initiatives to create the enabling climate to enhance confidence, investment and growth. Government's enabling competitive business strategy encompasses four key objectives:

1. strengthening the non-energy manufacturing and services sectors;
2. creation of an enabling environment supportive of growth and development;
3. expanding the diversification programme; and
4. supporting the medium and small enterprises sector and strengthening their capacity to compete locally and abroad.

In the World Bank's 2013 report, Trinidad and Tobago is ranked 69th out of 185 countries in the overall ease of doing business—improving one spot from the previous year. During the last fiscal year, Government undertook a number of initiatives aimed at reforming business processes to remove unattractive hindrances to both local and foreign investors in the areas of trade facilitation, company registration and construction permits, just to name a few.

Our overall aim is to improve the ease of doing business in Trinidad and Tobago, expand economic activity and investments and position this country as an attractive destination for trade and investment. The Government will remain committed to being the enabler of private sector growth.

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Beyond energy: Mr. President, Government has also focused beyond the energy sector as part of a broader long-term strategy to generate non-oil private sector growth, create opportunities for the private sector and reduce the country's overreliance on the energy sector for economic well-being.

In the last fiscal year, Government signalled its intention to increase the non-energy share of GDP to 60 per cent over the next five years. To this end, investments will be made in financial services, creative arts, the maritime sectors, tourism, information and communication technology, downstream energy industries and agriculture. Government relaunched the International Financial Centre by creating a financial institution support services industry. This involves the consolidation of national and regional back-office operations by financial institutions in Trinidad and Tobago, which will provide services to local and regional customers.

Apart from positioning this country as an attractive destination for financial companies, the creation of a financial institution support services industry is expected to generate approximately 3,000 jobs for knowledge workers over a five-year period, and 6,000 to 12,000 in total on a multiplier effect basis. [*Desk thumping*] It is also expected to have a positive impact on GDP with an expected expansion of 1 per cent over the five-year period with the associated generation of additional revenue through the payment of income and corporation taxes.

In the past year, two shared services centres were created by Royal Bank of Canada and Scotiabank and these created 1,000 jobs at an investment of close to [*Desk thumping*] \$250 million.

Just recently, the Trinidad and Tobago International Financial Centre has partnered with the University of Trinidad and Tobago to guide the knowledge, skills and expertise required to satisfy the needs of the financial institution support services industry in the areas of finance, banking, accounting, financial services and insurance.

**11.00 a.m.**

Similarly, in the area of capital markets, the Trinidad and Tobago International Financial Centre in collaboration with industry associations would inform the university of its training requirements in wealth management, fund management, risk management, investment management and global securities operations. This, therefore, represents a very significant collaborative exercise between Government, academia and industry.

Next is the creative industry. The Trinidad and Tobago Creative Industries Company, Creative TT, is mandated to stimulate and facilitate the business development and export activities of the creative industries in Trinidad and Tobago to generate national wealth. Festivals, heritage, dance and theatre—including visual and performing arts—film, music, fashion, literature and publishing and broadcasting have been identified as eight niche areas under the creative industries cluster. Going forward, each niche area will be developed in a manner that allows its subsectors to support the Trinidad and Tobago brand.

With respect to the maritime initiatives, Government has identified four subsectors within the maritime industry to support the country's diversification thrust. These are: port operations, shipbuilding and ship repair, ship ownership and a ship registry and maritime services. Government has identified facilities in Chaguaramas together with the existing inventory of approximately 94 naval and maritime assets for the critical start-up infrastructure for ship repair.

The University of Trinidad and Tobago has also developed a maritime training facility based in Chaguaramas with a staff complement that includes experienced maritime professionals and specialists in various academic fields including maritime law, social services and environmental management. Additionally, the Metal Industries Company Limited and the National Energy Skills Centre currently produce a range of graduates with the technical skill sets required to develop the maritime ship repair subsector for small vessels.

Mr. President, with respect to the ICT industry, our vision is to create a dynamic, knowledge-based society driven by the innovative use of ICTs to enhance the social, economic and cultural development of the people of Trinidad and Tobago. Government's national ICT policy, SmartTT, focuses on five key themes: human capital development, access and digital inclusion, e-Business, ICT sector development and e-Government. The overall priority is for Trinidad and Tobago to be equipped to use ICT to adapt to new ways of learning, living, doing business, delivering public services and advancing our national development agenda.

Mr. President, in tourism, Government will continue its efforts to develop and expand the local tourism industry, especially its contribution to GDP, job creation, investment and linkages among the various sectors. The way forward involves repositioning Trinidad and Tobago in the global tourism market. To support this effort, Government is currently focused on two main priorities: airlift development and enhancing local accommodation.

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In agriculture, our overarching goal for the sector is to create a food secure nation. Increased production and food security will decrease the country's food import bill and lower the price of food. Our national food action plan 2012—2015 articulates Government's objectives and initiatives for this sector, including supporting infrastructure, incentives, water resources management and institutional arrangements.

Mr. President, human capital development is the single most critical success factor for transforming the economy and our society. Growth stimulation and economic transformation initiatives rely heavily on the skills and talents of our people since human resources are the core of our nation's economy. The creation of a knowledge economy includes:

1. Transforming the structure of our economy;
2. Boosting levels of innovation, productivity and competitiveness;
3. Fostering closer links between science and technology;
4. Facilitating a greater focus on information and communication technologies to enable increased connectivity locally and overseas; and
5. Making our economic well-being less reliant on the energy sector.

As Government focuses on people-centred development, Government's vision for education is premised on the belief that curriculum reform must address the needs of 21st Century development and the labour market needs of the society, as well as build a foundation for responsible citizenship and ensure the optimization of multiple talents including the arts and sports; the creation of self-confident, creative, enterprising children as the goal at the pre-school level; the creation of a learning system that accommodates all types of learners, not limited to the academically gifted; and strengthening the enhancement of the cognitive, social and psycho-motor skills learnt at the primary level for a seamless transition to the secondary level.

Mr. President, Government has given financial support to the education sector from early childhood, primary, secondary, post-secondary and tertiary levels. Approximately 20 per cent of our expenditure is allocated to education, roughly 6 per cent of GDP—more than many developed countries including the United States, Canada, Great Britain and Australia provide for their respective education sectors. In particular, universal early childhood care and education is vital in ensuring that all children are given the opportunity to commence effective learning and development from an early age, and it is our intention to move to universal early childhood care and education by 2015.

The expansion of information and communication technology in schools will enhance student performance, create a dynamic teaching and learning environment, and ensure that all students are capable of functioning in a technology-driven, knowledge-based society. Over the next fiscal year, we shall continue to infuse ICT in our secondary schools' curriculum and train teachers in varying levels of ICT.

Government will also continue to assist in providing support for our citizens desirous of pursuing tertiary education. Our investment in skills training will be targeted towards improving and implementing programmes to provide a cadre of skilled workers relevant to our objective of economic transformation. However, we are mindful of the need to streamline the Government Assistance for Tuition Expenses Programme to prevent waste and abuse of Government funding and, as such, we shall continue to move towards strengthening the monitoring, compliance and auditing of the GATE programme.

Mr. President, I turn to national security. This Government places the greatest premium on human safety and security. We will not ignore crime threats to the well-being of our citizens and its potential hindrance to our nation's prosperity. We have a zero-tolerance policy for crime and criminal activity and, as such, no resource will be spared to arrest the culture of criminality. Government continues to focus on strengthening our national security arrangements to address this scourge on all fronts with a range of short, medium and long-term interventions. Government has allocated \$6.5 billion for national security in the coming fiscal year, [*Desk thumping*] up from \$5.5 billion in fiscal 2013. Mr. President, we will win the war against crime. [*Desk thumping*]

In respect of the gambling and gaming industry, specific mention was made in the 2013 Budget Statement of measures that will be implemented to govern the local gaming industry with specific reference to the longer-term objective of introducing a comprehensive framework for the governance of the industry. This industry has the potential to fuel crime and other social ills, and to avoid this, Government will be instituting a governance structure for this industry which will include a governing body and appropriate legislation. However, we propose to adopt a participatory approach to regulating the industry to ensure a mutually beneficial outcome for all relevant stakeholders, and it will introduce interim measures in the Finance Act associated with the reading of this budget.

Mr. President, our fight against crime must include anti-money laundering initiatives including strong law enforcement and vigilance in our national security efforts. The abuse of our businesses and financial institutions for the purpose of

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money laundering and financing of terrorism has adverse effects on our economy and wider society. In July this year, Trinidad and Tobago gained endorsement and recognition for its fight against money laundering and the financing of terrorism [*Desk thumping*] by its entry into the Egmont Group of Financial Intelligence Units (FIUs).

Our country's admission into the Egmont Group gives international recognition to the Financial Intelligence Unit of Trinidad and Tobago, (FIUTT), and will facilitate the exchange of information among 138 international FIUs, as well as provide training opportunities and support for our local FIU. We shall therefore continue to build on our efforts to strengthen our legislative and surveillance capabilities to eliminate money laundering and strengthen our nation's financial integrity in the local and international arena.

Mr. President, in closing, I am confident that Trinidad and Tobago is moving in the right direction. We can be proud of the progress made over the past year and we could look forward to further progress ahead. Our plans embrace all sections of our population from our young people and civil society to labour and the business community.

Despite challenges overseas and the uncertainties that distort the economic horizon, we in Trinidad and Tobago can be proud of the indications that our economy is emerging from the dark shadow of the global recession with growth slowly building momentum and the groundwork being laid for economic transformation.

To achieve our national mission of prosperity for all, we must therefore work diligently together to embrace our opportunities for development and confront our challenges with resolve and determination. It is imperative that all national stakeholders respond without conflict and confrontation but with collaboration and conviction to continue working towards making Trinidad and Tobago a socially cohesive, globally competitive nation.

Mr. President, I beg to move. [*Desk thumping*]

*Question proposed.*

**Mr. President:** Sen. Henry.

**Sen. Hinds:** Listen to a real minister of finance here. [*Laughter*]

**Sen. Singh:** Everything was going good, you know.

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**Sen. Dr. Lester Henry:** Thank you, Mr. President, for allowing me to join this debate. I expected the Minister to go a little long but so be it.

**Sen. Singh:** “Yuh ha to give it a short response.”

**Sen. Hinds:** Nothing useful as they say! [*Laughter*]

**Sen. Dr. L. Henry:** I think it was a very good idea that he made it short.

**Sen. Hinds:** Very good! That is right, that is right! He saved us the pain! [*Desk thumping*]

**Sen. Cudjoe:** And then he leaves out Tobago!

**Sen. Dr. L. Henry:** And of course, as my colleague here, he had nothing to say about Tobago. Okay?

**Hon. Senator:** Boy!

**Sen. Dr. L. Henry:** Mr. President, I was very tempted to title the theme of my contribution today as “Normalizing Madness”. [*Desk thumping and crosstalk*]

**Sen. Al-Rawi:** Normalizing madness. [*Desk thumping*]

**Sen. Dr. L. Henry:** Because this is my best summation of the performance of this Government both from an economic and political perspective. It is a kind of normalization of madness where strange decisions, strange projections, are being thrown out there without any fundamental basis for doing so. If we look at their track record, which I will do, they have a well-established track record of not being able to implement anything that they have spoken about in terms of developing the country’s economy.

Now, once again, the fourth year in a row, we are greeted with a record budget. This time, around \$61.3 billion. This is an amazing amount of money considering the context of the size of our GDP and what previous budgets were—just going back—five, six, seven years ago.

**11.15 a.m.**

Now, this at the time, many of the people on the other side and their colleagues in the Lower House referred to as “squandermania”, by all kinds of crazy names, when budgets were \$34 billion and \$35 billion. And they have come into power and they have almost doubled the budgets of those previous years and then act as though that is just a “lil” minor detail, that is nothing, \$61 billion, “what is yuh problem?” Okay? And that is not political? That is not squandermania?

I mean, this UNC cabal really knows how to spend.

**Sen. Hinds:** Oh, yes; that is right. [*Desk thumping*]

**Sen. Dr. L. Henry:** Really know how to spend. Mr. President, in 2010/2011, the first Minister of Finance now banished to foreign affairs, brought a budget close to \$50 billion, which was a record at the time and he entitled it:

“Facing the Issues...” and “...Turning the Economy Around”

We know well, now, that they did not mean it. They did not face the issues and there was no turning around of the economy, which I will elaborate on a little bit later.

But if that was not enough, 2011/2012 came with \$54.6 billion as the budget “From Steady Foundation to Economic Transformation”. Again, we are still waiting on the transformation, and it is being promised again by this current Minister, or anything that even looks like a transformation.

So, then we went to 2012/2013, the new Minister comes in and he says:

“Stimulating Growth, Generating Prosperity”

Now, of course, if they had succeeded before, there would have been no reason to talk about stimulating growth. It was an admission that they did not. Now, my only caveat here with the title of the last presentation, it should have said “stimulating growth and generating prosperity for the cabal, friends and family”.

**Sen. Hinds:** Well put man, well put, well put! [*Desk thumping*] Those are the facts; the truth.

**Sen. Dr. L. Henry:** And now, the new Budget 2013/2014—that budget for 2012 was supposed to be 58.4, right? As we know, many people have commented on that—this one, \$61.3 billion and the theme:

“Sustaining Growth, Securing Prosperity”

Again, “for the cabal”, would be a better description, “and their friends and family”, which I will demonstrate, okay?

**Sen. Hinds:** Close circuit.

**Sen. Dr. L. Henry:** Okay. Now, in 2010 someone made a statement that read like this:

“This nation has suffered enough from bad judgment and outrageous spending.”



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**Hon. Senator:** True, true.

**Sen. Dr. L. Henry:** Right? That was “yuh” first finance Minister, Mr. Dookeran. Right? Remember it “eh” because I am going to remind you of it later in my contribution.

“This nation has suffered enough from bad judgment and outrageous spending.”

Budget speech 2010/2011, page 11. He was very prophetic in what was going to happen in the years ahead.

Mr. President, my best description, after reviewing some of the material I will get into here today, the best way I could describe this budget “is ah eat ah food budget”. [*Laughter and desk thumping*]

**Sen. Al-Rawi:** “Nooo.”

**Sen. Hinds:** That is a lot of food boy, “from captain to cookess.”

**Sen. Dr. L. Henry:** You took the word—I have it written down here. [*Laughter*] A lot of food.

**Hon. Senator:** “From captain to cookess.”

**Sen. Dr. L. Henry:** No real attempt to generate any transformation in the country but purely an overtly political budget with plenty to go around. Okay?

**Sen. Hinds:** “Yess.”

**Sen. Dr. L. Henry:** Now, “leh” me get into some of my usual issues with the budget that has been presented by this Government so far. Okay? So this budget is huge, a lot of spending, record spending, and the Minister proudly proclaims it is not an election budget, it is not political. Then what is it?

Now, if you look at the budgets presented before and including this one, there are a couple of fundamental points that must be made: that the budget is very short on accounting for last year’s expenditure, just like the one before, so we have to keep repeating that. Proper budgets should entail a reasonable account for money being spent in the previous year.

Now, the Minister normally says, “Well my Ministers, colleagues, when they come and they present later, they will tell you how the money was spent in each Ministry” or whatever, and we usually get some of that, but a fairly tiny amount. But the Minister himself stays clear, mainly, of saying where did all this \$58 billion go. Right? And I will show you where some of it has gone, later. Also, one

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of the fundamental problems with the budget is that there is a little accounting in terms of the costing of items. A lot of the policies, programmes and so on, policy changes, changes in the tax system, new projects to be implemented, a lot of it, we do not know the cost of it.

We get some “kinda” general figure, like the cost of building a hospital in Couva or in Penal might be \$800 million but you are not going to spend the \$800 million in one year—that does not make any sense—on that particular project. How much do you plan to spend and how much was spent on that project? So you change your policies, these things have fiscal implications, and you do not come with any estimate as to what are the consequences for the Treasury.

When you implement policies such as the—I will just give one example—some of the incentives in the energy sector, now it is good, we probably could agree that you need incentives in the energy sector. But what are you foregoing? What are you giving up to get the new investment? So the policy itself, of energy, of giving incentives may not be necessarily wrong but we need to have an idea what is it costing the country; what revenue are we foregoing—[*Interruption*]

**Sen. Hinds:** Yes.

**Sen. Dr. L. Henry:**—so we could have an idea what might be the net effect on our economy.

**Sen. Hinds:** That is right.

**Sen. Dr. L. Henry:** So therefore, the lack of costing of policy initiatives and changes that they might incur that affect the Government’s ability to generate revenue should be included at every phase of the budget. And I know the Minister is not hearing this for the first time, but yet again I do not see a very serious attempt at delivering and that type of accountability.

So I have listed two fundamental problems with the budget.

**Sen. Hinds:** But the country ought to know that.

**Sen. Dr. L. Henry:** We want to know exactly what are we giving up in order to get these other things, if they actually materialize?

**Hon. Senator:** Tell the country.

**Sen. Dr. L. Henry:** Because a lot of the policies we know, that they talked about, have not gone anywhere, but again we “doh” even know what we are giving up. We call that opportunity cost, for those of you familiar with economics, you have to know what you are giving up.

So to say that you are going to do something and it might generate some income, well what are you giving up to get that—especially in the area of taxation and revenue generation, which I have continuously lambasted this Government for. Many of you on the other side, well the surviving ones, would have known that I blasted you, over and over again for lack of revenue generation.

**Hon. Senator:** The survivors.

**Sen. Dr. L. Henry:** You just talk about spending and you have twisted the national debate to talk about who spend the money better, PNM, UNC, rather than who generated the money—[*Interruption*]

**Hon. Senator:** Hmm.

**Sen. Dr. L. Henry:**—which is the more fundamental economic problem. So to come and say well you spend this, and you spend that and so on, that is being—yeah. Before you spend, money has to be earned.

**Sen. Al-Rawi:** That is right.

**Sen. Dr. L. Henry:** And to come here and talk, well you are spending on this and spending on that is not good enough. You have to tell the country about serious revenue generating projects, and then come and report as to what it did, what difference did it make to our receipts. Okay? So this particular spending, I said—described it as “ah eat ah food, normalizing madness” and I might have a few other choice descriptions before I end, but this is a very serious matter.

Now, the budget again in terms of the numbers, the spending, is alarming, and if you look at spending on transfers and subsidies, the Minister just, himself, raised concern about transfers and subsidies being a huge part of the budget, yes. And he is right, he is right to raise concerns over it. At the beginning of their tenure, listen to someone in the Government; in fact their Minister of Finance in 2010:

“Transfer payments comprise one of the largest components of budget spending. These payments, which were around 9 per cent of GDP in 2003, are estimated to reach... 15 per cent of GDP in 2010 and 16 per cent of GDP in 2011

Now, sorry—right. Okay?

Now, this was Winston Dookeran’s budget speech, page 14. Now the Minister just admits transfers and subsidies are over 50 per cent of the budget. “Where you going?” You are going the wrong way. That is not something to be proud of or

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boast of, that you have gone from just over 9 per cent in 2003—at the beginning of your tenure this is the admission of the then Minister of Finance, quoted in his budget speech—to over 50 per cent by this current Minister of Finance and the Economy. So what is that?

We all know transfers and subsidies generally, for the most part, entail unproductive expenditure; so you now are sitting, presiding over this tremendous run-up in transfers and subsidies, by your own admission. I did not even have to do the calculation. You did it yourself. Okay? So is this not totally contrary to what we hear coming from the other side, where they always talk, well we have to streamline GATE, we have to do this, we have to do that. And each year it gets bigger. The transfer budget—the spending on transfers and subsidies.

So you are saying one thing and your record is showing something else, by your own admission. So what you have is, as I said, where are all these transfers and subsidies going? We know some of it of course is legit. You must have transfers and subsidies, in an economy such as ours, for poor people to benefit and so on, and which, I am sure many on the other side will get up and talk of, but to move from 15/16 per cent to over 50 per cent of your national budget.

And, what was lacking in the budget presentation, even though the Minister raised concerns, was any kind of particular plan. They say yes, we are going to deal with it, we have to address the issues. And of course the issues have been raised over several years, by the IMF, in their articles for consultations, which I will come to in a bit, about the size of Government transfers and subsidies. And every year we hear the Government now saying yes, yes we are going to deal with it. But how?

Before the budget presentation, the Minister was hinting, well you know, the fuel subsidy, we might have to deal with that, you know, the time when he was saying no election budget and so on.

**Sen. Hinds:** Um-hmm, um-hmm.

**Sen. Dr. L. Henry:** He was quoted in the newspapers. By the time the budget reached, no mention of it, none. What happened? So if it is not political and it is not all about expediency, why did you not address the issue? “And even have ah plan, what plan?”

**Sen. Hinds:** “Ah plan to tief.”

**11.30 a.m.**

Mr. President, when the hon. Leader of the Opposition spoke in the Lower House—*[Desk thumping and interruption]*

**Sen. Hinds:** Oh yes, oh yes. What a speech that was; what a speech.

**Sen. Dr. L. Henry:**—he gave an indication—*[Interruption]*

**Sen. Hinds:** What a presentation that was; what a delivery.

**Sen. Dr. L. Henry:**—that there is a plan to bring the rapid rail and when that is fully up and running you reduce the sub—at least we have an idea. You have presented nothing. It is a well-thought-out, articulated plan. But instead, you say: “Rapid rail, nonsense. PNM wastage.” And what do you offer instead? Nothing. And yet transfers and subsidies go up to over 50 per cent of a \$61.3 billion budget.

**Sen. Hinds:** What? Say that. What! Really? *[Desk thumping]*

**Sen. Dr. L. Henry:** Okay. Yeah. So, now, Mr. President, if you look at—again, I am going back—since it is the twilight of their term in Government—to the beginning, where they came in and promised all kinds of pie in the sky and they promised to sustain our long-term future, based on four pillars. Of course, one of those pillars, I could read the four, taken from, again when they came in: expand the energy sector—*[Interruption]* Sounds very—*[Interruption]*

**Sen. Singh:** And what is that document?

**Sen. Dr. L. Henry:** Sounds very—*[Interruption]* It is the budget speech.

**Sen. Singh:** Budget speech of?

**Sen. Dr. L. Henry:** Winston Dookeran.

**Sen. Singh:** Okay.

**Sen. Dr. L. Henry:** Yes, 2010/2011 budget.

**Sen. Al-Rawi:** “He doh remember him.”

**Sen. Dr. L. Henry:** No, no, no, he knows. He knows.

**Sen. Singh:** Making sure.

**Sen. Dr. L. Henry:** Yeah, he just trying to throw in a little speed bump here.

**Sen. Singh:** Putting the white line.

**Sen. Dr. L. Henry:** But we will get to you in a bit.

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Expand the energy sector; realign the economy; revitalize the agricultural sector; expand tourism; and whatever, standardize our environmental regulations

Well the Minister just banned hunting so maybe that is a step; that was one of their projects for two years. Okay? So expand the energy—this is the 2010 budget, when they first came in—and a lot of the projects that the Minister said. Just—tell me if this does not sound familiar, all sitting in this room here. The Minister then talked about:

“...the AUM 2 project, which would produce melamine. We anticipate that the domestic production of melamine... This facility has an estimated capital cost of US \$1.9 billion and will create more than 3,000 jobs during the construction period and 450 permanent jobs on completion”

**Sen. Al-Rawi:** “Dey finished dat, man. ”

**Sen. Dr. L. Henry:** That was the AUM 2 project.

Second, he talked about the CariSal Project:

“Construction of the CariSal Plant would begin in 2012, at an estimated cost of US \$430 million, with the potential to create more than 2,000 [sic] jobs during construction and operation. ”

And then, he said that was the platform. That was supposed to generate some other projects. I just mentioned two. Project three for the energy sector:

- “1. The Reliance Bitumen Upgrader project;
2. Methanol to Propylene project;
3. Methanol to Acetic Acid project;
4. Maleic Anhydride project; and
5. Melamine derivatives project. ”

These were the big projects that were supposed to bring in over \$20 billion in investment and generate all kinds of activity in the energy sector. These were the big projects. Do they not sound very familiar like what the Minister just talked about?

**Sen. Ramnarine:** Because it came from the PNM speeches.

**Sen. Dr. L. Henry:** Again? Right? Or, you are willing to admit that now? Okay, good. Right. So, what has happened? AUM 2.

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**Sen. Hinds:** “First time ah see yuh vex.”

**Sen. Ramnarine:** I am a changed man.

**Sen. Dr. L. Henry:** Go ahead. You will have your second bite of the cherry. [*Crosstalk*] AUM 2, stalled because of the Clico problem, has gone nowhere. CariSal, abandoned, financing problems. The Reliance bitumen upgrade project never got going. Methanol to propylene, never got beyond basic elementary negotiation stage; total non-starter. The methanol to acetic acid project, nothing happening either; nothing, it disappeared. They could not get to the implementation stage. As the hon. Minister of Energy and Energy Affairs is reminding me, well, a lot of these things germinated under the PNM but you could not follow through. You took over. [*Desk thumping*]

**Sen. Hinds:** Except the cable car from John John.

**Sen. Dr. L. Henry:** You could not follow through. And some of them— [*Interruption*] but you boasted. This is your Minister of Finance and the Economy who would have gotten inputs from the Minister of Energy before reading this into the budget.

**Sen. Hinds:** Delivery.

**Sen. Dr. L. Henry:** This is your Minister of Finance and the Economy. This is not the PNM Minister of Finance and the Economy who said all this. [*Desk thumping*]

**Sen. Hinds:** Correct, correct.

**Sen. Dr. L. Henry:** So, are you trying to imply that your Minister of Finance and the Economy just took a PNM document and read it without thinking about it? What is that? Okay.

So, because you could not implement the projects, you are going to come three years later, with egg on your face and say: “Well, you know, they were projects that PNM started.”

**Sen. Howai:** No. No, no, no.

**Sen. Dr. L. Henry:** Only the Energy— [*Interruption*]

**Sen. Howai:** Your boy behind you will answer all the questions.

**Sen. Dr. L. Henry:** Yeah, yeah, of course, of course. [*Interruption*] Out of these seven here, you have delivered zero. [*Desk thumping*]

**Sen. Cudjoe:** Zero.

**Sen. Dr. L. Henry:** You have delivered zero; never got going. Now the melamine derivatives project, number seven, no investments yet, more promises from the Government that something is going to happen next year, like they did last year and the year before that. [*Crosstalk*] So your energy programmes and your energy projects have all, basically, come to nothing, you know.

Now, let me get into a little more of the growth prospects and the growth figures that the Minister so proudly proclaimed, and has been proclaiming, for the past two weeks, or a week and a half or whatever it is—yeah, about two weeks.

**Sen. Hinds:** The growth in their tummies.

**Sen. Dr. L. Henry:** And today he boasts about four quarters of positive growth and all “kind ah thing.” The Minister boasted about four quarters of consecutive growth. Now, where did this growth suddenly appear from?

**Sen. Hinds:** “In dey belly.”

**Sen. Dr. L. Henry:** Now, I am going to spend a few minutes on this because, every year I try to bring some reality into the Government and tell them stop boasting about things that you cannot defend. Okay? Especially, I know the failure to generate economic growth on the part of this Government, any meaningful growth, is one of their biggest embarrassing moments. Right? The past Minister of Finance was under real pressure and even in his professional capacity as an economist, he could not understand why he was unable to get growth going. There are some explanations, which I would offer just about one or two.

Year after year, they came with their budgets and they projected: “Oh, well next year we are going to achieve 2.5 per cent growth.” We would quickly warn them: “Well, based on what? What projects? What is happening in the economy? Where is the private sector investment? What is going to happen to generate this growth?”

Let me remind hon. Senators of the abysmal track record of this Government. Now, in the 2010/2011 budget, they promised 2 per cent economic growth. What actually materializes? Now, remember that was the year when they entitled their budgeting: *Turning the Economy Around*; 2010/2011, 2 per cent.

**Hon. Senator:** “Doh” forget Clico, you know.



**Sen. Dr. L. Henry:** They ended up with minus 2.6 per cent growth. That is in here in the *Review of the Economy*; the only confirmed figure. Pay careful attention, Minister of Finance and the Economy. The only confirmed growth figure since this Government has come into power is that, okay, the negative one. So, they turned it around and that is probably their only verifiable success; that they turned it around. What was potentially positive growth, they turned it into negative. [*Desk thumping*]

So, in 2010/2011, they got a little more modest because, you know, they had messed up the whole economy with a foolish state of emergency and they became a little more realistic and they said: “Okay, we will project just 1.7 per cent growth” even though they planned on spending much more, much bigger budget than what they spent the year before. As it turns out, they have reported a figure, in the *Review of the Economy* and elsewhere, that they achieved 1.2 per cent. And, you know, they went around boasting about that? You make the target smaller and you still missed it and you run around boasting about it.

Okay, now the problem I have with this figure and the other one, the 2012/2013 budget predicting 2.5 per cent growth and now estimating for the year, 1.6 for 2013.

Now, if you look at the *Review of the Economy*, page 64, which is their document, coming from the Ministry of Finance and the Economy, they have 2012 growth rate, 1.2, which I quoted. But there is a little caveat at the top “estimated”—[*Interruption*] no, no, do not try that. We are in September, 2013 and why is it still an estimate? It is not put there as a final figure. What is the reason for that? For 2013, of course, we must understand, that is a projection. [*Interruption*] Eh?

**Sen. Howai:** It might be higher.

**Sen. Dr. L. Henry:** It might be higher. Then say so.

**Sen. Singh:** No, but you—it is a conservative figure

**Sen. Dr. L. Henry:** Because, listen, for 2012, well I do not know. I do not want to jump ahead. Let me deal with this first. I would come to that. Okay? So, it is a projected figure. And, of course, another disturbing point in this document, Mr. President, is that the estimate for growth for 2013, I believe, comes from the Ministry of Finance and the Economy estimates. Now, since when does the Ministry of Finance and the Economy do GDP estimates? When did you start that? At what point? Traditionally, it is the CSO that puts out GDP estimates, GDP

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calculations. Why is it coming from the Ministry of Finance and the Economy this year, and not a word? Right? Of course, you could always get some kind of explanation: “Oh, well, we did it because, mmm.” But something is amiss.

I would get into the CSO just now.

**Sen. Hinds:** Um-hmm.

**Sen. Dr. L. Henry:** So, CSO normally puts out these things. All of a sudden, the Ministry of Finance and the Economy putting out GDP estimates.

**Sen. Hinds:** Bogus figures too.

**Sen. Dr. L. Henry:** Right? The point is, there is a reason why the figures used to come from the CSO—so that they would have a certain degree of credibility.

**Sen. Maharaj:** So the public servants who do it are not credible? You are impugning the motives of the public officers.

**Sen. Dr. L. Henry:** Let me continue. I would not even—yeah. So, you have—three years, the only confirmed figures, according to their own *Review of the Economy*, the only final figure is 2011, the negatives, 2. 6.

**Sen. Ramnarine:** Public servants again.

**Sen. Dr. L. Henry:** So when you come out with it—even if you were to come now with some other figure, who would believe you?

**Hon. Senator:** Not you.

**Sen. Dr. L. Henry:** Certainly not me, and nobody who understands how these things are done. Okay? Because you already—how could you come in 2013, September, and still have a projected figure? What are you waiting on to finalize the figure for 2012?

Now, the problem is even if you look at the press release of the IMF Article IV Consultation, which the Minister paid some attention to—I think he just quickly mentioned it. I would tell you why just now. He did not spend a lot of time on it. If you look at the growth rates—the estimate by the IMF, which they claim comes from their estimates, plus local authorities—for 2012, is .2 of 1 per cent. It is even lower than the 1.2 per cent. This is from your IMF Article IV Consultation, the press release.

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**11.45 a.m.**

Now, the reason I could quote from the press release, Mr. President, and not the real document, is because the Government up until now—I do not know if they did it last night, and would throw it in my face, but up until last night, the full Article IV Consultation of the IMF has not been available for public scrutiny, and that is because this Government has not given the permission for it to be put out as a public document. Where is it? What is in the document that you cannot give the IMF permission to go ahead and put the document up on the website so any citizen could peruse the document?

**Sen. Howai:** [*Inaudible*]

**Sen. Dr. L. Henry:** Right. I know, I was expecting that—well, it was approved yesterday or last night.

**Hon. Member:** It is a process.

**Sen. Dr. L. Henry:** Yeah, yeah, right.

**Hon. Member:** It is a process.

**Sen. Dr. L. Henry:** This is a very automatic and very straightforward thing. The Article IV Consultation of last year—I mean, of course, I expected that, “doh worry”. I expected that you would say you did not approve it. Well, it was approved about six o’clock this morning or something. Or, when, yesterday?

**Sen. Howai:** It was only approved yesterday.

**Sen. Dr. L. Henry:** Right. Yesterday? Oh, oh, good. Thanks very much for the confirmation.

**Hon. Senator:** You all have notice of that. Everybody here.

**Sen. Dr. Lester Henry:** [*Laughter*] Thank you very much. I was expecting—that is why I kept checking the IMF website. I knew they would try to pull that stunt. Right? So basically, you were hoping that the budget debate would come to an end before any of us realized that it was available. Okay? Because —

**Sen. Howai:** It is a very good report, that.

**Sen. Dr. L. Henry:** Or, I am glad you agree with it because I have some points to raise. Okay?

**Hon. Senator:** Wow! “Lester on fire, boy”.

**Sen. Dr. L. Henry:** Yeah. I am very happy you agree with it. Okay? [*Laughter*]

**Sen. Hinds:** “Yeah, like you and de Venezuelans” when you sold us out.

**Sen. Dr. L. Henry:** Now, what was the hesitation in allowing the IMF Article IV Consultation to be made public for so long? This article was completed since June. The IMF-issued press release was dated August 12. Right? The IMF executive board completed their Article IV Consultation June 14. This is from the IMF website—okay?—the press release, which is not so bad in terms of its general comments, because the IMF is not a political organization even though they are not my favourite.

**Sen. Howai:** So it is a balanced report and it is not very—

**Sen. Dr. L. Henry:** Okay? All right. Well, yeah hold on, let me—so, when you see this, it is not that damning, but the fact that there seems to be some kind of attempt to stall the publication of the full report, or making it public. You know, I smell—it does not look good. You should have approved it and let the public scrutinize the document, just like how it was done—if you go back to 2012, you will see reporters—*Business Guardian*, in other places analyzing the IMF IV Consultation in June and July because it was immediately released. So this year you had a little problem and because you know I was coming today, you went and approved it yesterday.

**Hon. Senator:** Oh boy.

**Sen. Hinds:** Yeah. [*Laughter and crosstalk*]

**Hon. Senator:** “Ah love it.”

**Sen. Hinds:** No, they did that. “No, da’ is how dey does operate.” [*Crosstalk*]

**Sen. Dr. L. Henry:** No, no, no, “yuh know I coming today because”—[*Desk thumping*]

**Sen. Hinds:** “Is how dey does operate. Is how dey does do it.” [*Laughter, crosstalk and desk thumping*]

**Sen. Dr. L. Henry:** “Yuh know I coming.” [*Crosstalk*]

**Hon. Senator:** We were very afraid.

**Sen. Hinds:** “Dey fix it on de trot.”

**Sen. Dr. L. Henry:** But the Minister himself admitted that he approved it yesterday.

**Sen. Hinds:** Yes.

**Sen. Maharaj:** He was in “de budget debate for de whole week”.

**Sen. Dr. L. Henry:** Right. [*Crosstalk*] Now, inside the report—and remember, I have no friends at the IMF, “eh”.

**Hon. Senator:** “Yuh have no friends.”

**Sen. Dr. L. Henry:** I have no friends. Okay? [*Crosstalk*] Now, the IMF—the Minister said it is a balanced report, but I wonder if by chance the IMF makes a mockery of several issues that the Government has to deal with. The whole idea that we will get to balanced budgets by 2016 and so on. I think they have a few questions about that. They have actually said—and this was before this particular thing, that this was a serious matter, and that there is no way you could get back into balance by 2016, after running these budget deficits of 3 and 4 per cent of GDP. That would entail too drastic a social adjustment in one year—in an election year—for that to be possible. So is it that the IMF raised concerns about that?

One, is it in the same report—remember the Minister said it is a fair and balanced report, “eh”. Is it that the IMF raised concern about poor governance being an obstacle to economic growth in this country? Is it? Balanced report—so I am urging all Senators, when it goes up on the website by whatever time the IMF puts it up, download it and take a read. And remember the Minister said it is a fair and balanced report. Okay? Of course, I admitted that the press release was not so bad. It was not so damning of the Government. Okay?

**Sen. Howai:** The press release. He was referring to the press release.

**Sen. Dr. L. Henry:** Or, he was only referring to, the press release? Or, you see, “he change awready”. [*Desk thumping*] Mr. President—

**Sen. Howai:** It does not refer to the other thing.

**Sen. Hinds:** “Da’ is what we gehing fuh we?—oh, gosh. [*Crosstalk and laughter*]

**Sen. Hinds:** “Da’ is wha I gehing fuh 10 million?”

**Sen. Al-Rawi:** Glossed over.

**Sen. Beckles:** So, the press release was bad, but it was not the report.

**Sen. Dr. L. Henry:** So, Mr. President, the IMF—

**Sen. Hinds:** “Dat wah cost me 10 million, or haw?”

**Hon. Senator:** Of course.

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**Sen. Dr. L. Henry:**—is very careful to get involved in—

**Sen. Hinds:** “Ah want back meh money.”

**Sen. Dr. L. Henry:**—political issues of any of the countries. So when the IMF could actually put that in a document, it is a serious matter.

**Hon. Senator:** Wow. [*Desk thumping*]

**Sen. Dr. L. Henry:** The press release was not bad, you know. It was up on the website very early as I said, August 12. Okay? But the full article, economists like myself who read IMF documents on a regular basis, of course, it would be one of the first things I would be searching for, for a budget debate—okay?—could not find it. Okay. But I have no friends at the IMF, but I have an idea of some of what is in the report. [*Crosstalk*] No, no, no. I did not see it. I tell you I have no friends in the IMF. [*Crosstalk*]

**Hon. Senator:** “Yuh is ah see-er man?”

**Sen. Al-Rawi:** “Doh worry, he running in St. Joseph just now. He seeing— [*Inaudible*]

**Sen. Dr. L. Henry:** So is it that the IMF pronounced on several key issues that this Government will not be too happy to face in that article for the full report, not the press release?

**Hon. Senator:** “Uh-hmm.”

**Sen. Dr. L. Henry:** Now, when I talk about governance and poor governance and obstacle to economic growth, you know, it is kind of—I have to speed up. I have a lot here. It is kind of illustrative, just to use a few examples, you know, because it is a kind of madness happening all over our state enterprise sector—

**Sen. Hinds:** Yes.

**Sen. Dr. L. Henry:**—and just squandering our money and then talking about, well, oh, no, no, no, we are here to develop the country and “duh”. Look at yesterday’s *Express* paper:

“PTSC manager dismissed

...deputy general manager,”—sorry—“Jadoonanan”—what is his name? Jadoonanan? “earned a basic salary of \$51,500, a transport allowance of \$6,500...”

**Hon. Senator:** Minister approved that.

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**Sen. Dr. L. Henry:**—“...business expense...”

**Sen. Hinds:** Not in writing.

**Sen. Dr. L. Henry:**—“...of \$1,500 [*sic*]...”

He also had a car and a driver, this is the deputy manager. Okay. Right?

**Sen. Hinds:** Who is the Minister?

**Sen. Dr. L. Henry:** Further down they said: he does not have the—“first degree...” He did not have the qualifications that he claimed in order to get the job.

**Sen. Al-Rawi:** As per usual.

**Hon. Senator:** Which Minister—[*Inaudible*]

**Sen. Dr. L. Henry:** Again, now, that is one.

**Sen. Hinds:** Misfeasance in public office.

**Sen. Dr. L. Henry:** This is happening all over the state enterprise sector. No wonder you could spend \$60/\$50 billion and have nothing to show for it.

**Sen. Hinds:** Integrity—[*Inaudible*]

**Sen. Dr. L. Henry:** Now, if that is not bad enough you just turn the page, one page over—

**Sen. Al-Rawi:** Just one.

**Sen. Hinds:** Yes.

**Sen. Dr. L. Henry:** Just on the other side of the page:

“Acting airport GM quits

The acting general manager of the Airports Authority...Dayanand Birju has resigned.”

**Sen. Hinds:** Is he the one who banned the chairman from coming in the airport?  
[*Laughter and crosstalk*]

**Sen. Dr. L. Henry:** No, it is not him. It is not him. [*Laughter*] “Doh leh him do dat.” [*Laughter*] It is not him. Right?

**Sen. Hinds:** Well said. Well said. [*Desk thumping*]

**Sen. Beckles:** “All yuh eh geh all yuh stories right, man. One saying”—  
[*Crosstalk*]

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**Sen. Dr. L. Henry:** Right? Same thing. Same thing. The man just resigned, just like that. The one thing the *Express* story did not say, was why he resigned. Again, another fraud—

**Sen. Hinds:** “Is ah J’Ouvert morning band over dey, yuh know. Is all kinda ting going on in dat Government. De worse.”

**Sen. Dr. L. Henry:**—somebody without the proper qualifications being hired and the same man talking about my friends was involved on both occasions.

**Sen. Hinds:** Yes.

**Sen. Cudjoe:** Resmi reloaded.

**Sen. Dr. L. Henry:** And he follows former deputy—

**Sen. Al-Rawi:** “Ah like dah one, Shamf.” [*Crosstalk*]

**Sen. Dr. L. Henry:**—chairman which the—

**Sen. Al-Rawi:** Resmi reloaded.

**Sen. Dr. L. Henry:**—hon. Minister of Communications will know a lot about.

**Sen. Hinds:** Yes, he knows everything about it.

**Sen. Dr. L. Henry:** Mr. Kurt Ajodha.

**Sen. Al-Rawi:** Resmi reloaded.

**Sen. Dr. L. Henry:** One of his good friends.

**Sen. Hinds:** Yes.

**Sen. Hadeed:** Excuse me. Check “yuhself”. [*Laughter*]

**Sen. Dr. L. Henry:** I take heed.

**Sen. Hadeed:** Check “yuhself”.

**Sen. Dr. L. Henry:** Okay. Seriously, Mr. Kurt Ajodha fraudulent credentials again.

**Sen. Al-Rawi:** Resmi reloaded.

**Sen. Dr. L. Henry:** Big salary, running the place like it is a parlour until Colim Imbert, my colleague in the Lower House raised the issue.

**Hon. Senator:** The man’s name is Colm. Colm.



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**Sen. Dr. L. Henry:** Right. Whatever. [*Crosstalk*] I am just giving you—and while I am on that theme, let me go to the big meat now. Or wait, I want to deal with the CSO first before my time runs out.

**Hon. Senator:** Going, good man. Going, good.

**Sen. Ramlogan SC:** “Coming fuh”—[*Inaudible*]

**Hon. Senator:** Again.

**Sen. Dr. L. Henry:** So, now, again, I have no friends at the Airports Authority. I just know a little bit.

**Sen. Ramlogan SC:** “Yuh ha no friends, period. [*Laughter and crosstalk*]

**Sen. Dr. L. Henry:** Good. I have no friends on that side, which I am proud of. So—

**Sen. Howai:** “Ah hope he have on dat side.” [*Laughter*]

**Sen. Dr. L. Henry:**—the CSO—“yeah, man. ”

**Sen. Cudjoe:** He has family on this side. Family. [*Desk thumping*]

**Sen. Dr. L. Henry:** Now, again, the data that we are hearing about being boasted to by the Minister, and the Prime Minister in her contribution on Wednesday and repeated here today, where are these figures coming from? The same CSO that is in a complete mess are supposed to be the people generating this information.

**Sen. Ramlogan SC:** “Oh, CSO in ah mess?”

**Sen. Dr. L. Henry:** They have not being doing the proper work. They were closed down by OSHA, scattered all over the place, still looking for a building, and here the Minister of Planning and Sustainable Development a year ago, well, a year and a half ago:

“I give the assurance to the people of Trinidad and Tobago, I will clean up the CSO, I will make sure that”—the—“data has integrity in this country, I will make sure”—the—“information makes sense in Trinidad and Tobago.”

That is May 16, 2012.

**Sen. Dr. Tewarie:** I stand by that now.

**Sen. Dr. L. Henry:** Yeah, yeah, yeah. We will see. [*Crosstalk*]

“I’m tired of the Opposition coming here and blaming me as if I”—had—“something to do...”—with it.

**Sen. Hinds:** Manipulation, yes.

**Sen. Ramlogan SC:** Who said that?

**Sen. Dr. L. Henry:** Well, I am standing here, well, yes, I am still coming again, [*Desk thumping*] because within that year—approximately a year later—the whole building nearly collapsed on the people, and the Minister was still acting as though he had nothing to do with it, while he being the sitting Minister.

**Sen. Hinds:** “And he want to build cable cars from Laventille.”

**Hon. Senator:** “Is yuh all put dem there.”

**Sen. Dr. L. Henry:** In fact—[*Interruption*]

**Hon. Senator:** “Yuh all put dem there, yuh know.”

**Sen. Dr. L. Henry:**—we have not been the Government for three and a half years now.

**Sen. Cudjoe:** That is right. [*Desk thumping*]

**Hon. Senator:** “Yeah, buh yuh put dem there—[*Inaudible*]

**Sen. Dr. L. Henry:** And that is why I read the determination. Right?

**Sen. Hinds:** I know you are very media friendly, you know. So just take it easy. You will have your time.

**Hon. Senator:** I will have my time.

**Sen. Dr. L. Henry:** So they have closed down the building. In fact, I am informed, Mr. President, that the person who was working late at night when piece of the roof fell in and fell near her desk, is the person in charge of the GDP data.

**Sen. Ramlogan SC:** “What you was doing dey dat hour ah de night?”

**Mr. President:** Hon. Senators, the speaking time of Sen. Henry has expired.

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

*Question put and agreed to.*

**Mr. President:** Sen. Henry. [*Desk thumping*]

**Sen. Dr. L. Henry:** Thank you. Thank you, Mr. President. I have quite a bit. Like I said, I was now getting to the big meat. Okay? So the CSO has been in complete disarray and I will skip over here.

**Sen. Hinds:** Omnishambles.

**Sen. Dr. L. Henry:** Yeah. It has gotten from bad to worse. The people have no proper working conditions and the Minister is a very demanding fellow, he is, you know, he calls them up and says, I need this. [*Sen. Hinds gives Nazi salute*] I need that and [*Crosstalk*]—Mr. Minister, we have no facilities. We are working—CSO members are working out of their homes. They were given special—[*Crosstalk*]—when the data is supposed to be—has security implications. “So what I doh understand.” [*Crosstalk*]—and, no—so do not come and say—[*Interruption*]

**Sen. Singh:** What does “dat” have to do with integrity?

**Sen. Dr. L. Henry:**—the Government is paying rent for empty buildings and still struggling to find a building for the CSO after boasting. Right?—so the Airports Authority, CSO.

And let us move to one of my favourite topics that —

**Hon. Senator:** Oh, Lord.

**Sen. Dr. L. Henry:**—the Leader of Government Business will enjoy—WASA.

**Hon. Senator:** Uh-hmm. [*Crosstalk*]

**Sen. Dr. L. Henry:** Right? Yes, I have several issues I want to raise here, and hopefully I will get them all in before my time expires.

**Sen. Ramlogan SC:** “Yuh gushing like ah water pipe dat burst man. Leh me hear yuh.”

**12.00 noon**

**Sen. Dr. L. Henry:** Yes. Mr. President, many people in this country do not understand or may not realize that WASA has become one of the biggest feeding frenzies since the Airport Authority under the old UNC, and the budget of WASA, the allocation listed in today’s circulation here, is almost \$3 billion—

**Sen. Hinds:** Whaaaa!

**Sen. Dr. L. Henry:**—and that does not include borrowing and special financing.

**Sen. Hinds:** Uh-hmm.

**Sen. Dr. L. Henry:** So whoever is in charge of WASA presides, on average, over \$4 billion, \$5 billion, per year. WASA is bigger than most Ministries—the

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budget for WASA alone is bigger than most Ministries, so it is an avenue where you can have a significant amount of leakages.

**Sen. Hinds:** Uh-hmm.

**Hon. Senator:** No pun intended.

**Sen. Dr. L. Henry:** In fact, the Government—in fact your whole Government spending is having an impact on the economy like leakages rather than injections—[*Desk thumping*]

**Sen. Hinds:** “Like a dose ah salts.”

**Sen. Dr. L. Henry:**—because money is disappearing.

Let me start quickly—

**Sen. Ramlogan SC:** Time to start; time to start.

**Sen. Dr. L. Henry:** We were promised a metering programme. I am coming to your favourite company just now. We were promised a metering programme. The hon. Minister George at the time said, “Yes, everybody has to pay.” I have the quotations here.

**Sen. George:** I never said that!

**Sen. Hinds:** Drizzle George.

**Sen. Dr. L. Henry:** You never said it?

**Sen. George:** Never said it! You never heard those words from my mouth. “Everybody have to be metered”—me, say that?

**Sen. Ramlogan SC:** “Doh misquote the man you know, Les.”

**Sen. Dr. L. Henry:** “I go fine it; ah go fine it. Just now. ”

**Sen. Hinds:** Read the quotation. Mr. President, can the speaker speak undisturbed.

**Sen. George:** “My speaker is the leader. You putting words in my mouth. ”

**Sen. Dr. L. Henry:** In the *Express* of December 14, 2011—[*Interruption*]

**Sen. Hinds:** Tell him!

**Sen. Dr. L. Henry:**—Utilities Minister Emmanuel George:

“The Water and Sewerage Authority...is considering a proposal to implement a water-metering system...”

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...everyone would agree that persons should pay for water they use and therefore metering would engage everyone.” [Desk thumping]

**Hon. Senators:** Aaah!

**Sen. Hinds:** You see. Take him to the Privileges Committee! Nah! You see. You never said that? Okay, the *Express* lie. [Crosstalk]

**Sen. Dr. L. Henry:** The hon. Prime Minister, January 2012—one method—no, you were echoing the words of your Prime Minister:

One method is the plan to achieve operational viability for WASA for universal metering.

Prime Minister Kamla Persad-Bissessar, January 21. [Crosstalk]

The reason I raise this, Mr. President—and they are trying to distract me because they do not want to get what I am coming to. [Crosstalk] They know. They know what I am coming to. So what they did is they went out and invested over a year of resources into developing a metering project.

**Sen. Hinds:** Is that right?

**Sen. Dr. L. Henry:** Yes—many much—and the estimated cost of it would have been about \$1.2 billion and because at the end of the day a foreign company, well qualified to do the job, came in first and SIS came in second—[Interruption]

**Sen. Hinds:** Ohhhh!

**Sen. Dr. L. Henry:**—and since then we have not heard anything about the metering project. What is the state of the metering project now? [Crosstalk] Mr. President, SIS has been one of the best contractors in terms of beneficiaries of contracts from WASA. Now, Super Industrial Services put out this ad in the papers where they proclaimed that they did not get special privileges and so on and they accounted for all the government projects.

**Sen. Ramlogan SC:** “Which newspaper it come from?”

**Sen. Dr. L. Henry:** It is in fine print here.

**Sen. Ramlogan SC:** Which is the paper?

**Sen. Dr. L. Henry:** *Trinidad Guardian*. Whatever. Do not shoot the messenger. This is their ad.

**Sen. Ramlogan SC:** I want to make sure.

**Sen. Hinds:** I saw it; we read it.

**Sen. Dr. L. Henry:** Now the ad did not include—tell me if the Minister finds this familiar—WASA supply of alum, \$45 million; Caroni water treatment plant upgrade—\$52 million; upgrade of Arima waste-water treatment, \$23 million; rehabilitation of Port of Spain sewers, \$80 million; and other minor projects—

**Sen. Hinds:** Jesus Christ!

**Sen. Dr. L. Henry:**—valuing over \$205 million—[*Interruption*]

**Sen. Hinds:** “Oh Gawd!”

**Sen. Dr. L. Henry:**—and that not included in their ad. [*Desk thumping*] And it gets worse. The project that they just announced as being concluded with the IDB loan—the first \$200 million of the \$600 million IDB overall loan project—they tried to stop the project when another team was successful. The company, WASA, somebody fell asleep at the wheel and did not take care of SIS and when the rankings were put out, SIS did not even qualify.

**Hon. Senator:** They got the contract?

**Sen. Dr. L. Henry:** So once they got word of it, they actually wanted to change the criteria after the bidding process was over. The IMF had to come and warn them—sorry, the IDB had to tell them: are you willing to do this, to jeopardize the project?

**Hon. Senator:** Where did you get your information?

**Sen. Dr. L. Henry:** I have no friends at WASA.

**Hon. Senator:** Where did you get your information? Allegations! Pure allegations!

**Sen. Dr. L. Henry:** And it gets worse.

**Sen. Hinds:** You defending corruption.

**Hon. Senator:** No, allegations!

**Sen. Hinds:** You defending corruption.

**Hon. Senator:** Allegations.

**Sen. Dr. L. Henry:** Yes. And it gets worse.

**Sen. Hinds:** “You doh know, you know.”

**Hon. Senator:** Allegations.

**Sen. Dr. L. Henry:** And it gets worse.

**Sen. Hinds:** “You doh know, you know. You think finance is all. ”

**Sen. Dr. L. Henry:** And WASA is engaging in a VSEP, we know that—

**Sen. Hinds:** “He financing too.” [*Crosstalk*]

**Sen. Dr. L. Henry:**—where they are offering very, very horrible conditions in terms of 1.75 per cent per month salary for the VSEP. We know one gentleman just got VSEP as reported in the *Mirror* and I believe his VSEP was about \$1.7 million. I am sure the Minister knows it very well.

**Hon. Senator:** [*Inaudible*] He is at WASA, too?

**Sen. Dr. L. Henry:** Yes, he is at WASA.

**Sen. Ramlogan SC:** “Doh contradict Lester Henry, please.”

**Sen. Dr. L. Henry:** So they have been engaging in a feeding frenzy at WASA. The latest one announced by the Leader of the Opposition in his budget contribution is about the waste-water treatment deal with NGC where NGC is going to provide the financing for this and they are doing the valuation when WASA has its own tendering rules and procedures.

**Sen. Singh:** No, you have it wrong.

**Sen. Dr. L. Henry:** Right. Yeah, yeah, yeah.

**Sen. Hinds:** Get up here and talk! Get up here and talk!

**Sen. Dr. L. Henry:** So Indar Maharaj was in the papers saying, well, the reason they are doing it is that they have the cash.

**Sen. Singh:** You have it wrong. You have it wrong.

**Sen. Dr. L. Henry:** Indar Maharaj, the man who is Chairman of WASA and CEO/President of the NGC. Who appointed him in NGC as the CEO? Hon. Minister of Finance and the Economy, right there—same man; one of the least qualified applicants for the job.

**Sen. Ramlogan SC:** Oh, come on Les; come on Les!

**Sen. Dr. L. Henry:** Yes. Go check it!

**Sen. Hinds:** Check it!

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**Sen. Dr. L. Henry:** Compare that to the previous CEO of NGC, I am sure you will be embarrassed. [*Crosstalk*]

**Sen. Singh:** Mc Intosh?

**Sen. Dr. L. Henry:** In terms of NGC now, NGC is the next cash cow that they are targeting. Everyone knows NGC has been reported to have been generating some significant profits in recent times. [*Interruption*]

**Sen. Ramlogan SC:** What does NGC stand for?

**Sen. Dr. L. Henry:** The shipment, in fact, they are making such good money that I was told—I have no friends in NGC by the way—they sold a shipment of gas for US \$12 so they have run into a stream of cash, so the cabal or the sub-cabal— [*Interruption*]

**Sen. Singh:** About US \$12?

**Sen. Dr. L. Henry:** Yes, for MMBtu—no, no, no—and they have tried. So now that is the next target of the cabal to feed on. So this whole operation with the waste water treatment plant where NGC is coming in and the same man happened to be involved in both places and said, “Oh, there is no conflict. What is that?” [*Interruption*] Now, they are making NGC get into a whole bunch of other projects like the CNG projects— [*Interruption*]

**Sen. Singh:** What is wrong with that?

**Sen. Dr. L. Henry:**—and, of course, the purchase of Phoenix Gas—hold on, will tell you what is wrong with that. The total programme, they could undermine—

**Hon. Senator:** [*Inaudible*]

**Sen. Dr. L. Henry:**—Yeah, yeah, yeah, yeah—the viability of NGC. [*Crosstalk*]

Now, of course, NGC, at the same time, just like WASA, same individual involved, is executing a VSEP there too, so you have a company very profitable and expanding into all kind of different areas and running a VSEP at the same time. And who is the target of the VSEP? Senior managers. So all the experienced professional people would be taking VSEP up to the company and then you are going to bring them in with friends and family and run the company into the ground. That is your operation.

**Sen. Singh:** VSEP is volunteering.

**Sen. Dr. L. Henry:** That is your programme. You are doing it at WASA. Your VSEP at WASA—

**Sen. Singh:** Very well subscribed.



**Sen. Dr. L. Henry:** Yeah, about 800. You are still short by 400.

**Sen. Singh:** Seven hundred and fifty people.

**Sen. Dr. L. Henry:** Seven hundred and fifty, thanks for the correction, but your target is 1,200, so you still have 400 to go because you have to threaten people to take it.

**Sen. Singh:** No!

**Sen. Dr. L. Henry:** Yes. I have no friends at WASA, but somebody told me.

**Sen. Singh:** I know you have friends at WASA.

**Sen. Dr. L. Henry:** Yes.

**Sen. Singh:** They are still there.

**Sen. Ramlogan SC:** So you holding back and people [*Inaudible*] VSEP.

**Sen. Dr. L. Henry:** And they will still be there. So this is your operation. You are going to turn NGC into a basket case with this kind of programme—[*Desk thumping*]*—something profitable. So the waste-water treatment project with WASA and NGC is totally unviable.*

**Sen. Singh:** Where did you get your figures from? Where did you get your figures from?

**Sen. Dr. L. Henry:** It was cash strapped—it will cause the State to put more money into WASA.

**Sen. Singh:** PriceWaterhouse did it. [*Crosstalk*]

**Sen. Dr. Tewarie:** Will the hon. Senator give way?

**Hon. Senators:** No, no, no.

**Sen. Dr. L. Henry:** I want to raise an issue. No, no, no.

**Hon. Senator:** Which former principal of UWI is asking—[*Inaudible*]

**Sen. Dr. L. Henry:** You talked for an hour and a half in the Lower House.

**Sen. Dr. Tewarie:** Give way?

**Hon. Senators:** No.

**Sen. Dr. L. Henry:** No. I want to finish with a place where I do have a few friends and that is at the University—[*Interruption*]

**Sen. Dr. Tewarie:** I will take you there now.

**Sen. Dr. L. Henry:**—at the University of the West Indies, the only place I may have a friend. The university is very concerned with the withdrawal of their funding for research and I hope the hon. Minister of Tertiary Education—*[Interruption]*

**Hon. Senator:** They got \$50.3 million.

**Sen. Dr. L. Henry:**—and this research money has gone over the years to finance—I have a whole list of very interesting projects—*[Interruption]*

**Sen. Dr. Tewarie:** I have too.

**Sen. Dr. L. Henry:** I know. I do not need to read it because I know you would have it. But then I want you to provide a credible explanation as to why it is you are withdrawing the funding when you want to promote research. I have heard you, over and over again, talk about the lofty ideas you have.

**Hon. Senator:** Yes. *[Inaudible]*

**Sen. Dr. L. Henry:** Right. So that you want to spread it around?

**Hon. Senator:** *[Inaudible]*

**Sen. Dr. L. Henry:** But that means reducing UWI's share.

**Hon. Senator:** No, no.

**Sen. Dr. L. Henry:** Why do you not find money for other—

So, Mr. President, I said I was going to title my contribution “Normalizing Madness”. I hope, after some of the information I presented, that I made my case and my colleagues to follow will continue to prove what this Government is asking to do. They have all of the big projects that they always talk about. They boasted about the deal with Venezuela in the Lower House. My colleague, Mr. Imbert, said—“Well no, no, no, it is not so.” The Minister then comes, “Well, we did not do anything.”

**Sen. Ramnarine:** All the gas in Venezuela now.

**Sen. Dr. L. Henry:** You said it. You did not do anything. You did not do anything. You came boasting about a deal. As soon as you get some “stick”, you come out and admitted you did nothing.

**Hon. Senator:** All the gas under Ramirez desk.

**Sen. Dr. L. Henry:** You said, you did nothing. Okay? [*Crosstalk*]

So, Mr. President, I think that I have made a straight case that you cannot trust any of the lofty ideals or projections on the part of this Government. It is all based on frivolous pipe dreams rather than real hard economic data. I thank you. [*Desk thumping*]

**Mr. President:** Hon. Senators, it is now 12. 14 p.m., more or less. Rather than continue now and take a break again in a short while, I propose to take a break for lunch at this point and resume at 1.15 p.m. This Senate is now suspended until 1.15 p.m.

**12.14 p.m.:** *Sitting suspended.*

**1.15 p.m.:** *Sitting resumed.*

**Mr. President:** Sen. Ramkhelawan. [*Desk thumping*]

**Sen. Subhas Ramkhelawan:** Thank you, Mr. President. I welcome the opportunity to speak on this, the Appropriation (Financial Year 2014), Bill. Like my predecessor speaker, I wanted to label my contribution, but not in the context of “madness”, but rather to think in terms of what we need to do now as a nation going forward, in the context of the various challenges that we face, and I dare say economically, socially as well as politically.

I would, however, constrain my statements to matters of the economy, investment and finance. I hope to, during this contribution, address a few areas from a bottom-up perspective rather than the top-down frame that I am accustomed to providing to this honourable Senate. By that I mean, I am going to forego today much of my discussions with regard to GDP, with regard to monetary conditions and other rather broad economic indicators because I do have on the bench today, a man of international finance repute. [*Desk thumping*] And, therefore, I would limit my contribution not to those broader indicators, but to the more specific and practical factors to which I am accustomed, and I do have a bit of knowledge.

Let me say at the beginning that I would prefer to label my contribution in the context of the stasis that exists in our economy and in the context, as young people say, “the sticking” that we are experiencing [*Desk thumping and laughter*] and move forward to speak rather than to the problems that we face, but to change the text a bit and speak in the context of striving for solutions, and that would be the focus of my contribution today.

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I hope by the end of the exercise, Mr. President, I would have covered some topics—in particular, agriculture, the energy sector, capital markets and financial services—and touch, to some extent, on some of the issues that I believe need to be clearly addressed in terms of crime, health and education. If time permits, I would speak a bit on the aspect of manufacturing.

But let me start in the context of agriculture and food production, such that the last, in this case, shall be the first, and by that I mean, of the major allocations in the budget, agriculture suffers the last position at a position of 2 per cent of the overall expenditure—some \$1.2 billion—and sits closely at the bottom of the contribution to GDP at 0.7 per cent. This is a rather awkward figure for any country, Mr. President. You have agriculture in a country that, I have said before, has some 50,000 acres of land being laid and held fallow since the decimation of Caroni (1975) Limited.

Since the decision to close down Caroni in the early part of this century, the transition has been one that has been rather inefficient and unproductive in terms of the use of land, and this must be viewed in the context that we are showing aspirations in agriculture—in Guyana, 10,000 acres initially, and a further 90,000 acres in the context of the presentation made by the hon. Minister of Finance and the Economy—but “nearer to church, further from God”, it would appear. Why do we still have 50,000-odd acres of land lying fallow?

So I would start my contribution in this particular area, and I start it here because the hon. Minister of Food Production and I have been having some conversations as to what is the correct figure in terms of the land that is lying fallow. What is that correct figure? And he was kind enough to make available to me some figures with regard to agricultural land, and I share it with the national community.

The first part in transition from Caroni (1975) Limited was that agricultural land was given out in terms of the VSEP, whereby some 8,455 plots constituting 20,319 acres of land were leased, I believe, to those persons who had been terminated at Caroni (1975) Limited. And I ask the question to the hon. Minister—because I have made this point before about land being idle—how much of that 20,319 acres is now under production?—because really, that is the crux of the situation? Whether we have given it out or not, it is the first part of the solution, and I ask that question too: how many have been given out and transferred via lease at this point in time? But the second and all important part of the question is: how much of it is under production? And the hard answer is, if it is not under production, take back that land and make it useful.

Long before you decide to go to Guyana, and long before you decide to go on other escapades, make sure that we get this land under production. It is for the reason that the hon. Minister of Finance and the Economy spoke to—that is, he was speaking to the question of food security. Food grown in any other country cannot be counted as part of your production for food security purposes.

**Sen. Al-Rawi:** That is right.

**Sen. S. Ramkhelawan:** Access maybe, but access may be questionable under different circumstances. So make sure that we populate those lands in Trinidad and Tobago that currently lie fallow in a way that it enhances production of food for us in this country. And apart from this 20,319 acres of land which have been passed on to those persons who were terminated, the Ministry or Ministries and state enterprises—this is of the 75—76,000 acres, Mr. President, that were taken from Caroni for redistribution and for alternative uses after sugar cane.

So I spoke to the first part which is 20,000 acres held for subsistence farming and transferred to the Caroni (1975) Limited workers or leased, and then there was a second part, 21,203 acres because I want to be clear and specific. There have been this ongoing difference in views as to what land is available for food production and agricultural purposes, and of that 21,203 acres, 11,100 was redistributed or passed on to the Ministry of Agriculture. So you have 20,000 in the hands of farmers and 11,000 in the hands of the Ministry of Agriculture. What is being done with that 11,000 acres?

The other part of this 21,000 that was made available to the Ministries and state enterprises, some 4,250 acres was set aside for Point Lisas, north and south expansion. I would talk to that in terms of what we may have to do with that land in order to either drive down into additional production in the energy sector, or downstream manufacturing as we go down the road from the energy sector.

And, of course, you have 4,000 acres of land deemed to be held in the hands of squatters, our squatting community. I suspect some part of that may or may not be used for agriculture, and another 11,800 is tenanted by leases. I wonder how much of that 11,000 is being used, and if it is not being used, then, what are we going to do with it?

I do like, Mr. President, to drive around the country every now and again, and from my earlier memory, those lands that would have been utilized for sugar cane production, much of those lands are lying fallow. I would like to get a clear fix from the hon. Minister of Food Production, when he makes his contribution to properly address this matter of the land.

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And so, when you do the calculations, Mr. President, some 47,000 acres of the 76,000 acres of Caroni are freed—are out there in the hands of the Ministry and other persons for agricultural production. How much of it is under agricultural production? Do not get me wrong. I do not have a problem with us expanding out and diversification in terms of our agricultural production.

I support the idea or the principle that we can tap in to much more extensive lands in Guyana for food production—whether it be the first 10,000 or 90,000 acres coming later—but let us get our home production up for purposes of national security in the first place, and then food production in a more expanded way into Guyana.

It is a travesty that in a country of 1.3 million people, that we have 50—or should I be corrected to say—47,000 acres of agricultural land and we are not even sure about how those lands are being utilized at this point in time. I would be happy to have some clarification and to receive some learning from the hon. Minister of Food Production about the proportional use of these agricultural lands when he rises to make his contribution.

And, as I said, the last shall be the first, but what I would like to say to the hon. Minister is, in a country like this, our benchmark should be, at least 3 per cent of our GDP should come from agriculture, and we have the resources in terms of land to make that happen.

We are suffering from a matter of labour resources, but we are suffering from a matter of labour resources because of the policy of successive administrations, a policy of induced slothfulness, a policy of induced indolence. When you take “big hard-back men” who are capable of working eight hours [*Interruption*] and women—I do not want to be sexist, but I do not think women are “hard-back”, let me say that—when you take “hard-back” men and you take women who are capable of full-time production, what is happening? Eleven thousand people in CEPEP and these are rational people. If you tell a man or a woman, rational, “Look, you can work for \$94 or whatever it is for one hour, show up and yuh going to be paid,” why does he want to go and do the hard work in agriculture and in certain areas of services?

Why does he want to go and do the hard work that is required to put in a full eight or nine or 10-hour day?—where if you apply minimum wages, it is the same \$100 you are talking about: eight x \$12.50. I do recall that the administration did raise the minimum wage from—I believe it was \$9 or so to \$12.50.

**1.30 p.m.**

Therein lies the problem, we do not have a—to me we are fooling ourselves when we say we have full employment when a large cohort of this employment figure is really underemployment and make-work jobs. I was saying—let me be clear—I do not hold this against those persons who are working in CEPEP, I hold it against successive administrations who want to create the veneer, the mirage, that we have full employment when in fact we do not, and it is about creating an economic, or shall I say a “political militia”, when people become dependent; when they become dependent you think that they will support you.

But I want to say, the matters that took place in Chaguanas West recently should cause all of us, all administrations, to rethink what they are doing, because we are creating employment that is unsustainable. It is unsustainable in the fact that we have had five years of deficits—and I heard the hon. Minister say that by 2016 he intends to balance the budget, and I ran my numbers several time, and unless he is expecting very significant economic growth over the next three years, or he is intent on cutting back expenditure immediately after the 2015 election, I can assure him that he is not going to get a balanced budget by 2015. But when he shares those numbers with me, I will come here to this honourable Senate and say that I stand corrected because the Minister’s superior intellect and management will win the order of the day. I will wait. I will wait for that time when we see those numbers.

Mr. President, let me turn my attention now to the area of energy. As I said, from the lowest contributor on the one hand to the highest contributor to the economy, and whichever way you count it, contribution to GDP on average has been more than 45 per cent of the overall GDP by energy, meaning gas and oil, and its derivatives. Over time what we are seeing is, on the one hand, gas production is running flat, and on the other hand, oil production is falling. So gas production in 2008, cubic metres, 32,000,956 cubic metres; 2012, 32,000,298; and in-between, the figures are pretty much similar.

So we are running an economy where production is flat in gas, and gas makes up 85 per cent of the energy basket in barrels of oil equivalent, or whatever unit of measure you want to look at it. Yet still, gas—I am advised by the Minister—only contributes 40 per cent of the overall tax take from the energy sector, while oil, which is 15 per cent of the energy basket, 1-5, oil contributes 60 per cent of the income to Government from that 15 per cent. Something is wrong with that equation, and something we need to do to get it right, but I would leave that to the hon. Minister to work his own fancy arithmetic to get that done.

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Oil production over the past five years: 2008, 41,000,828 barrels; 2009, 39 million; 2010, 35 million; 2011, 33 million; 2012, 29 million—significant fall-off in the production of oil, and so that is the quandary, and this is where the cognoscenti are concerned about the direction in which the country is going. Our major contributor to the income and the well-being of this country at this point in time is energy. One big chunk, 85 per cent gas, running flat; and the other part, oil, the major contributor to income, falling, and falling significantly. Therefore, there is need to be worried—because we are getting growth rather tepid, rather muted, notwithstanding what the hon. Minister of Finance and the Economy would have said, which was four quarters of growth. Four quarters of growth has not added up to something that is in excess of 3 per cent, as the case may be—which is an important figure in terms of speaking whether you really have significant growth or not, and this really now is the concern.

As we are talking about striving for solutions, we need to get oil production back up, and the recent finds of two years ago have not been brought to the surface, and the question I want to ask the Minister is, why? If we talk about these two major finds two years ago, why is it that we are not getting oil production up when we have finds? The major problem though is with gas because there has been a lacuna in terms of exploration for several years, and to the credit of the administration we have gone out as a nation and we have been able to convince investors to come back to bid for the various acreages, and to, hopefully, go out and seek to find oil and/or gas.

But the hon. Minister of Finance and the Economy in his contribution alluded to the change that is taking place in the world because of fracking gas in the US. I said fracking gas, Minister—[*Interruption*]

**Sen. Singh:** I am familiar with the term.

**Sen. S. Ramlekhawan:** Oh, you are familiar with the term. Being the head of an environmental division, you should be.

**Sen. Singh:** Yeah. There is some fracking sand in Trinidad.

**Sen. S. Ramlekhawan:** Well we would not go into that particular argument, if there is. But the point is that the game is changing, and why is the game changing? Because we are going to go out more and more into deep water to find gas, and as we go out into deep water to find gas, the experts are saying that whereas it may have cost \$2.50 per cubic feet—or something like that—to bring up gas in the shallow, it may cost \$4.50.



Now I am not one to argue the figures and I would leave it to the hon. Minister of Energy and Energy Affairs to clarify these matters for me, and for the citizens overall, but the point is if the economics starts to change then we may find ourselves in some difficulty. Yet still, Mr. President, we have a situation where we have to look for alternative solutions, not just for exploring our own areas, but for looking to see what else we can do based on the expertise and the capabilities that we have. We do have strong skills in the area of processing oil, gas and the petrochemical sector, and I believe I have heard the Minister speak to the question of where we should pitch going forward, and an important area is that of expanding our capability as a processor, not necessarily from our own supply chain, but accessing other supply chains.

And this is where we come as we start to talk about solutions. Other countries with resource constraints that have been successful have searched for hidden talents, where they can access and tap to ensure that they can leverage on the skills and capabilities which they have, and it is something that we need to press ahead on. As you know, our neighbour, seven miles away at its closest point, our neighbour is the repository at this point in time—the last figures that I looked at—of 196,000 trillion cubic feet of proven gas reserves. We are what? Thirteen.

**Sen. Ramnarine:** Thirteen point one.

**Sen. S. Ramlekhawan:** Thirteen point one. We have 9/10 years of proven reserves; they have probably 196 years of gas, of proven reserves because of the level of consumption.

It is also well known, Mr. President, that world-oil proven reserves is about 1.5 trillion barrels of oil—and of course I stand to be corrected—and of that Venezuela has 340 billion barrels of oil—340 billion barrels of oil, proven reserves. And so, it starts to click in our mind in terms of, strategically, some of the things that we should consider, apart from our own exploration—how do we get, how do we bring that to the mix? Because if we do, we can become tremendously successful with access to reserves and we can expand our processing capabilities because we are many years ahead of those around us in terms of processing petrochemicals, as well as, well on our way to some of the downstream areas in terms of melamine, AUM, and those other areas that we are talking about in that sector.

So while Latin America has 20 per cent of the world's proven oil reserves, Venezuela has 80 per cent of that 20 per cent, and I am told by the experts that it may take you a billion dollars to put down a methanol plant of 800,000 tonnes per

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year, but it will take you about US \$1 million to put down a mile of pipeline. So think about the arithmetic. I am no expert on it, but think about the arithmetic if you can get it done, that you might have to put down \$100 million to bring gas from its closest point to Trinidad, and utilize the capital-intensive production capacity that we have at this point in time. Think again, that right now we have—shall we say, control as a nation—of four million of the six million tonnes of methanol being produced in this country. We have four million of the six million, so when people tell us, “look, you cannot go downstream; you cannot go downstream to polyethylene and polypropylene and polyolefin”, which really are the raw material for a manufacturing sector using resins.

**1.45 p.m.**

When they tell you that, what they are telling you is that you should go and find more gas, separate gas, build a methanol plant and then build the downstream converters. Maybe the answer is to let us redirect, because we already have land allocated for some of these plants in Point Lisas. So is it that our strategic thinking and planning have become so narrow-minded as a nation, that we can only think exploration, exploration, exploration, rather than, at one end, enhancing and diversifying the supply chain and at the other end using what we have in the middle, in terms of methanol to go downstream, and really set the stage for a manufacturing sector from that output?

Not all of it we would use, I do understand that, but to get to a world-scale plant you are going to have to get to a certain level of production. You might use 10 per cent; you might use 15 per cent, but you have the base for a manufacturing sector. You already have underutilized port facilities in Trinidad and Tobago. What is missing? Is it that we are so worried about our future? Is it that we cannot think about ourselves, as our antecedents did, when they thought about putting Point Lisas down there, when they thought about bringing these plants?

Is it that we are now shorn of that intellectual capability that we once had in abundance, to make things happen, to make changes? Or is it that we are caught, like the manicou in a flashlight, to which there would be no danger anymore? Because you can still go out and flash your light, but you cannot shoot. [*Laughter*] I believe that is so. I believe when you go out you could flash your light and have a little game and so on, but you cannot shoot. [*Laughter*] Are we caught like that proverbial—I will have to say proverbial now—and figurative manicou in the headlight, and we cannot think how we are going to find a solution? That is why my contribution today is about striving for solutions. [*Laughter*]

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I want to suggest to the hon. Minister of Energy and Energy Affairs that he responds to the nation on some of these things: where we are and how we can break out of this box of narrow-mindedness and thinking and utilize the opportunities that may have arisen out of crisis, as they normally do, and that we utilize these opportunities to find our way out of the woods, and it is there.

Think Venezuela, and when you think Venezuela, hon. Minister, it would be useful if you give this honourable Senate an explanation of some of the signings that you have done recently. [*Desk thumping*] I am sure we would receive the kind of clarification that we want from you.

These are some of the issues in the energy sector that I believe we really need to address: one, falling production in the oil sector; two, how do we get a better take in terms of value added from our extensive gas sector. Part of it could be from taxation, but I believe that a better part of it can be in value added in terms of the end products and what we can do with them.

We have had the fantastic experience recently when we started to break out of the box, thinking that we cannot market to anybody in the world. We have had that fantastic experience where the cargoes owned by NGC have received so much more in terms of price and valuation. So I think it is worth it for us to go outside there and look.

I want to say that our international energy partners would hardly take that trek that I am speaking about in terms of supply from our neighbours. It is not necessarily in their interest at this point in time. It is in our greater interest. If they could cut that deal, they probably would want to cut that deal on their own, not necessarily in partnership with us here in Trinidad and Tobago. So it is for us to move. It is for us to get that area, which is our biggest producer and generator, to work better for us. It calls for us collectively to think about how we make that next move forward.

I turn now, Mr. President, to an area that was earmarked by the hon. Minister of Finance and the Economy, which is an area that is dear to me and near to me, and that is the area of financial services and capital markets. Financial services and capital markets contribute some 15.5 per cent to the overall GDP of this country. That 15.5 per cent represents the second largest contributor to the economic wealth of this country, after only energy. But yet still, that sector produces sustainable jobs—I am advised—in the order of some 55,000 persons, whereas in the oil and gas sector the figure, which contributes 45 per cent to GDP, might be in the order of 18,000—20,000 jobs. Think about the mix. We have to think about our mix.

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This contributor—financial services and capital markets—to me, has the best potential for very significant growth in the shortest possible time, and has the best potential also in terms of extent of value that can be added to the economy. So I applaud the Minister in the initiatives he is taking in the area of financial services and capital markets. [*Desk thumping*]

I listened very closely to the contribution of the hon. Minister and I commend him for moving in the direction or doing the evaluation that would take us to the point of a single regulator in this country. Right now, what we have is the Central Bank which has oversight for the insurance and pension sector, soon to include the credit union sector as well, of course, as banking. Therefore, the only one remaining regulator is the Securities and Exchange Commission, when one considers that the commissioner of cooperatives, who would have previously had entire oversight of the credit unions and the cooperative movement, that a shift is going to take place in respect of the financial component of the credit union movement.

Why support the notion of a single regulator? Well we have seen the debacle. We have experienced the debacle and we have had as taxpayers to pay for the debacle that is Clico. Yet still again, out of crisis we have been able to craft opportunity. The Clico Investment Fund listed on the Trinidad and Tobago Stock Exchange would have contributed more than 5 per cent to the overall capitalization of the market, which is just over \$100 billion.

Then, of course, let me add my congratulations again to the Minister with regard to that long overdue partial divestment of First Citizens. [*Desk thumping*] That, of course, has contributed another 5 per cent to market capitalization, meaning the number of shares on the exchange by the value of each share, contributed to some \$105-odd billion in terms of capitalization. I think that we are moving in the right direction, because when we build our capital markets what we are doing is building an industry that can create sustainable employment.

Many are the persons who when you ask them where they want to work after they leave A level and so on, they want to work either in the energy sector or they want to work in banking in the financial services sector. Therefore, while it seems very difficult to expand the number of jobs in the energy sector—I said 18,000 to 20,000 persons generating 45 per cent of our GDP—the financial sector generating 15 per cent, contributes 55,000 jobs. So you can see the capital to employment ratio and what it can do over time. So I want to commend the Minister in terms of the various initiatives that he has put forward.

Mr. President, I would like to take it one step further because we have had two additions to the stock exchange, to the capital market, which has increased the value in that market by 10 per cent. But yet still, to this date, energy country that we are—and I have to say it again—we do not have directly listed on the Trinidad and Tobago Stock Exchange one energy stock. *[Interruption]* Well we have heard it coming and coming and coming and coming about five, six, seven years now. “Stop coming and come” is what people say. *[Laughter and desk thumping]* I am not going to go back to fracking, I am coming back to energy. *[Laughter]*

The point is that you cannot be an energy nation of note in a developing economy unless you have energy listings—if you are an energy nation. It just does not compute. I encourage the Minister of Energy and Energy Affairs to bring that listing very quickly to the market—bring it very quickly—so that we can stand up and say, “Yes, we are an energy country developing a capital market.”

The Minister spoke about the Conoco purchase and bringing that to the market. We look forward to when that is going to happen, which is the 39 per cent of Phoenix Gas which I believe was bought by NGC or one of its subsidiaries.

**Hon. Senator:** NGC.

**Sen. S. Ramkhelawan:** NGC?

**Hon. Senator:** NEC.

**Sen. S. Ramkhelawan:** NEC. I want to touch base now on a couple of other things. I was speaking about the single regulator and to me it makes very little sense to have one regulator, which is the Central Bank, overseeing insurance, credit unions and the banking system, and have another regulator overseeing securities. In an economy and a capital market that is as small as this, and after the experience of 2009 where an institution, in order to create smoke and mirrors—in my view—hid behind banking and then hid behind the SEC and then hid behind insurance. Because there was no sharing of information legally that could be had, we ended up with a debacle that is still costing us and causing us to bleed through the nose, and would have been the main contributor to our debt to GDP moving from 40 per cent up to 63 per cent as it is now. It is 63 per cent, because my learned friend the hon. Minister would have spoken to 45 per cent debt to GDP, but he may have been somewhat parsimonious with the facts, because there is a very significant component of our debt which is captured under a category called “contingent liabilities”.

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For the benefit of our citizens, a contingent liability is one where the Government will stand to pay if its subsidiary or other affiliate or associate does not. Well, where have these contingent liabilities been generated? They have been generated in the main by companies and other institutions which, in effect, do not have the ability to pay. I would wager that 95 per cent of those contingent liabilities are with institutions that cannot pay, and Government will have to pay.

**2.00 p.m.**

So, in truth and in fact, and without parsimoniousness, your debt to GDP, our debt to GDP has moved up significantly to 63 per cent and I would—[*Interruption*]

**Sen. Howai:** When you say contingent liabilities—sorry, my apologies—are you referring to what, guarantees that the Government has put because guarantees are included in the 45 per cent though.

**Sen. S. Ramkhelawan:** Contingent liabilities may be things like letters of comfort and those other things that you would see if you look at the Central Bank report where the Government would undertake to make those various payments. But I would tell you, hon. Minister, I believe, with a 95 per cent level of confidence that I would win that argument. So when you are winding up you can correct. [*Crosstalk*] So when you are winding up you can correct me.

I wanted to speak to the question of the capital markets in a little bit more detail. I said I supported the idea of a single regulator and I hope that the Minister would bring that to fruition as quickly as possible.

**Mr. President:** Senator, before you—the speaking time of the hon. Sen. Ramkhelawan has expired.

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

*Question put and agreed to.*

**Sen. S. Ramkhelawan:** Thank you to my colleagues. [*Desk thumping*]

The second point I would like to make with regard to legislation and regulation in the capital markets is, on December 31, 2012, the Securities Act was passed, and when Government brought the Securities Act the undertaking was given, there was first the admonition that if we did not pass the Securities Act in its exact state we would be blacklisted by the international organization of securities regulators. We had absolutely no time to allow, to make any amendments and therefore, the hon. Minister, Leader of Government Business in

the Senate, gave what I thought was an irrevocable undertaking to make changes and to receive amendments for the securities legislation and to bring those amendments back by June 31—June 30—within six months, to this honourable Senate for us to make the changes which could not have been made at that time.

I, of course, am deeply disappointed that the hon. Minister has not brought those amendments to the Senate, it already being September. I am sure that he will have reasonable explanations, but those reasonable explanations do not equate the delivery of an undertaking that was given at the point in time.

So I would expect that the hon. Minister in his own contribution—give us timeline because, I believe, all the contributions for amendments were made by the end of February, so I am not sure what we are waiting on.

You know, when these undertakings are given and not upheld, they bring into question matters of confidence and sometimes matters of trust, and I do not think that in this honourable Senate we would want to lose trust in those who give these kinds of undertakings.

Mr. President, I look forward to the day when our capital markets will live up to the level of efficiencies and to the breadth of capacity that is already being experienced by jurisdictions that are similar in nature to ours and probably less developed than we are.

I look forward to the day when our citizens can sit in Trinidad and Tobago and invest anywhere in the world and have their funds secured and properly custodied in Trinidad and Tobago or with a relationship in Trinidad and Tobago. By that I mean, in the local financial system now, we have some US \$3 billion which is about 25 per cent of the overall deposits in the banking system; US \$3 billion dollars sitting, looking for a reasonable investment.

If you go to the banks now with US dollars, they may take your US dollars, but you will get less than a quarter of 1 per cent in most cases, and if you take your US dollars and you went to what is popularly called money market funds, US money market funds might pay you about 1 per cent. But there is the opportunity, if it can be hitched, to go outside of Trinidad and Tobago—this is local investors going outside of Trinidad and Tobago—and investing externally for the opportunity to get a better return on their investment.

Therefore, it is up to us as a nation to create the infrastructure to ensure that that must be so because we cannot hold our citizens with US dollars to hostage. It is their money and they have a right of property and they have the right to invest it wherever.

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So we have created legislation, the Securities Act, 2012, which does not allow an external provider to come to Trinidad to sell any securities or any investment, unless they are licensed and registered here. Yet still, having done that, we need to make sure that our citizens have the opportunity to go out, and I look forward to the day when that will be done through our local brokers being able to advise and to take citizens' investment and have those investments registered here and custodied here.

The other thing that is missing in our capital markets and need to be done even for the local sector: Mr. President, if you had your funds and you had a view that the price of a share or certain shares will fall and you wanted to take advantage of that view, there is no investment vehicle that would allow you to invest in something on the basis that the price will fall. The only investment vehicle that we have in Trinidad and Tobago is what you call—you can buy a share on the hope that it will increase, on the expectation that it will increase and there is a vehicle for that.

I look forward to the day where, in similar markets, or in markets that are less developed than ours, that we will put in to this system not only a securities exchange, but a futures exchange which will then allow for you to decide if you think this stock is going up, you do what we call in the industry, long, invest in it, or if you think that it is going down, you can bet the other way as well. That is what will make a fulsome market with the various opportunities for local investors.

But beyond that, if we are serious, if we are serious about a regional capital market, and I think that we are, then we need to put in other measures for the development, or—shall we say—the infrastructure for the establishment of a regional capital market.

By that I mean, I have said before and I will say it again, there are three conditions which will allow traffic to flow in and out in terms of the capital markets and in terms of the securities market. One, is the ability of our own Securities and Exchange Commission to be able to link up with other securities and exchange regulators to ensure that moneys coming in from those jurisdictions or going to those jurisdictions will have proper oversight and regulation. That is now in place by the Securities Act, 2012.

Two, that when investors invest, they do not want to pay taxes twice, from one jurisdiction to the next. There is need then for an extended, what you call double taxation regime. I call on the Minister of Finance and the Economy if we



are looking for solutions, and if we are looking for expansion outside of the energy sector, I call on the Minister of Finance and the Economy to commence the delivery of double taxation agreements for jurisdictions in which you want investors from here to invest and you want investors from there, those other jurisdictions, to invest in Trinidad and Tobago.

Until I see that, I will feel that we are talking about regional capital markets and regional capital markets without putting down the infrastructure. If you want to get to Point Fortin in 45 minutes, you need to put down a highway. If you want to get capital markets going, one of the requirements, apart from regulatory reciprocation, is you need to put in place double taxation agreements, whether it be with Brazil, whether it be with other places in Latin America, we need to get that.

When I see that you have an agenda which says I am going to put double taxation agreements in these four jurisdictions, you pick them. You decide where you want to go, then I will know you are serious, that you are serious about this question about regional capital markets.

The third aspect of infrastructure is trade in financial services. When you start to put down trade agreements in financial services with our neighbours in key Latin American jurisdictions, then I will know that we are really striving for solutions, then I will know that we have very serious initiatives into regional capital markets.

I call on the Minister of Trade, Industry and Investment and the Minister of Foreign Affairs to really work hard at putting down these trade agreements because all of the trade agreements that have been spoken to thus far are agreements for goods—and goods only—not for financial services, possibly with the exception of Costa Rica.

So when the Minister of Trade, Industry and Investment comes to me and says, “look I am going to put down these five trade agreements over the next two years”, whether it be with Brazil, whether it be with Panama, whether it be with whatsoever, and you tell me, well we have one with goods for Panama, and you tell me, “I am going to add financial services”, then I know that you are serious; then I know that you are really striving for solutions, that we are going beyond talk into the real walk and “we running”. That is not there yet, and it has not been there for the past several years.

Therefore, it is important and it is imperative that not only with Latin America, but also we have an economic partnership agreement that is up for review in 2013 and we just ratified the agreement. We have that agreement, but you know what, it is

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only for goods at this point in time and there is an annex in there, I believe it is annex 4, that deals with financial services, and we need to unlock that particular clause to make it work for us.

When the Minister of Trade, Industry and Investment and the Minister of Foreign Affairs and the Minister of Finance and the Economy roll up their sleeves and put down a schedule to deliver these things, I say “ah, we serious”, we are very serious, and you will get my hundred per cent support as far as capital markets and financial services and concerned.

Mr. President, I wanted to talk about a few more factors but time is against me. So in concluding, in wrapping up, there is work and there are potential opportunities that we can tap into, even though we cannot find more gas in the energy sector. I call upon the Minister to open that door and seek to open those doors where we can add more value with the existing assets that we have in the energy sector. Find more oil, bring more oil up from the ground because you have found it already.

I call upon the Minister of Food Production to open that door to sustainable employment in the agricultural sector and utilize fully this 47,000 acres—and you note, Minister, I have brought it down from 50 because I have done the count to the 47,000 acres. So I am no longer going to say we have 50,000 acres of land fallow, I am going to say we have about 47,000 acres fallow, and you will tell me how and why I am wrong and I will defer to your greater knowledge on the matter.

I have spoken to the matter of capital services which I believe presents us with the best short-term opportunity to build on the area of sustainable, quality employment, and I have said enough about that, no need to say more on that particular topic.

So with these few thoughts, Mr. President, I want to say that let us collectively strive for solutions as a nation to ensure that we do not give up the benefits that we have worked for so long and so hard. Let us back away from induced indolence, let us back away from induced slothfulness and let us put policies that make our people proud, our capable people lift themselves up to the work that is at hand with clear and discernible policies and programmes that are realizable and that are achievable. I thank you, Mr. President.

**2.15 p.m.**

**The Minister of Trade, Industry and Investment (Sen. The Hon. Vasant Bharath):** Thank you, Mr. President. I thank you for the opportunity to contribute to this debate this afternoon. It is always a pleasure and a privilege for me to be here in this honourable Senate contributing to debates, but genuinely more so, when it comes to a budget debate and a matter of this level of significance.

Mr. President, let me start by paying tribute and congratulating the Minister of Finance and the Economy on his commanding presentation in the 2014 budget. [*Desk thumping*] We are indeed very fortunate in Trinidad and Tobago to have had two finance Ministers of the calibre of Winston Dookeran and Larry Howai, [*Desk thumping*] who have steered the ship of state through some very stormy waters and have brought us to a place where we can feel relatively comforted and comfortable. It is through their economic leadership that we have been able to a large extent put in place the policies of looking to reduce our budget deficit—what I might add that was actually inherited from the previous regime—whilst at the same time continuing our social and welfare programmes and our infrastructural programmes, Mr. President, and not too many countries across the globe today, as we have heard, can boast of those achievements.

It is important that I speak just very briefly about what is taking place around the globe because it impacts significantly on the Ministry that I head, the Ministry of Trade, Industry and Investment. Mr. President, there is no doubt that since the 2008 financial crisis, not many countries across the world have recovered to the pre-2008 state. In fact, according to the IMF, many of the world economies are likely to see downgrades as far as growth prospects are concerned—global economy—from 3.3 per cent to 3.1 per cent, with the advanced economies moving down as far as projections are concerned, from 1.5 per cent to 1.2 per cent.

Now, very recently, and I say recently, I mean, by the end of the second quarter of 2013 there have been a few glimmers of hope and it gives cause for some cautious optimism, Mr. President. In fact, recent figures out of the European region show that they have, for the first time since the last quarter of 2011, actually come out of their recession. We know that it is an important market, not just as far as Trinidad is concerned, but as far as world trade is concerned, simply because of the sheer numbers of people involved—550 million people with a GDP of US \$17.3 trillion. Also at the back end of August 2013, we saw slight glimmers of hope from the US economy which projected growth of 1.7 per cent.

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In the BRIC countries, Mr. President, we have seen a downward projection of growth in China to 7.5 per cent, in India to 5.3 per cent and in Brazil to 1.9 per cent. And what has also happened in those countries, Mr. President, over the last several months and particularly since May of this year, has been an erosion of their currencies. In fact, the Indian rupee has lost as much as 25 per cent of its value over the last three or four months. The Russian ruble has lost about 8 per cent, the South African rand 17 per cent, and the Brazilian real 15 per cent. And what is—some of the cause of that, Mr. President, is the fact that a lot of dollars that were invested in these economies are now heading back into—a lot of moneys that were invested in those economies are now heading back into dollars and so taking moneys out of these economies.

Now it is interesting, I read this article—it is published by the BBC—very recently. It said that:

“Leaders of the Brics group of nations—Brazil, Russia, India, China and South Africa—have said they will set up US\$100 billion fund to guard against financial shocks.

The move comes as emerging economies across the world have been hit by speculation that US may scale back its key economic stimulus programme soon.

That has seen investors pull out money, hurting currencies of emerging nations.”

So they are looking at the possibility, Mr. President, for the future, in forming their own fund to absorb a lot of the shocks or possible shocks that may come as far as future volatilities are concerned. Also, in the Caribbean region right on our doorstep, our Caribbean neighbours have not seen very good times with growth rate projected to be just less than 2 per cent. In fact, only Guyana and Suriname have shown any meaningful growth in the last 12 months.

Many of our Caricom neighbours of course, who are our major—our second largest—traders are suffering economic failure. Many of them have had to go cap in hand to the international financial institutions, and in fact they are in a situation where they are suffering from both high debt as well as liquidity issues, Mr. President.

In context, Mr. President, you have—as the Minister of Finance and the Economy spoke about the case of Trinidad and Tobago which, amidst all of the failures around us, all of the projected lower than average growth rates in the

emerging and developed economy—Trinidad and Tobago has been resilient and has redounded and rebounded very well under the tenure of the People’s Partnership Government. [*Desk thumping*] So this is why, Mr. President, I find it all the more laughable and ludicrous, the contribution by Sen. Henry. You know, it never fails to amaze me that he continues to be the first responder for the People’s National Movement on budget after budget. Never, never, Mr. President, have I seen so many words compressed into so few thoughts, as I saw this afternoon. [*Laughter and desk thumping*]

Mr. President, he rambled on in a very unfocused manner, but one thing I will give him, he is consistent—consistently bad. [*Desk thumping*] Year after year he comes with the same old cut and paste message, Mr. President. He meandered from one disjointed point to another, and when you thought it just could not get worse—[*Interruption*]

**Hon. Senator:** Where is he?

**Sen. The Hon. V. Bharath:**—it actually did, Mr. President. [*Laughter and desk thumping*] But you know, my disappointment was only overshadowed by the—and superseded—by the shell-shocked look on the faces of his colleagues sitting next to him, who obviously for the third year running were absolutely aghast, and they certainly could not hide their continued and obvious embarrassment at the contribution. Because you know, I am being serious now, because Sen. Henry comes to the Parliament year after year, really, really, appearing not to have properly prepared, comes with the same old argument—today’s argument as it has been for the last three years was, “did not turn around the economy, not generating income, only spending” not realizing, Mr. President, when he said: “not generating any income, only spending”.

Mr. President, what Sen. Henry failed to tell this honourable Senate was that we picked up all of the debts that they left behind. [*Desk thumping*] Millions of dollars in VAT, hundreds of millions outstanding to contractors, \$1.8 billion paid to settle 68 wage negotiations with the unions. Clico, HCU, all of those things he failed or he forgot—[*Desk thumping*]

**Sen. Singh:** Shame.

**Sen. George:** Shame.

**Sen. The Hon. V. Bharath:**—conveniently, to say that these were obligations left behind by the previous regime that the People’s Partnership Government picked up and has now settled in its entirety.

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So, Mr. President, you know, as I say, you know, I myself sitting across here—I am not one of his colleagues, but I felt embarrassed at the contribution made by Sen. Henry. Clearly he is—and I, am not sure if his colleagues are also in a state of denial of this Governments performance, and are just selective about the reality that they are looking to accept.

Mr. President, he even went on at one point in time to say, to suggest, that because he was going to be here today the Government hurriedly ran and approved Article IV of IMF Consultations last night. Because of him, that is what he was suggesting. In fact, that is what he said—only because he was going to be here, the Government ran hurriedly and did this. You know, Mr. President, when all else fails, clearly, there is always delusion and I want to remind Sen. Henry and those opposite that belief and delusion are incestuous siblings. [*Desk thumping*] So, if it is that Sen. Henry wants to throw barbs about normalizing madness, I want—as I move off this particular topic—to say that those across there including Sen. Henry are clearly suffering from delusions of adequacy. [*Desk thumping*]

Mr. President, let me just talk and put an end to all this talk about the Trinidad and Tobago economy. The Trinidad and Tobago economy, as we know, has grown by 1.6 per cent or is projected to grow by 1.6 per cent in 2013, and projected 2.5 per cent in 2014. And let me also put that in perspective, because we fail to remember that when this Government came into office we inherited a growth rate of negative 4 per cent, negative 4 per cent. It was the first time in history—it was the first time, actually, in 17 years that this country suffered negative growth with an inflationary spiral hovering over 15 per cent. That is what we have suffered. That is what we came into. Today, we have seen four straight quarters of growth in Trinidad and Tobago. Not many countries across the world, Mr. President, can talk about that.

You know what, Mr. President, of note is the fact that that growth has been driven primarily by the non-energy sector—2.5 per cent, Mr. President, in 2013. And let me also put that into perspective for you, in 2009 the growth in the energy sector was minus 5.9 per cent. So we have taken it from minus 5.9 per cent to a growth rate now of 2.5 per cent. Our manufacturing sector, which has been leading that charge, has grown at a rate of 6.1 per cent for 2013—6.1 per cent as opposed to 1.9 per cent when we took office in 2010. Our services sector, those two—services and manufacturing, just driving the non-energy sector—grew by 2.6 per cent in 2013, up from my minus 5.7 per cent, Mr. President. Who in their right mind, if you are being objective, could say that that is not turning the economy around. [*Desk thumping*]

Mr. President, the Minister of Finance and the Economy would have mentioned the amount of funds in our Heritage and Stabilisation Fund—\$5 billion. That is a 61 per cent increase over the \$3.1 billion that we inherited when we came into office—61 per cent. That means we have added TT \$12 billion to the national wealth of Trinidad and Tobago. [*Desk thumping*]

Our inflationary rate has dropped from, I said, close to 16 per cent, to below 6 per cent, primarily driven by—you know what, Mr. President?—by the drop in the inflationary rate of food prices, down from 29 per cent, the records will show, to less than 10 per cent—to 9 per cent—and I want to congratulate my colleague, Sen. The Hon. Devant Maharaj for the fantastic work he has been doing in the agricultural sector in the last 12 months, Mr. President. [*Desk thumping*]

**Hon. Senator:** Tell them.

**Sen. The Hon. V. Bharath:** In fact, the agricultural sector for the first time in several decades, in 2013, has grown by over 5 per cent. [*Desk thumping*]

**2.30 p.m.**

So, Mr. President, despite what Sen. Henry would have us believe, there are very positive signs for the outcome and the outlook of the economic activity and recovery in Trinidad and Tobago, and has been for the last three years. The question then is: how do we build on those macroeconomic positions to get the investment climate right to encourage foreign direct investors and local investors to invest in our local economy?

Mr. President, I want to take, this afternoon, this honourable Senate through a series of initiatives that the Government of Trinidad and Tobago, through the Ministry of Trade, Industry and Investment, has been involved in, that will put us well on the way to creating that environment that I speak about, and we have labelled it—our label for this is: from red tape to red carpet. [*Desk thumping*]

Mr. President, when I met initially with the private sector, they said to me, “Mr. Minister, we do not need any further incentives. What we really need is for you to clear the bureaucracy and cut the red tape”. And, Mr. President, that is what the Ministry of Trade, Industry and Investment has been involved in over the last 15 months, together with several other Ministries and agencies of the Government of Trinidad and Tobago.

Mr. President, starting a business: where we ranked number 71, it took 43 days to start a business. Collaborating with other agencies, including the Ministry of Legal Affairs, we have now reduced that from 43 days to three days, Mr. President—43 days to three days! [*Desk thumping*] And all we have done is had the will to come to

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Parliament to make changes in certain aspects of the law: the VAT Act, the National Insurance Board Act, the Companies Act. We have amended and repealed certain provisions in all of those pieces of legislation to allow us now to ensure that we can go from 43 days to three days. It is the first time in the history of this country that we have enshrined into legislation, key service deliveries for any Government agency or department to be able to provide, within a certain time frame, a particular product to the consumer.

In other words, you can now, through legislation—through legislation it allows us to provide a VAT certificate and an NIB certificate within one working day of the application for that certificate, Mr. President. Previously it was 30 days—let me just put that into context for you.

Trading across barriers, Mr. President: Anyone who has done trade in Trinidad and Tobago will know that it takes an average of between 14 and 20 days to clear a container in or off the ports of Trinidad and Tobago. When you look at what our competitors are doing, that is nowhere close to where we need to be to be able to improve the competitive environment or to encourage investors to come to Trinidad and Tobago.

Mr. President, through the amendments we have made to the Customs Act, we have been able to ensure that the Comptroller now mandates advance manifests for cargo and for persons, allowing those documents to be processed before the vessel arrives in Trinidad and Tobago, thereby speeding up the entire process.

In addition to that, the Customs (Amdt.) Bill has also now mandated the Comptroller of Customs and Excise to share the information electronically with the Bureau of Standards, with Food and Drug, with the Ministry of Trade, Industry and Investment, with plant quarantine and with animal quarantine, electronically and instantaneously. So that no longer does a broker have to receive the information and then run from agency to agency, which sometimes could take five or six days. That information is shared instantaneously across all of those platforms. In fact, Mr. President, the verification is done online and is done right there and then. The broker sits in his office, and on his computer he receives all the information back electronically, Mr. President.

In addition to that, Mr. President, the Government of Trinidad and Tobago, through the Ministry of Trade, Industry and Investment, has just purchased an electronic scanner with grant funding available from the Government of China that will allow us to scan—that will allow the Port Authority to scan 200 containers per hour, Mr. President. [*Desk thumping*] Two hundred containers an hour will be scanned by this machine.



The cost of that piece of equipment was \$25 million and we were able to obtain it through grant funding from the Chinese Government. And I will tell you this because it is actually a shame, that that funding was available to the Government of Trinidad and Tobago since 2004 but it was never ever utilized. The fund was rolled over on three separate occasions until we accessed it this year because the Chinese Government suddenly turned and said, “Listen, it is either you take it or you do not take it”. So, therefore, we attempted to find out what it was for and it was primarily for security at ports and we were able to purchase.

In fact, having ordered the equipment—obviously the technical specifications and so on were approved by the port and customs—having ordered the equipment, there was an advanced team from the company already here in Trinidad. They spent two weeks. They located exactly where on the port the scanners will go and we expect delivery of—an operation of the scanner by Christmas of 2013, Mr. President. [*Desk thumping*]

Mr. President, one of the banes of the private sector—and everyone who has ever had to import goods into Trinidad and Tobago will know of the problems with Chemistry, Food and Drug, and we have worked assiduously—the Ministry of Trade, Industry and Investment, and myself, personally, with the Minister of Health, to ensure that we could get Chemistry, Food and Drug on board to understand the needs, the wants and the desires of the private sector.

And, Mr. President, for the first time in the history of this country, again, we now have a situation where the private sector, through the TTMA and the Chamber—who are both represented on a body that we have put together with Chemistry, Food and Drug—and they work together to do several things: they are looking at the modernization of the Food and Drug Act; they are looking at creating an importer’s manual; they are looking at the employment of additional food and drug inspectors, and we already have in place a help desk that is manned by the food and drug that gives help to all private sector organizations.

As a matter of fact, Mr. President, all of our efforts have already received and been recognized very positively by the private sector here and, of course, as may have been said previously by the Minister of Finance and the Economy, it is reflected in our ranking, having moved from 76 in 2011 to number 69 in 2013, as far as the ease of doing business is concerned.

Mr. President, our flagship project, which is called TTBizLink, was awarded first prize in the world, Mr. President—first place [*Desk thumping*] for the whole of government e-services business, where we deliver a suite of over 21

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government services online to consumers across Trinidad and Tobago. It was first place in the world in the United Nations Public Service Awards category, Mr. President. [*Desk thumping*]

And you know, it gave me a great deal of pleasure to see a young man, a young engineer, working with the Ministry of Trade, Industry and Investment—a young boy called Andre Dickson, who is one of the single-electronic-window engineers, [*Desk thumping*] appearing on a world stage in Bahrain, receiving an award on behalf of Trinidad and Tobago, [*Desk thumping*] a young man who had never previously travelled out of Trinidad and Tobago, I might add, receiving an award on a stage in Bahrain in front of millions and millions of people, highlighting the good work and the potential of the young people of Trinidad and Tobago, Mr. President.

**Sen. Hinds:** “He here? He here?”

**Sen. The Hon. V. Bharath:** I am not sure. Andre is here today? No, he is not here this afternoon. But he is probably hard at work building something else for us to be proud of. [*Desk thumping*]

**Hon. Senator:** Ohhh.

**Sen. The Hon. V. Bharath:** And, Mr. President, the Government of Trinidad and Tobago, realizing that this is no quick fix—the ease of doing business, creating the environment, is no quick fix and, therefore, the Cabinet of Trinidad and Tobago has put together an interministerial committee headed by the Minister of Trade, Industry and Investment, that includes the Minister of Planning and Sustainable Development, the Minister of Environment and Water Resources, the Minister of Legal Affairs, the Minister of Justice and also the Attorney General.

We will be dealing, in the next 14 months, with four very, very critical areas where we have done very badly over the last 10 years or so—with regard to ease of doing business—and that is, solving the issues of bankruptcy and insolvency where we rank at 135 out of 184; dealing with construction permits—I know Dr. Tewarie is working with the Ministry on this matter—where we rank 111 out of 184; registering property where we rank 176 also out of 184; and, fourthly, Mr. President, enforcement of contracts where we rank at 170 out of 184. So, clearly, in those four areas, it is critical, if we are to improve our rankings on a world stage on the ease of doing business, this team of Ministers is going to have to roll our sleeves up and get those numbers down.

Mr. President, I just want to touch briefly on the issue of VAT because that has been a major problem for our private sector, but for our manufacturers, in particular. I know the Minister of Finance and the Economy has already spoken on it but I just wanted to highlight some of the issues. Mr. President, for businesses to thrive and to succeed in today's world, a taxation system must be fair and it must be efficient, and it must not put undue burden on the organization that compromises its ability to be able to generate wealth from the source from which the taxation is going to be paid.

Companies and businesses need a taxation system that is simple enough to prevent excessive administration and compliance costs. It is certain enough to allow them to make investment decisions for the future, knowing what the consequences are likely to be of those investments, and they need to be competitive enough to allow organizations to be able to compete on a regional and on an international scale.

In today's world we all know that capital and talent can move almost—well, can move very swiftly, but sometimes with a great deal of urgency and immediacy, and they have several options. I have said over and over that today we can do business with the click of a mouse; we can do business with a handheld BlackBerry anywhere in the world. No longer are there any geographical challenges or transportation challenges or language challenges to us doing business anywhere in the world.

So, therefore, we have got, in Trinidad and Tobago, to create that enabling environment that will allow us to attract investors but also to keep them. Mr. President, the high carrying costs of organizations, having to carry the cost of VAT when they do not get their refunds, have been crippling to many industries—crippling to many organizations. In fact, I have known several small companies that have actually closed down as a direct result of not having had refunds on time or having been starved of cash.

Let me just say this. From an economic and from a governmental perspective, we want to make sure people are cash rich; we want to make sure that they do not have to go to the bank and increase their cost of capital; we want to make sure that they have cash in their bank so that they can look at investing it in more plant and equipment, in more capital expenditure, in creating more jobs, and when you are starved of cash, it cripples your ability to do those things.

This is not a matter of recent vintage, Mr. President. This is something that has hounded us for many, many years. So, therefore, in speaking with the private sector and in speaking with the Minister of Finance and the Economy, we agreed that this was an untenable situation and the Minister of Finance and the Economy

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would have announced in his budget the proposal to put aside \$1 billion immediately for the payment of all of the backlog and to ensure that we maintain a time frame for repayment of refunds that would be within the legal time frame, Mr. President.

But in addition to that, we need to note that this is a sector—the manufacturing sector—that employs close to 50,000 people, so therefore it is a sector that we have got to make sure we can encourage and allow them to know, and to believe, that we cherish their presence in Trinidad and Tobago and we will do everything in our power, as a Government, to allow them to survive and to thrive.

Mr. President, I just want to add to this, the manufacturing sector in Trinidad and Tobago is one of the most creative and innovative in the world. [*Desk thumping*] We have had, by force—the sector has had by force—to upgrade their equipment. Many of us will remember the days of the ECOS in the mid-1980s when it was impossible to get foreign exchange. Once your foreign exchange amount was finished, was exhausted; once what was allocated to you was exhausted, the only way you could get more foreign exchange was either go and beg the Central Bank—and in many cases you would not get it—or you were forced to earn your own hard currency from markets external to Trinidad and Tobago. And that is what our manufacturers did. They went out there.

Today, many of our manufacturers are world class. They can compete on any stage anywhere in the world. Many of them are in South America, Central America, Latin America, Europe, Asia, and they are competing, but we have got to make sure we give them the tools to be able to further compete.

That is why, in the discussions with the Minister of Finance and the Economy, we took a policy decision that we will look at how we—as the Minister put it in his budget statement—find a way to ensure that we would relax the regulations for—or make it simpler for manufacturers with regard to payment of VAT. Our policy position is that manufacturers in Trinidad and Tobago, those who currently enjoy duty-free concessions, those who have Minister's licences for the importation of raw materials, Mr. President, they will no longer be required to pay VAT at the border for raw material inputs, nor will they be required to pay VAT on locally produced manufactured inputs into their finished product.

**2.45 p.m.**

Now, what does that do? That frees up a tremendous amount of capital to these manufacturers, because VAT, essentially, for a manufacturer is an input and an output tax. And so, therefore, by not charging them VAT on their input, you make

sure that you do not starve them of that cash for any length of time that they can then utilize. [*Desk thumping*] So, Mr. President, that is a revolutionary change made by the Ministry of Finance and the Economy, and it is a measure that the manufacturers have been clamouring for, for over two decades. The People's Partnership has delivered on that. [*Desk thumping*]

Mr. President, I want to talk a little bit about the rationalization of state agents, because hand in hand with creating the ease of doing business in Trinidad and Tobago, we have got to make sure that we have the agencies and the organizations that can deliver the services that we need to have delivered to our consumers. Over the last 12 months or so, we have been busy rationalizing a number of our agencies—investTT is a good one.

When I came into office, there were 13 agencies across three Ministries responsible for trade facilitation and investment promotion in Trinidad and Tobago. When an investor came to Trinidad, he would be totally confused as to which agency he would go to get information. That served those agencies very well, I must tell you, because, of course, there was no need for them to be held accountable for being measured in any particular way. Therefore, we realized the flaw in that system and now today, investTT is the only, the sole agency responsible for trade facilitation and investment promotion in Trinidad and Tobago.

Similarly, e Teck, Mr. President, had lost its way. Today, eTeck is responsible only for the development and facilitation of economic zones and for some asset management. I will tell you also, under the former regime from 2004—2010, over \$2 billion was spent on e Teck; \$2.04 billion was spent on e Teck with nothing to show for it. Not a single project.

**Sen. Singh:** Aaah, shame! [*Desk thumping*]

**Sen. The Hon. V. Bharath:** Not a single project was completed, Mr. President.

In the last 12 months, e Teck has renovated, refurbished and opened the Magdalena Grand in Tobago, as well as opened for the first time—for 10 years this flagship building at Tamana was in the process of construction; we have just completed the construction and refurbishment of the Tamana InTech Park, flagship building. [*Desk thumping*] Mr. President, e Teck will be responsible for the rolling-out of all the special economic zones that I will talk about a little later on.

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The Business Development Company, similarly, had lost its way. It was set up primarily to assist small businesses to become competitive. It branched off in all kinds of different directions: leasing equipment, loaning money—a lot of it at great expense to the people of Trinidad and Tobago. We have now reorganized the BDC to become exportTT, which essentially will be responsible for creating internationally competitive firms.

Let me just say, to just put this into perspective for you, Mr. President, when I say a waste of taxpayers' money, the BDC created a number of loan guarantees. In fact, 878 loans over the 10-year period. Mr. President, of the 878 loans that were given, only 157 were actually honoured and repaid. In fact, the total of loans that were given by the then BDC—\$58.8 million; recovered \$2.18 million. All of those functions have now been shut down. Most of those moneys have been written off in previous years and exportTT has now been refocused with a mandate to double its export revenues from \$737 million to \$1.5 billion by 2015. In addition, of course, they are responsible for trade missions and their plans are to go to Cuba, Dominican Republic, Panama and Costa Rica during the course of this coming year.

The Eximbank also was originally set up in 1973 as EXCICO—many of us will know what is EXCICO—to fund export business and the development of export business. Again, they lost their way and such that, they have been funding over the last ten years, primarily the import of goods. Their mix was 75 per cent funding imports; 25 per cent funding exports. We are now changing the balance of that completely and the Minister of Finance and the Economy has given \$240 million to recapitalize Eximbank, to refocus it now to ensure that we change the mix completely to become 80 per cent export, but predominantly to extra-regional markets.

Mr. President, I want to talk a little bit about trade sector performance because, having put in place the mechanisms for simplifying the ease of doing business and also having rationalized many of these agencies, the issue then is twofold: how do we create the environment to allow our exporters, our manufacturers in Trinidad and Tobago, access to larger and newer markets?

I just want to briefly mention—because I know it has been mentioned recently—the trade policy for Trinidad and Tobago. We have just developed our new trade policy 2013—2017. The previous trade policy, Mr. President, was the only trade policy on record, developed under a UNC Government from 1997—2001. [*Desk thumping*] In fact, from 2001—2013 we had no trade policy in Trinidad and Tobago. We now have one for the period 2013—2017, and the trade policy directs how we deal, which markets we deal with.

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We have taken a conscious effort based on feedback from the private sector that we would look at Central America, South America, Latin America, as well as Europe and Canada. Many of you will know that we recently signed the European Partnership Agreement which allows us access to 550 million people; US \$17.3 million as far as GDP is concerned. That is a huge market for us, and for our manufacturers—there is a—Sen. Ramkhelawan, I am sorry he is not here—services agreement in the EPA.

Similarly, we have signed a partial scope agreement with Panama which allows us access to 3.8 million people—one of Central America's fastest growing economies with a GDP of US \$15,300, Mr. President, and that allows us reciprocal trade agreements for certain products including aromatic bitters, aerated beverages, agricultural produce, apparel, asphalt, bitumen, tiles, blocks. We also have a trade agreement signed with—oh, let me just say there is a services component and an investment component to the Panama agreement, but we have not yet signed it. Actually, there is a chapter and we have agreed that in the near future those will be signed. We have a partial scope agreement with Guatemala also—has not been agreed to yet by Caricom, but we expect to sign off on that in early 2014—access to 15 million people.

Now what is it that we are attempting—and some of the products we are taking in there are: canned chicken, sausages, pepper sauce, lubricants, blocks, tiles, coaxial cables, circuit breakers and so on. But what these new markets allow us to do and allow our manufacturers to do, Mr. President, is to have access to a much larger marketing base so that they can obviously reduce or increase their economies of scale and reduce their cost per unit, which not only makes them more competitive on those markets, but, of course, allows them to protect themselves in the local market when foreign competition comes into Trinidad and Tobago.

Just briefly I want to mention the Caricom/Canada agreement which we are in the process of signing, and yesterday I spoke by videoconference with my colleague Ministers in the Caricom region, and there have been some technical difficulties in ensuring that agreement gets signed. Of course, there is a certain level of insecurity amongst certain of the—particularly the OECS countries because this is a reciprocal agreement, Mr. President, and it has been agreed that Prime Minister Portia Simpson, who heads that team, will be speaking with her counterpart in Canada very shortly.

Mr. President, just to alert this honourable Senate that, during the course of 2013, we have negotiated two very important policy positions with two very

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important groups in Trinidad and Tobago: they are the foreign-used car dealers, and we now have a foreign-used car policy in Trinidad and Tobago.

The foreign-used car business is one that has sprung up in a very unregulated manner, and although it has brought with it significant employment and income generation, as well as spawning a number of industries from that sector—including things like servicing and inspection, repairing of cars, spray painting, installation of audio systems, alarm systems, et cetera—it has grown in a very unregulated manner. So much so, that the Ministry took the initiative this year to have a look at the numbers of foreign-used car dealers in Trinidad and Tobago, and we have now trimmed that list down from over 400 to just about 200 people who we recognize to be bona fide foreign-used car dealers. We have visited their premises to ensure that they can supply after-sales service to their customers, and we expect that by regulating the sector, we are going to be able to create a further 1,000 jobs in a market that already has about 10,000 employees.

I want to just briefly mention that the objectives that we had in mind when we were putting in place this policy were to create an efficient management system for the importation and sale of foreign-used vehicles in Trinidad, and Tobago; to ensure that all foreign-used cars are imported legally and with proper safety standards; to ensure that there was protection of the consumer from sometimes very unscrupulous and dishonest dealers; and that there was a proper warranty system in place to ensure that consumers got value for money.

The second issue was the scrap metal policy which, again, was negotiated during the course of this year with the stakeholders in that industry. This is an industry, Mr. President, believe it or not, that employs about 5,000 people, but again, has sprung up in a very unregulated manner, but it employs people, from haulers to exporters to scrap metal dealers. But, of course, the necessity to get as much scrap metal as possible has led to some unscrupulous practices.

In fact, we have seen a significant amount of pilferage. Many of you would have been walking on the pavement and suddenly you see a pavement cover, a manhole cover missing, it has actually gone to a scrap dealer. Essentially it is shipped out to some far-off place and, of course, we have seen vandalism of several utilities. I know when Minister George and others were in charge of the Ministry of Public Utilities, on many occasions you would miss cabling and they would be stripping the cabling to take out the copper and so on.

**Hon. Senator:** Wow!



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**Sen. The Hon. V. Bharath:** Yes. So we knew that is an industry we had to regulate, Mr. President, and we have done so. There were some very critical issues that came up during the consultations: those being unfair competition; a proliferation of illegal scrap yards; the fact that they were operating on an outdated Old Metal and Marine Stores Act, 1904; there was significant theft taking place in the sector; there was money laundering; there was harbouring and hiding of arms and ammunitions; and, of course, there was a lack of enforcement of health and environmental standards.

We have taken all of those into account, and we have put together a policy that we believe meets international best practice, but taking into account our unique local circumstances in drafting the policy, and that policy will come into force on January 01, 2014.

Mr. President, I want to talk a little bit about building new economic infrastructure because Sen. Henry, when he spoke, he spoke about the fact that we were continually spending, not turning the economy around, not generating any income—in fact, only spending. Well, Mr. President, you know, first of all, one of the pillars of generating income is that you have got to spend. You are not going to be able to generate any income unless you invest, and that is what the Government of Trinidad has been doing.

In addition to cleaning up the mess that we inherited, in addition to setting the environment and creating the enabling environment for investors and creating those new markets for our exporters and our manufacturers, we are now looking at how we can create jobs and economic activity through infrastructural development in Trinidad and Tobago.

**3.00 p.m.**

As the Minister of Finance and the Economy would have mentioned, a lot of this is being done with the help of the public sector/private sector partnership arrangements. So therefore, following on from the visit of the President of China, there was a commitment by him for \$3 billion worth of concessional loan financing to the Caricom region. It is on a first come, first serve basis and it really is predominantly for infrastructural projects.

Mr. President, the Government of Trinidad and Tobago—*[Interruption]*

**Mr. President:** Hon. Senators, the speaking time of the hon. Minister of Trade, Industry and Investment has expired.

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

*Question put and agreed to.*

**Sen. The Hon. V. Bharath:** Thank you, Mr. President, thank you to my colleagues on both sides. So following on from that visit, there were two projects that have been identified by the Government of Trinidad and Tobago, as projects that would cause significant economic activity and employment in Trinidad and Tobago, and they are the development of some new special economic zones which we had planned, but we have planned over a period of five years, but we have now been able to compress that time down into a 12-month period because of the access to the funding, and port facilities which again has been on the cards for quite some time, port facilities in the south-western peninsula of Trinidad and Tobago.

Mr. President, in doing a survey recently, it was found by e Teck that there is a need for an additional 135,000 square metres of built industrial space. In other words, the 19 industrial parks that we have which house 300 tenants are certainly not enough, by a long stretch of the imagination, for attracting investors both locally and foreign investors into Trinidad and Tobago. We have sought advice from the World Bank on this matter and we are now in the process of rolling out these seven industrial parks across Trinidad and Tobago. The locations being: Connector Road, Dow Village, Endeavour, Frederick Settlement, Factory Road, Preysal and Reform.

That will bring into play an additional 775 acres of industrial space but with the infrastructure being put in, it allows us to come down to about 485 acres of built industrial space, or available to be built on. We intend, once we have accessed these funds through the Chinese Government—and we are already in the process of doing that—to have all of these industrial parks rolled out by December 2014. I am talking about next December, not 2013 but by the end of next year, 2014, which will be a Herculean task but we believe that it can actually be done.

Mr. President, the other area, and also the Minister of Finance and the Economy would have mentioned it, is the maritime sector. We believe again that—for years, we have spoken about diversification of the economy—the maritime sector probably is the only one available to us in Trinidad and Tobago that can match the investment and the outlay as far—or output—as far as matching energy and oil and gas in terms of the size of the industry and what we can create out of it.

We are blessed because our geographic location, our cheap source of energy, our skilled labour, the fact that we are sheltered below the hurricane belt, and very interestingly, Mr. President, there are 31,000 vessel voyages that pass outside of

our shores—25 nautical miles outside of the shores of Trinidad and Tobago, very few of them actually know of Trinidad and Tobago or ever come to Trinidad and Tobago.

With the opening up of the Panama Canal, we are likely to see a doubling of travel coming through the Panama Canal and also the doubling of size of ships coming through the Panama Canal. On average, a ship that comes through the Panama Canal ranges from between three and 5,000 TEUs—a TEU is a 20-foot equivalent unit. We expect to see ships in the range of between eight and 12,000 TEUs now coming through that channel. In fact, the largest of the ships is 18,000 TEUs. There was an interesting presentation I saw the other night where they turned this 18,000 TEU ship on its side and it actually was the height of the Empire State Building, to give you an indication of how large these vessels are likely to be.

Mr. President, we already have started the maritime sector. We have a company called Oldendorff that operates seven miles off the coast of Point Lisas and what they do—in fact, they would have come to the Ministry of Food Production, when I was the then Minister, to lease the seabed where they are moored—is they have these huge vessels out in the middle of the ocean and they have tugs that go to Brazil, haul iron ore from Brazil back to the ship and then that ship goes to China to deliver the iron ore. That operation that you might think might be relatively small is already employing over 100 Trinidadians [*Inaudible*]. [*Desk thumping*]

Mr. President, also, just to put it in perspective in terms of the industry that we are looking to build here in Trinidad and Tobago, the Port of Port of Spain and the Port of Point Lisas together, they have a throughput of about 500—just over 540 TEUs units per annum. The Port of Singapore has a throughput of 30 million; the Port of South Korea, 22 million. The Port of Singapore moves 80,000 containers per day; in Port of Spain, we move 1,000 per day. So it gives you an indication of the size of the business ahead of us if we were to do this properly.

The other aspect of the maritime sector that I want to talk about briefly is dry docking facilities because all of those 31,000 vessels/voyages that pass outside our waters, and many others who do not, need to have maintenance and repairs, and in many cases, we do not have—in the Western Hemisphere—the appropriate facilities nor resources to be able to repair those vessels and Trinidad and Tobago is an ideal spot and location to be able to do that. We are now investing in dry docking facilities with a company called Trinidad and Tobago Dry Dock Company Limited that will have a facility outside of Port of Spain in Sea Lots where they are building their own island for that purpose.

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Mr. President, we already, as we speak, have a feasibility study being conducted by a company called China Harbour which is one of the largest port builders in the world. They are doing a feasibility and that feasibility will be available to us by the end of September and a decision will be made in terms of the way forward on that. I do not need to mention the kind of indirect and spin-off businesses that will accrue once you put a port facility down. In fact, in the presentation I saw the other day by a world-renowned port expert, he was suggesting that any investment in ports brings a return of three times the dollars that have been spent. So for every dollar you spend, you get \$3 in return. Of course, there are other knock-on effects as I said, for truck repair facilities, container repair facilities, the employment of divers, longshoremen and so on—stevedores, contractors, provision of food, accommodation and all of those downstream industries.

Mr. President, I wanted to touch briefly on two other projects that the Ministry is involved in and that is the development of the disused Camden Airfield which is going to be turned into a general aviation park and entertainment and leisure centre. Some of that is going to be done in conjunction with the Ministry of Science and Technology which has some responsibility for aviation training. Also, just to give an idea, the general aviation business in the US alone is worth US \$150 billion and we get none of it; we get zero. In fact, the projection is that between 2012 and 2022, there are going to be 10,000 new business jets delivered to owners, many of which, half of which, are going to the BRIC countries. So there are, again, huge opportunities in that area. That is a public sector/private sector partnership proposal or project.

The other is that from municipal waste in Trinidad and Tobago. There is a proposal that is currently being studied by SWMCOL which is a joint venture between SWMCOL and a private sector company for the removal of—for the clean-up of all waste on a daily basis but also for the removal of legacy waste at the Beetham, Forest Park and Guanapo [*Desk thumping*] and the return of those lands to the Government of Trinidad and Tobago within a six-year period. So that is also, as I said, another public sector/private sector partnership agreement.

Mr. President, in the few minutes I have left, I want to say that once the Government has expanded market access, once we have provided the strengthening for the policy environment, once we have improved the ease of doing business, and once we have created the economic space to diversify and to allow people to invest in Trinidad and Tobago, then we believe that we would have set the stage for the proper and real diversification of our economy.

Mr. President, we have spoken about this for 20, 30 years—the real diversification of the economy of Trinidad and Tobago—but we have been stuck in a comfort zone that has disallowed us from actually moving forward on it. The Government of Trinidad and Tobago, the People’s Partnership, is very serious. We have started the hard work. We have realized that we have started to make gains in the areas of financial services, ICT, tourism, the creative industry sector, agro-processing and the marine sector.

I just want to conclude my remarks today on this budget by relating what I consider to be a feel-good story, which I hope as Trinidadians and Tobagonians will lift our spirits because it will allow us to understand the potential that we, as a people have, that we must always be proud of. Mr. President, there is absolutely no doubt in anybody’s minds that the cultural diversity that we have here in Trinidad and Tobago, and our rich historical roots, have given us a melting pot of many things that we can sell to the world, many things that can potentially explode on a global stage.

Some of the most ingenious inhabitants on God’s good earth are from Trinidad and Tobago, and they go all over the world and they contribute to the development of other countries. That is why recently Minister Howai and I ensured that we went to Parliament to change the regulations to ensure that we made it a lot easier for people looking to return to the shores of Trinidad and Tobago.

But, Mr. President, a lot of our sectors, particularly the cultural sectors, have grown in a very unregulated manner. People who have—those who have succeeded on an international scale and on a regional scale have done so by the sweat of their own brow. They have done so in spite of Government not because of Government. We need to set the stage and we need to ensure that those young people coming up, they believe that they have a future in the cultural sector, in the film sector, in the fashion sector and in the music sector.

I want to conclude by reading a letter from one of our designer icons, Heather Jones, and we have several of them who we have been working with—Meiling is another, Claudia Pegus is another. But I want to read this letter because I hope it will inspire all the young people who are listening here today and it is written to me and it says:

“Re: Letter of Appreciation for the Minister of Trade, Industry and Investment...”—and it says:

“On behalf of the entire team at Heather Jones International I would like to thank you from the bottom of my heart for supporting and aiding us in our mission to export Trinidad and Tobago’s fashion and culture to Europe and Asia.

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I would also like to take this opportunity to also thank your team who was on hand to provide advice to our...consultants...on the strategic development of the 2013 sales...The involvement and support of the Ministry has guaranteed interest from European companies looking for new opportunities in the Caribbean. Most of these companies have already come forward with plans to turn Trinidad and Tobago into a central commercial hub for their business in the region and a commercial bridge to the Latin American mainland. These plans also include setting up of manufacturing operations in Trinidad and Tobago to serve the Caribbean market with a view to further expansion into the South American markets.

With the support and encouragement of the Ministry and in particular yourself, Heather Jones International has managed to achieve what many had deemed impossible. A fashion house from Trinidad and Tobago receiving recognition from the fashion capital of the world (Milan) would have been unthinkable until just under a year ago.” [*Desk thumping*]

**3.15 p.m.**

“Today, thanks to the initiatives sponsored and supported by the Ministry, Heather Jones International has developed a strong following in the European markets as well as the fashion press, appearing in top selling newspapers and fashion related magazines and TV network stations, as well as garnering significant interest from buyers from Europe and Asia. Articles written by international press on the successes of Heather Jones International are attached for your attention.”

The show that she attended was an inspired collection and was a “huge success” made up of an audience from Switzerland and Italy and was presented to 130 countries worldwide with over a hundred million viewers by the satellite network Fashion One.

“The fashion show was just the tip of a fantastic series of business opportunities which came our way. We have taken the first steps to developing these relationships further with the signing of several letters of intent with luxury fashion brands and cosmetic chains who have agreed to distribute Heather Jones Designs throughout Europe.”

—Mr. President. [*Desk thumping*]

“I would...like to express my gratitude to you for endorsing our trip to Japan. Thanks to your support, a traditionally impossible to enter Asian market has finally been penetrated by Heather Jones International. The acceptance into

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one of the finest shows in the Japanese Fashion Week was already a significant achievement for Heather Jones International, receiving praise and subsequently—large—“orders from some of the largest luxury multi brand stores in Japan and it was a dream come true.

I believe that 2013”—was—“a turning point for Heather Jones International and a significant launch pad for the future of the Fashion Industry in Trinidad and Tobago. ”

Mr. President, I want to end by just very quickly showing you, this is a major international magazine, Mr. President, and in the middle of this magazine are the designs of Heather Jones of Trinidad and Tobago. [*Desk thumping*]

**Hon. Senator:** Local girl, local girl.

**Sen. The Hon. V. Bharath:** This is a newspaper from Japan, again with the designs of Heather Jones from Trinidad and Tobago. Mr. President, I know I may have gone over by a minute or so of my time but I just want to say thank you for allowing me that opportunity.

I can think of no better way than to conclude this contribution by echoing Heather’s closing comments and applying it to the efforts of all of my colleagues who sit on this side of the House, and by extension the Government of Trinidad and Tobago: we truly believe in the potential of the people of Trinidad and Tobago, Mr. President, and this people-centred Government is hell-bent on leaving this a much better place than when we arrived. Mr. President, I thank you very much. [*Desk thumping*]

**Mr. President:** Sen. Deyalsingh, before you begin, I thought it an appropriate moment to bring to the attention of this Senate and to acknowledge the presence of a former Member of Parliament in our public gallery today. This is none other than Dr. John Bharath, in our House. [*Desk thumping*] Thank you. Senator Deyalsingh.

**Sen. Terrence Deyalsingh:** Thank you, Mr. President. Mr. President, I hope my voice can hold out. Thank you for the opportunity to contribute on the Appropriation (Financial Year 2014) Bill, 2013.

I would like to start by paying tribute to our young citizens and I think at this time of the year we are always heartened when the results come out and scholarships are awarded. I would like to congratulate all our young citizens who did well, especially St. Augustine Girls’ High School which I think topped the list. [*Desk thumping*] While St. Augustine Girls’ High School is not my alma mater, [*Laughter*] clearly— [*Interruption*]

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**Hon. Senator:** “Yuh sure?”

**Sen. T. Deyalsingh:**—it is the alma mater of many of my aunts, my wife, my daughter and many of my nieces, all who have done well. And in paying tribute to St. Augustine Girls’ High School, I think one cannot help but also pay tribute—

**Sen. Coudray:** Naparima school.

**Sen. T. Deyalsingh:**—to all its principals, starting from Miss Anna Mahase, the baton was then passed to Miss Kathleen Anderson, to the current principal I think Joanne Mahadeo. So I pay tribute to all scholarship winners, all schools including Naparima—*[Interruption]*

**Sen. Coudray:** Girls’ High School.

**Sen. T. Deyalsingh:**—Girls’ High School and college and Hillview but especially St. Augustine Girls’ High School.

**Hon. Senator:** Presentation.

**Sen. Cudjoe:** Everybody.

**Sen. T. Deyalsingh:** Everybody, *[Laughter]* everyone, everybody. You notice I left out St. Mary’s College so I have to put in a plug for St. Mary’s College also.

**Sen. Cudjoe:** Including Bishop’s in Tobago.

**Hon. Senator:** Fatima boy.

**Sen. T. Deyalsingh:** Mr. President, it seems to be getting the habit of giving themes to this budget and like Sen. Henry before me, I would also like to give a theme to this budget. When one visits the grave of Frank Sinatra you would see on his tombstone the epitaph “The best is yet to come.” For this Government the epitaph, I think, will read, “A wasted mandate, a lost opportunity.” *[Desk thumping and crosstalk]* “A wasted mandate, a lost opportunity.”

It is my intention, during the course of my debate, to touch on about three main areas: national security, energy and the happenings at the CSO, which is sad. And I start, Mr. President, with national security which is possibly one of the greatest roles of any government under the Constitution; under section 4A of the Constitution.

I would let the population remember that national security was one of the planks that brought our friends opposite to power. It was one of their major campaign themes. And the question arises, how organized were you to fulfil that



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role, bearing in mind your manifesto promised some sort of comprehensive crime plan within 90 days. What is the adduced evidence that regular citizens can use to determine that our friends opposite really understand national security?

Let me give the population and our friends opposite some sort of idea, in chronological order. And we start with Resmi, which is symbolic—[*Interruption*]

**Hon. Senator:** Oh my God. There you go again.

**Sen. T. Deyalsingh:**—of the shambles that national security is in.

**Hon. Senator:** Oh gosh.

**Sen. T. Deyalsingh:** Let us go to the cancelling of the OPVs.

**Hon. Senator:** “Ohh.”

**Sen. T. Deyalsingh:** All sorts of reasons were given for the cancelling of the OPVs. “We will fight the war not on the seas, but on the streets.” Let us talk about the ill-fated state of emergency. Let us talk about the Father’s Day mentoring programme started under former Minister John Sandy, which was, at the time, touted as a major crime-fighting tool. Let us talk about the dismantling of SAUTT and the loss of our intelligence-gathering capabilities. Let us talk about the selling for scrap value of the blimps.

Let us talk about how the last administration was criticized for having an acting Commissioner of Police. How long now have we had an acting Commissioner of Police and an acting Deputy Commissioner of Police—[*Desk thumping*]—and let us not forget that we are now, after four years of this Government, not on our first, second or third, but on our fourth Minister of National Security.

If all these Ministers of National Security were so good, why are we on the fourth? Was that part of the 90-day crime plan, to have a recycled Minister of National Security once a year? It takes six to nine months to learn your Ministry, but we are now on our fourth. So what are we faced with? If we go to the *Medium-Term Policy Framework* written by Dr. Bhoendradatt Tewarie, on page 33—[*Interruption*]

**Sen. Dr. Tewarie:** [*Inaudible*]

**Sen. T. Deyalsingh:**—it speaks about two long-range patrol vessels. [*Laughter*] Two long-range patrol vessels, after we scrapped the OPV contract. That was in 2011. Where are those long-range patrol vessels? But worse is yet to come. The hon. Prime Minister spoke after the visit of the Vice-President, of possibly accepting two decommissioned ships from the United States. Where is the policy? Where is the consistency of policy to defend our shores?

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We scrapped the OPVs. They are now where, in Brazil doing work there? We scrapped it. We were told we do not need it. We were given all sorts of reasons. What is this Minister of National Security's position on the scrapping of the OPVs? Where does he lie on the *Medium Term Policy Framework* for two vessels? And is he accepting the two decommissioned vessels from the United States? But this speaks to the spite for anything PNM. Any PNM initiative has now been replaced with ad hocism. That is why I said "wasted opportunity, wasted mandate."

We are now three years behind, Mr. President, in patrolling our borders, three—no, we are going into our fourth year; our fourth year. So we are clearly not organized to fight crime, clearly. But, Mr. President, worse is yet to come. In the Budget Statement, on page 50 of the Budget Statement, when we deal with crime, these are the words of the hon. Minister of Finance and the Economy, if you will permit me.

In essence the problems witnessed in the recent upsurge in crime are created by those who have made deliberate life decisions to reject society's offerings and instead fall into a life of crime.

I go on to page 51.

We are now also spending billions of dollars to protect themselves from a deviant group of citizens determined to engage in violent criminal activity.

—a deviant group of citizens—

Mr. President, that is why this Government cannot get a handle on crime because they see crime from an elitist point of view where the UNC/COP elite look down on the lower socio-economic groups and blame them for crime. But let me ask, Mr. President, let me ask: who gives—[*Interruption*]

**Sen. Singh:** "How you arrived at that position?"

**Sen. T. Deyalsingh:**—who gives—well, if you would listen—comfort and safe passage for white collar criminals? Why not talk about white-collar criminals who import the drugs, who import the guns [*Desk thumping*] and who import the ammunition? But this Government, via legislation, like section 34—[*Interruption*]

**Hon. Senator:** Oh.

**Sen. T. Deyalsingh:**—gives safe comfort and passage [*Desk thumping*] and holds them close to their breast. Who imports the guns for that deviant minority?

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Who imports the cocaine and marijuana? Which government gave safe passage to a container of marijuana in Plipdeco? Which government?

**Sen. Singh:** The PNM.

**Sen. T. Deyalsingh:** That happened under your watch to the Chairman of the MTS. That is why we cannot see crime—[*Interruption*]

**Hon. Senator:** “Say that outside nuh.”

**Sen. T. Deyalsingh:**—as something based on a group of deviant citizens. It has to do with who is bringing in the guns; who is bringing in the drugs. Deal with that. So do not speak, in your budget, about a deviant group of citizens. Talk to us about your allowing, via three years of backward thinking, about having our borders unpatrolled. That is the real solution. The colour of crime is not yellow and white, it is not brown or black.

**Sen. Coudray:** It is red.

**Sen. T. Deyalsingh:** The colour of crime has no colour.

**Sen. Coudray:** Red.

**Sen. T. Deyalsingh:** It is colourless. It affects all of us. And until we get a handle on that, we will be spinning the top in mud. Mr. President, until this Minister of National Security makes a statement on what his plans are to patrol our borders, and gets up here and says sorry for cancelling the OPVs, for dismantling SAUTT, we will be getting nowhere.

Mr. President, I now turn my attention to energy, and as I said on the tombstone of this Government, 2010 to whenever, the epitaph will be “a wasted mandate, a lost opportunity”. [*Desk thumping*] In 2010, this Government found on its doorstep the Ghanaian project which could not be consummated because this Government took six months to formulate a board and the Ghanaian Government told us, due to political risk, they will not move forward with the project; wasted mandate, lost opportunity.

It met a foreign direct investment stream for up, mid and downstream projects. That policy, Mr. President, is now passive, it is now static.

**3.30 p.m.**

And to complicate matters, we have the dismantling of the National Gas Export Task Force. I want the hon. Minister of Energy and Energy Affairs to speak to that; a wasted mandate, lost opportunity.

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What I would like the Minister of Energy to talk to us about is: what is his gas utilization policy, putting aside the one, little, bright spark on the horizon, which is the Neal & Massy/Mitsubishi project? That is just one. foreign direct investment, in the 2013 budget, was expected to be to the tune of US \$3.016 billion. That was FDI, 2013. When we come to the budget speech, on page 39 of the budget speech, we are hearing it was actually \$2 billion FDI. There is, therefore, a shortfall of US \$1 billion and that shortfall is mainly in the upstream. Could the Minister tell us what are his plans for an overall national gas utilization policy? Because what we need is not ad hocism. We need a comprehensive gas policy for all areas: mid, up, and downstream, which will review how we monetize our gas reserves. And the monetization of our gas reserves gets more and more muddled with each passing day and with each passing statement.

And I refer to this now infamous Loran-Manatee Joint Ministerial Commission with the agreed minutes.

**Sen. Singh:** Loran-Manatee spelt bold.

**Sen. T. Deyalsingh:** Mr. President.

**Sen. Singh:** That is what you are against.

**Sen. T. Deyalsingh:** We need to put this Loran-Manatee agreement in some sort of context. Trinidad and Tobago needs the gas. We have Point Lisas to feed. We have existing contracts, which come to an end between 2015/2018, so we need the gas and I put this Loran-Manatee issue in the context of where Venezuela and Trinidad stand, as far as proven gas reserves. Venezuela is ninth on the list, with a proven gas reserve of over 5 billion TCM, trillion cubic metres—not feet. We tend to talk in feet here; over 5 billion TCM, trillion cubic metres. Where does Trinidad lie? Venezuela is 9<sup>th</sup>. Trinidad lies 30<sup>th</sup>. I tell you that, to show the strategic importance of the Loran-Manatee agreement to Trinidad, versus its strategic importance to Venezuela. In other words, it is more important to Trinidad than it is to Venezuela. If all that 10 trillion cubic feet of gas stays in the ground, we would be more adversely impacted than Venezuela.

Mr. President, the hon. Prime Minister, in her budget contribution, spoke about the voting rights and she said the Government of the Republic of Trinidad and Tobago has 16.97 and went on to say that we even have more than Venezuela; the Government of Venezuela which has 14.61. Correct, correct. But what we were not told is that PDVSA has 35.65 per cent and who owns PDVSA, Mr. President? It is 100 per cent owned by the Government of Venezuela—  
[*Interruption*]

**Sen. Ramnarine:** Shocked!

**Sen. T. Deyalsingh:**—so when you add PDVSA's voting bloc to that of Venezuela, you get a total of 50.26. When you take Trinidad Government's 14.61, add it to Chevron Trinidad and British Gas Trinidad, you get 26.93.

**Sen. Ramnarine:** “Yuh listen to 97.1 today. ”

**Sen. T. Deyalsingh:** So, therefore, we have about half of the voting rights, if you just go on governmental input. The wild card in all of this, Mr. President, is Chevron Global, which has 22.79.

I raise this in the context of the Prime Minister saying that Trinidad and Tobago has a veto power under the powers and duties of the Directing Committee, and that is so. But what does the directing committee do? This is where these negotiations do not look after Trinidad and Tobago's interest and the hon. Minister of Energy and Energy Affairs can feign surprise all he wants—  
[*Interruption*]

**Sen. Singh:** He will deal with you!

**Sen. T. Deyalsingh:**—he has to tell us that part (b) talks about the functions of the Directing Committee:

“recommend for the approval of the Ministerial Commission, a plan for the exploitation and development of hydrocarbons including a work programme and budget;”

There are no explicit terms in these minutes as to what is the fate, hon. Minister, of our 30 per cent, and in your response you can deal with that. In other words, if there is a veto by either Trinidad or Venezuela, we get no gas. If the agreement breaks down, what do we get? We are 30<sup>th</sup> on the list, as I said before. Venezuela is—what I said?—9<sup>th</sup>, with 5 trillion cubic metres of reserves. That 3 million cubic feet in Loran-Manatee is of importance to us. The income we could generate from that will help pay for GATE, for CDAP, to see about “little people” issues, but under this agreement, the hon. Minister of Energy and Energy Affairs, in his response, has to tell us if it is possible, under this agreement, if there is a veto, we may have no access to any gas. Tell us. Tell us. [*Desk thumping*]

**Sen. Ramnarine:** We have no agreement.

**Sen. T. Deyalsingh:** I am not saying you have an agreement, I am saying, is the agreement beneficial to us?

**Sen. Hinds:** How?

**Sen. T. Deyalsingh:** Tell us. And this Loran-Manatee, 30 per cent to us—  
[*Interruption*]

**Sen. Ramnarine:** Twenty-seven per cent.

**Sen. T. Deyalsingh:** Twenty-seven per cent.

**Sen. Ramnarine:** “Yuh cyah even geh dat right!” [*Laughter*]

**Sen. T. Deyalsingh:** We have now to negotiate new deals—[*Interruption*]

**Sen. Ramnarine:** Gas going—[*Inaudible*] then you would say is 30.

**Sen. T. Deyalsingh:** You now, Minister, you could be as flippant as you want but this is important to us. [*Desk thumping*] And in your three short years you have moved from a respectful young man—[*Interruption*]

**Sen. Ramnarine:** “You not my fadda, boy, to talk to me!”

**Sen. T. Deyalsingh:** I stop there, I stop there.

**Mr. President:** Thank you.

**Sen. T. Deyalsingh:** These new gas finds, Mr. President, we have our methanol and ammonia operators. If we do not negotiate new contracts there is the risk of them dismantling their plans and taking it to other sources where there are cheaper sources of energy.

**Sen. Singh:** What did you do 2002 to 2010? Tell us that.

**Sen. T. Deyalsingh:** The PNM was voted out in 2010. People are getting fed up. People are getting fed up of using that excuse.

**Sen. Singh:** There is a time—

**Sen. T. Deyalsingh:** So the strategic importance of Loran-Manatee—  
[*Interruption*]

**Sen. Coudray:** You did nothing!.

**Sen. T. Deyalsingh:**—and that 3 trillion cubic feet of gas is important to us.

**Sen. Singh:** Loran-Manatee—[*Inaudible*]

**Sen. T. Deyalsingh:** Mr. President—[*Interruption*]

**Sen. Ramnarine:** What do you suggest?

**Sen. T. Deyalsingh:** That is why you are there my friend. I now turn to the position of NGC in Tobago.

**Sen. Ramnarine:** Policy.

**Sen. T. Deyalsingh:** The NGC Tobago pipeline was originally envisaged by the Patrick Manning administration to feed, not only Cove in Tobago but also islands of the Eastern Caribbean States, so that Trinidad can have its place as a premiere supplier of gas for the Caribbean. How is Trinidad and Tobago to amortize that \$1.3 billion project if we only supply Tobago? What is this Government's position on the expansion of the pipeline up the islands? Are you going to do it? Are you not going to do it? What is your stated position? Tell us.

**Sen. Ramnarine:** Okay.

**Sen. T. Deyalsingh:** That is why I said: "wasted mandate, lost opportunity."

But Mr. President, things for energy get even trickier when we look at oil production. This Government, when in Opposition, had no time for energy, no time for oil, no time for gas. Why is the PNM going into oil? Why is the PNM going into gas? The year 2012, as we know, was the jubilee year of our independence—the jubilee year—and there was this find called the Jubilee field, where it was stated there were 48 million barrels of oil, I believe—

**Sen. Ramnarine:** I will carry you to Trinmar—

**Sen. T. Deyalsingh:** Good?

**Sen. Hinds:** "God is ah Trini."

**Sen. T. Deyalsingh:** This, again, is the energy hoax of the century, "a la Resmi", another hoax and I will explain why and the hon. Minister of Energy and Energy Affairs has to explain to this country, who misled whom. So, let us call it, not the Jubilee field, but the "Resmi field". It was a hoax. Let us give you the timeline.

**Sen. Hinds:** Bring the samples.

**Sen. Ramnarine:** "Ah have more."

**Sen. T. Deyalsingh:** June 11, 2012, this is last year, an article by Renuka Singh in the *Express* spoke about it. The hon. Minister spoke about Petrotrin to start production on the multi-million barrel Jubilee field within 12 months.

**Sen. Hinds:** Yeah.

**Sen. T. Deyalsingh:** January 10, 2013, this is six months later, *Guardian Media*: two to three years; January 10, 2013, we will get 200 barrels per day of an API gravity of 31, which is light oil. Light oil is good oil; low sulphur content, and so on. February 2013, if I read an article—and this is where the hoax starts.

**Sen. Hinds:** Is that when he came here with the samples?

**Sen. T. Deyalsingh:** This is where the hoax starts.

“Hassanali said the first of the five wells that formed part of the Jubilee discovery continues to flow at a rate of 100 to 200 barrels of oil a day and the plan is to flow all the five appraisal wells over the next year.”

And this is where the hoax is:

““This will give us a fair...size of the discovery. ””

So in 2013, Mr. Hassanali is now talking about the size of the discovery, whereas a year earlier the Minister and Prime Minister are claiming it is a find of 48 million barrels. Who is correct?

**Sen. Singh:** Is there oil?

**Sen. T. Deyalsingh:** Who is correct? Who is correct?

**Sen. Ramnarine:** “You is a reservoir engineer.”

**Sen. T. Deyalsingh:** Who is correct? But it gets worse. If you read Mr. Jamaludin Khan, he spoke—on Tuesday, February 26, 2013:

“Jamaludin Khan said that as a result of additional efforts by Petrotrin through Trinmar, he expects Trinmar to end the year, 2013, with a production rate of 25,000 barrels of oil per day (bopd), up from the current 22,000 bopd.”

Mr. President, I have the Trinmar figures here, from January 2012 to July 2013. At no time, at no time, did they cross. The highest figure crossed was in August 2012, 22,399 barrels.

**Sen. Ramnarine:** A year later.

**Sen. T. Deyalsingh:** Do you know what the average is for the period? It is 21,123 barrels; nowhere near the 25,000 barrels that Mr. Jamaludin Khan is speaking about. So my question is: When the hon. Minister of Energy and Energy Affairs spoke about a 48 million barrel field, a year ago, how many wells did you drill to estimate that and why it is a year later, Mr. Hassanali is speaking about drilling more wells to find out the size of the field?

**Sen. Ramnarine:** That is what you do. It is called appraisal!

**Sen. T. Deyalsingh:** So you came to the country—*[Interruption]*

**Sen. Ramnarine:** It is exploration.



**Sen. T. Deyalsingh:**—naming a field and boasting about a field. But it gets worse.

“In addition to that, Hassanali said, the Jubilee field has started producing. ‘Also in the South West Soldado area which is near to Venezuela, there are some 60 wells that were drilled many years ago but not brought into production for infrastructural reasons. We’ve actually started flowing to those wells already and we’re going to be installing some temporary facilities that will allow us to produce from those wells...’”

**3.45 p.m.**

I am hoping hon. Minister—I am hoping, that you are not confusing this with the Resmi field. I am really hoping, because somebody misled somebody. So with this botched energy policy—*[Interruption and laughter]* Sorry?

**Sen. Ramnarine:** That is south/west Soldado—

**Sen. T. Deyalsingh:** You would have your time to respond, my friend. You will have your time to respond. So we want to know, what is the true size of that Jubilee field? When did they know the true size of the Jubilee field? And when can we expect to see the production figures from Jubilee reflected in the Trinmar’s production, because as I have shown you, Trinmar’s production is relatively stable. Tell us. We have the figures here.

Mr. President, a final issue under energy has to do with a procurement issue. And again, this Government has refused to bring that procurement legislation to the Parliament—

**Hon. Senator:** Deliberately so. *[Crosstalk]*

**Hon. Senator:** “Why alyuh fellas doh walk out and talk?”

**Sen. T. Deyalsingh:**—refused to bring the completed procurement legislation to the Parliament. There is a \$10 billion upgrade RFP, request for proposals, at Petrotrin for what we call the bottom of the barrel project, which is simply to extract more value from heavy oil. Let us just leave that there for now. That is not important. The technical details are unimportant. What is important to Trinidad and Tobago is the massaging and the finessing of the tenders for request for proposals.

Mr. President, we have had at least two deadlines for request for proposals. It was announced in the papers on June 17, with an initial deadline of August 23, I believe. People and firms would have submitted their completed RFPs. The

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deadline was then extended, I believe, to September 30, and now there is another extension to December 31. So we have gone from August 23, first deadline; September 30, second deadline; December 31, third deadline.

Now, I know and I will put my head on a block, and I have said it before, this Minister of Energy and Energy Affairs is clean, clean! But I do not trust the people surrounding him. I want to ask—[*Interruption*]

**Sen. Hinds:** “He what?”

**Sen. T. Deyalsingh:** I want to ask—[*Interruption*]

**Sen. Maharaj:** Mr. President, 35(5). We are surrounding the Minister of Energy and Energy Affairs. [*Points to Senators in close proximity to Sen. Ramnarine*] I take—[*Laughter*] umbrage to that. [*Crosstalk*]

**Mr. President:** If Sen. Deyalsingh does not trust people, I do not think that that necessarily is a reflection on you. [*Desk thumping, crosstalk and laughter*]

**Sen. Hinds:** Neither do I.

**Sen. T. Deyalsingh:** Bob Marley has a saying—Bob Marley said: “Who the cap fits, let them wear it”, my friend. [*Desk thumping*]

**Sen. Hinds:** Ahhh.

**Sen. T. Deyalsingh:** Who the cap fits, let them wear it. This Minister of Energy and Energy Affairs—[*Interruption*]

**Sen. Singh:** What do you have against the cap? What do you have against the cap?

**Sen. T. Deyalsingh:**—is not corrupt—[*Interruption*]

**Sen. Hinds:** What!?

**Sen. T. Deyalsingh:**—but I do not trust the people around him. I want this Minister of Energy and Energy Affairs—[*Interruption*]

**Sen. Hinds:** Thirty-five (5), imputing improper motives on the Minister of Energy and Energy Affairs, “he not”—[*Inaudible*]

**Sen. T. Deyalsingh:**—to go on the record and call out all the firms which complied with his first deadline for RFPs, and your second deadline—

**Sen. Hinds:** Thirty-five (5), Mr. President.

**Sen. T. Deyalsingh:**—because the feeling within the industry, Mr. President, is that the extension is being deliberately done to favour someone who could not meet the original two deadlines. This is why I say this Minister is clean, but I do not trust other people. This is a \$10 billion project and we are now on the third deadline for RFPs, why has it been extended? Even though the hon. Minister is quoted in the *Newsday* of September 19, 2013 saying that it favours no one. We do not believe that. The only way we can know, is to know who were the original bidders for the first deadline. Who were the original bidders for the second deadline, and come December, we will see who are the final bidders, and when we see who the award is contracted to, who wins the award, then we can see—*[Interruption]* But you promised transparency and accountability. So that is what we need to know.

We need to clear up this other hoax going on at Petrotrin, and before I leave Petrotrin, Mr. President, because time does not allow. The Minister has to take a serious look at how senior members of Petrotrin are ramrodding their views amongst senior staff. And I use the words “ram rod” euphemistically. He knows who I mean when I said he is “ram rodding”, “ram rodding”—*[Interruption]*

**Sen. Hinds:** Tell us.

**Sen. T. Deyalsingh:**—“ram”, look into the behaviour of the person who is “ram rodding” his way through Petrotrin, and focus on how many matters are now before the Industrial Court. I am told that this country will have to spend millions of dollars in litigation when those people win their cases. That “ram” cannot get away with what he is doing at Petrotrin. I put the hon. Minister on notice. Respond to me. Tell me what is going on at Petrotrin.

**Hon. Senator:** *[Inaudible]*

**Sen. T. Deyalsingh:** Sorry? Yeah. Well, I do not want to impute improper motives. I do not want to impute improper motives, but make a statement on that because his actions are going to cost the taxpayers of this country millions of dollars. The Government has been put on warning, that there is this “maverick ram” in Petrotrin, wreaking havoc in the fields—

**Hon. Senator:** Over “de” sheep”?

**Sen. T. Deyalsingh:** Over the sheep. Yes, correct. Over the sheep. I will leave that alone.

**Hon. Senator:** A very “beh-beh” contribution. *[Laughter and desk thumping]*

**Sen. T. Deyalsingh:** Mr. President, I now turn to the issue of the Central Statistical Office. This same document, the *Medium-Term Policy Framework, 2011: Innovation for Lasting Prosperity*. If we turn to page 19, if you will allow me:

“Priorities for Action of the Medium-Term

1. Strengthening of the national database and information management system to influence national policy choices and to support evidence based decision making. This includes a comprehensive re-organisation of the Central Statistical Office (CSO) and a more strategic harnessing and deployment of resources;”

Mr. President, if one looks at one of the budget documents, and if anybody has it—the *Review of the Economy 2013*. If you turn to page 63 of the *Review of the Economy 2013*, at the bottom of the first Appendix 1, when it comes to sources of data, sources of information, if we have it, you will see: for the years 2009—2012, the source is the CSO, Central Statistical Office, but right under that there is an asterisk pointing to the year 2013. And what is the source of the data? “Ministry of Finance and the Economy Estimates (2013).” If you turn to page 64, Appendix 2, source, CSO, 2009, 2012. Below that there is an asterisk 2013, source, “Ministry of Finance and the Economy Estimates (2013)”, and that theme goes on through other appendices.

What you are seeing here is that up to 2012 we were relying on data supplied by the CSO, but for the first time we are now relying on data supplied by the Ministry of Finance and the Economy, but estimates and that is the 2013 column. Question, why was CSO data not used? Where is the CSO? The CSO are now statistical nomads because they have nowhere to go, because of their spite for a PNM project. They could have been housed in the campus, and stop paying rent, but because there was an OSHA issue with their office, they have nowhere to go.

This data is more fishy smelling because if you look at past publications of the *Review of the Economy*, and I speak directly now through you, Mr. President, to the Minister of Finance and the Economy and the Minister of Planning and Sustainable Development, all reviews of the economy, they would give you disaggregated figures for the petroleum industry, exploration and production, refining, petrochemicals, service contractions, distribution, asphalt production. In the 2013 data there is no disaggregation. Are we to trust these figures—  
[Interruption]

**Sen. Hinds:** No!

**Sen. T. Deyalsingh:**—that the Ministry of Finance and the Economy estimates are telling us, bearing in mind the CSO is mandated by law to collect information from these bodies? On what authority? On whose authority? On what legislative footing is the Ministry of Finance and the Economy now usurping the responsibility of the CSO and going to the energy industry to get data? Someone needs to explain that hoax.

Under agriculture and sugar, Mr. President, in the past it was common place to disaggregate under five headings: export agriculture, domestic, sugar and so on. Under the 2013 figures, there is no disaggregation, just one gross estimate from the Ministry of Finance and the Economy. It is there. This is not hyperbole.

Under services, all past reviews of the economy would have nine disaggregated headings. Under 2013, under the estimates from the Ministry of Finance and the Economy, it has been reduced to five. We no longer have figures for hotels and guest houses, “but yuh serious about tourism”.

We no longer have a heading for education and cultural services, and education gets the biggest pie of the budget, the biggest chunk of that pie, \$9 billion plus. We no longer have a figure for personnel services. What is going on with these figures? Why are these figures estimates from the Ministry of Finance and the Economy? And why are we not getting the disaggregated figures? This is a hoax.

And we are to believe that we now have 5 per cent unemployment. Whose figure is that? Who generated that figure of 5 per cent unemployment? Was it the CSO, the Central Bank or the Ministry of Finance and the Economy? Are we to believe this Government when they produce figures which clearly cannot be trusted, and which do not even stand scrutiny from an average person like myself? It cannot stand scrutiny, Mr. President. But that is where we lie with the CSO now.

#### **4.00 p.m.**

The CSO currently needs about 50,000 square feet of space, Mr. President. It is available in the campus, but they have them signing in at the Census Planning Unit on the corner of Park and Pembroke Streets; sign on in the morning, sign out in the afternoon. They have looked at premises at Independence Square, St. Clair, Trincity and Cost Cutters and somebody has to come to this Parliament and talk about the acrimonious meeting that took place at Cost Cutters where there was finger-wagging and insulting language used to personnel from the CSO office.

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You have now a totally demoralized staff at the CSO; they are statistical nomads; statistical nomads in their own country. Finish the plaza; put them there; house them there; equip them there.

Mr. President, it gets worse. It is my understanding that during one of those heated debates there was even a threat to close down the CSO—[*Interruption*]

**Sen. Singh:** “What kind ah rumshop talk is that? Rumshop talk.”

**Sen. T. Deyalsingh:**—and that talk took place at the Crowne Plaza. Let somebody say, “it aint so”, Mr. President. Please say “it aint so”. So, for the first time, we have a review of the economy being produced with little or no input from the CSO but using estimates from the Ministry of Finance and the Economy, and we are to trust this Government. We are to trust this Government.

Mr. President, a pet topic that I have always raised in this Senate has to do with the growth poles; those famous or infamous growth poles. Again, for those of us those who have survived all the various Cabinet shuffles, the first time I referred to this text in the Senate, the Government had a good laugh at me. I think it was Senator—what is his name again?

**Hon. Senator:** Moonan.

**Sen. T. Deyalsingh:**—Moonan, who was here. I showed him all the colourings that I had in it and he laughed at me; and they all laughed at me; how I coloured the book; and that is all I can do, I could colour the book. Right? But, this book represents your road map. It represents your road map. [*Interruption*] Laugh at me all you want, no problem. Laugh at me all you want.

Growth poles on page 67: east Port of Spain, north-east Tobago; Couva; Chaguanas; south-western peninsula; north coast. Remember the north coast growth pole was predicated on a tunnel? So, from 2011, could anybody tell me, in the start of your fourth year, is that tunnel going to be built from Tunapuna to Maracas? Can anybody—[*Interruption*]

**Mr. President:** The speaking time of the hon. Sen. Deyalsingh has expired.

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

*Question put and greed to.*

**Sen. T. Deyalsingh:** Thank you, Mr. President. And, as you know we now call these not growth poles but the greasy poles, because we cannot get a grip on them. [*Desk thumping*] So, is this tunnel fantasy or reality? Fantasy or reality?

**Sen. Hinds:** UNC.

**Sen. T. Deyalsingh:** But let us deal with the east Port of Spain growth pole or the east Port of Spain greasy pole.

First of all we heard that east Port of Spain was going to be turned into something akin to little Havana. Remember that? Good. I raised the issue in this Parliament and I was told by the hon. Minister of Planning and Sustainable Development that the east Port of Spain regeneration project was now hinged to the Invaders Bay project. Remember that? Good.

**Sen. Dr. Tewarie:** I did not say that but I am just letting you talk so I can respond.

**Sen. T. Deyalsingh:** Right. Do you have a deed for the Invaders Bay land as yet? Can any investor take a deed to the bank and borrow against that? So until the Invaders Bay project gets off the ground, east Port of Spain cannot be regenerated. But then, the worst is yet to come.

**Sen. Dr. Tewarie:** That is what you call an elliptical deduction. [*Laughter*]

**Sen. T. Deyalsingh:** But there is worse to come. [*Crosstalk*] Now we are hearing that part of the solution to the regeneration of east Port of Spain, like the tunnel, is now a what? A cable car—flights of fancy. What is this cable car going to do to regenerate east Port of Spain?

**Sen. Hinds:** Elliptical as it is.

**Sen. T. Deyalsingh:** That is elliptical reasoning. You want elliptical reasoning? [*Desk thumping*] That is elliptical reasoning; parabolic reasoning; rectangular reasoning; triangular reasoning; [*Desk thumping*] square reasoning; no reasoning; absolutely no reasoning. [*Desk thumping*] So we move from regenerating east Port of Spain, to be predicated on Invaders Bay, where he has no deed to show any investor; and now, in 2014, we are hearing partial solution is a cable car.

So we have an unbuilt tunnel and we have an unbuilt cable car project. That is how these growth poles or greasy poles are supposed to develop Trinidad and Tobago. What sane government would come up with those flights of fancy? That is why I have said that on the tombstone of this Government, 2010 to whenever—that whenever cannot come any sooner, bring it on—that tombstone will read “wasted mandate, lost opportunity”. [*Desk thumping*]

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But Mr. President, hearing Sen. Vasant Bharath today again told me that this Government has no vision and thinks today for tomorrow. He spoke about regularizing the foreign-used car industry. So their plan is to put more cars on the road. We have a traffic problem with limited land. Governments need vision. At the time that a visionary government talks about a project there is opposition, because not everyone sees 60 years into the future. When the PNM spoke about Point Lisas [*Desk thumping*] all of you, and your forefathers, decried the project. Where is it today? What is Point Lisas to Trinidad today? When the PNM came up with the Mount Hope Medical Complex, what did they say about Mount Hope?

**Sen. Dr. Tewarie:** Could I ask you a—

**Sen. T. Deyalsingh:** Can the Trinidad and—[*Interruption*—]you will have your turn.

**Sen. Dr. Tewarie:** Senator, could I ask you a question?

**Sen. T. Deyalsingh:** You will have your turn.

**Sen. Dr. Tewarie:** I just wanted—

**Sen. T. Deyalsingh:** Can the Trinidad and Tobago—[*Interruption*]

**Sen. Dr. Tewarie:** I just wanted to, um—

**Sen. T. Deyalsingh:** Sit down.

**Sen. Dr. Tewarie:** I just wanted to ask you what do you mean by all of—

**Sen. T. Deyalsingh:** Sit down! Sit down!

**Mr. President:** Senators. We will have to let Sen. Deyalsingh continue.

**Sen. T. Deyalsingh:** Thank you. I am not giving way. You will have your turn.

**Hon. Senator:** Second turn.

**Sen. T. Deyalsingh:** When the PNM built the Mount Hope Medical Sciences Complex, “there was all kind ah talk”, but it is visionary governments that make these quantum leaps in infrastructural projects that serve for generations to come, [*Desk thumping*] but they do not understand that. We have a traffic problem; the solution is not more cars; the solution is not more buses; the solution is a mass transit system.

**Sen. Singh:** No cars for poor people. You alone must drive.



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**Sen. T. Deyalsingh:** You see?

**Sen. Singh:** You could walk to St. Joseph. You could walk to St. Joseph.

**Sen. T. Deyalsingh:** The solution is a mass transit system so that we can move from point A to point B reliably, comfortably and on time, but this Government does not understand quantum leap projects. It does not; no vision; absolutely no vision.

Mr. President, as I close let me make it abundantly clear that what is taking place today with this wasted mandate and lost opportunity, evidence of it comes not from the mouths of Sen. Lester Henry, Sen. Pennelope Beckles, Sen. Fitzgerald Hinds, Shamfa Cudjoe, or Faris Al-Rawi, or Keith Rowley for that matter. It does not come from the mouths of the PNM. The biggest indictment to the lack of governance and betrayal of trust of that big mandate you got in 2010, where 400-and-something thousand people voted for your promises, comes from the private sector.

For that, Mr. President, if you would permit me, I rely on an editorial in the *Daily Express* of Thursday, September 12, 2013. This was spoken about in a private sector meeting; not from Balisier House; not from the Opposition Benches; not from a PNM political platform; these words came from the private sector—[*Interruption*]*—and I am hoping—[Interruption]*

**Sen. Singh:** A journalist.

**Sen. T. Deyalsingh:** It is an editorial, Sir. [*Crosstalk*] This is what they say. [*Crosstalk*] This is in a post-budget [*Crosstalk*] meeting. I quote:

“That the private sector has reached the point of publicly offering to help the Kamla Persad-Bissessar administration speaks volumes about its evaluation of the Government’s performance and effectiveness in critical areas of national governance.”

This needs repeating. Mr. President, with your permission:

“That the private sector has reached the point of publicly offering to help the Kamla Persad...administration speaks volumes about its evaluation of the Government’s performance and effectiveness in critical areas of national governance.”

It goes on:

“...Mr. Warner’s offer...”

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This is not Mr. Jack Warner. This is Mr. Gervase Warner of Neal & Massy, I believe. This is a captain of industry who has no political ties; none; absolutely none!

**Sen. Singh:** How you could say that? “You cyar speak for the man. “

**Sen. T. Deyalsingh:** Mr. Gervase Warner.

“Mr. Warner’s offer of a more hands-on involvement...”

This is by the private sector:

“also says a lot about his own judgment about the usefulness of the private sector’s input in many State initiatives for which its members have been co-opted.”

What this is saying is that the private sector, “dey fed up ah all yuh”. [*Desk thumping*] They basically want to come in and hold your hands and run the Government—[*Interruption*]

**Sen. Hinds:** You need help.

**Sen. T. Deyalsingh:**—because the same way we have lost faith in your governance model, the same way hundreds of thousands of citizens have lost confidence in your governance model, [*Desk thumping*] the private sector has also lost confidence in your governance model and this is where the UNC and COP have taken us. This is what new politics is.

**Sen. Hinds:** You need help.

**Sen. Deyalsingh:** This is what new politics is.

**Sen. Hinds:** Imagine that.

**Sen. T. Deyalsingh:** Mr. President, with those few words, I thank you. [*Desk thumping*]

**Sen. Helen Drayton:** Thank you, Mr. President. I would try to be brief and to stick to a few items in the budget.

I want to open by commending the Government for its achievements over the past years, particularly in the areas of ease of doing business, education, water and also infrastructure. [*Desk thumping*] I will address other matters on education in a short while.

Regarding CL Financial group and the citizens’ bailout, it appears that good progress is being made regarding strategies for recovering the funds. While this is

not an overnight process, hopefully the country will eventually recover most, if not all, of its funds. So, indeed, out of danger came opportunity.

However, I want to repeat what others have said in other fora prior to this; that is, to my mind, justice will never be done to investors and the taxpayers of this country until those responsible for the breach of fiduciary responsibilities pay the just price.

**4.15 p.m.**

I know that that is not a likelihood, but as I said, it is worthy of repeating. The same applies to those responsible for the pain suffered by depositors in the Hindu Credit Union and while it is compassionate, as indicated by the Minister of Finance and the Economy in his address, to bring relief to former HCU depositors with special needs, these moneys should also be recovered from the perpetrators of what was nothing short of corporate fraud.

With respect to regulation of the Financial Centre, I wish to echo what my colleague Sen. Ramkhelawan requested and that is: when will the Securities Act, 2012 return to the Senate for amendments as promised? I think the Government should have second thoughts about even mentioning that Act as an achievement.

**Sen. Hinds:** Shame! Shameless!

**Sen. H. Drayton:** And the reason for that is that there is nothing, absolutely nothing substantial in a two-hundred-and-something-page document, other than pure administrative procedures, that would protect investors from any rogue market player. There is absolutely nothing in that document that mandates disclosure of such players other than relying totally on the discretion of regulators and hopefully at the end of this debate the Minister of Finance and the Economy will undertake to give us a deadline as to when this amended Bill will return as promised.

With respect to the ease of doing business, there is creditable performance by the Ministry of Finance and the Economy and the Ministry of Trade, Industry and Investment, to improve the business climate. I think that progress is commendable and the seven-point improvement in the international rating between 2011 and 2013 is small, but I think it is worthy of encouragement.

It is important that the business climate improves to generate non-energy sector investment. Now usually Governments tend to look within short, very short lens, when they are speaking about performance, particularly progress, and I understand the political nature of that policy, but I want to throw a net over the

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past five years on critical aspects of the economy to paint a picture as to the trends that we are seeing and why it is so important to place an emphasis on how we manage our budgets and the deficit.

Since fiscal 2007, revenue of the energy sector fell from \$29 billion to \$20 billion, that was a decline of 30 per cent. Both the number of wells drilled and the depth drilled have fallen—from 116 to 64, and 127,200 metres to 87,000 metres. Total crude oil production has fallen from 42 million barrels to 19.7 million barrels. Natural gas production has declined from 42.2 billion metres to 28.7 billion metres.

LNG production has moved downward from 3,737 billion Btus to 434.7 billion Btus. Ammonia fell from 5 billion tonnes to 2.7 billion tonnes. Urea production fell from 630,000 tonnes to 330,000 tonnes. The same trend follows with methanol production, from 6 million to 3.2 million.

Now, while the non-petroleum sector has increased its contribution to GDP and actually now exceeds that of the energy sector, it has stagnated and its contribution in 2013 was exactly as it was at the 2009 level. While the manufacturing sector increased by over 6 per cent during that period, it was dwarfed by services, which is five times larger than that sector.

If we look under trade and payments, the energy sector exports accounted for 68 per cent of total exports and have been contributing this proportion over the past five years to June 2013. Now it also is significant that the exports to Caricom have fallen sharply from—[*Interruption*]

**Sen. Ramnarine:** Senator, will you give way?

**Sen. H. Drayton:** Sure.

**Sen. Ramnarine:** In the presentation of statistics in the *Review of the Economy*, there is something I need to point out to you. What they have done in the presentation of the statistics is that they have given 12-month periods, so they have given October to September in some columns and in the latter columns, they have given October to May, so that is an eight-month period.

That is something that has to be taken into account, for example, with regard to—just to give you one example—natural gas production, on page 70, they have given October to September and then the last two columns is October to May. So that would account for the sharp decline. If you would go back to page 70, you would see that. I just wanted to make that point.

**Sen. H. Drayton:** Okay, I did observe that, but anyhow you look at it, there are steep trends downwards over the past five years with respect to all these critical sectors of the economy. Whether you want to look at it in a 12-month, six-month, eight-month, the story ends up exactly the same. So I did note that.

Now, clearly facilitating ease of business is a priority and hence I fully support the Chamber of Commerce's request for some additional funds—from \$250,000 to \$715,000—as a subvention which is to facilitate their very important work with respect to promoting business investment. However, I understand the realities of the deficit and I imagine that they would be thankful for the \$500,000 that they got instead of the \$715,000, but hopefully midterm might yield the additional funds for them.

Now apart from that, with respect to ease of doing business, that also includes governance and transparency and the country's reputation as corrupt has been rated an 80th place on the International Corruption Index, down 49 points since 2001, and that does not augur well.

So I want to endorse the call by the business community that the Government should restrict state enterprises to providing essential services, but apart from that, it should implement an independent credit rating system for state enterprises, particularly those operating in the financial sector.

This would do a number of things. It would facilitate transparency and accountability. It will support the Government's own plan to encourage state enterprises to be more self-sufficient and to borrow funds as well as prepare those institutions for international rating. It certainly would also assist in stimulating capital market activity.

I noted, in the Minister's review, a note with respect to campaign finance reform and it was mentioned that the Government promises to bring a Green Paper before the end of the year. It is well known that, of course, I have a Motion dealing with campaign finance standing in my name for the Parliament to appoint a joint select committee to develop a framework for legislation and, hopefully, this debate will get off the ground soon to generate some inputs for the Government's consideration.

I also noted the comments with respect to gender responsive budgeting and the commentary by the Minister of Finance and the Economy I thought that that was interesting and I hope that we are not missing cues with respect to gender issues.

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In the budget statement, I get the sense that gender, in the context used there, refers primarily to equality, equity and women's empowerment in all economic and social sectors. Now, of course, I have no problem with that. I endorse it 100 per cent. I do have a problem if gender programmes on budgeting do not also refer to the serious issues affecting men.

Over the past two to three decades, international agencies, NGOs and Governments have placed a great deal of emphasis on the education and development of girls and rightly so; but to my mind, an equal and most critical part of the societal equation does not appear to be receiving adequate attention, and that is the needs of boys and male youth. So let me place what I have just said in proper context.

According to statistics, men commit most of the crimes, including the blood crimes. That is a trend everywhere. One in four women will experience domestic violence in their lifetime. Boys who witness domestic violence are twice as likely to be violent to other people, including their partners, as they grow up; and nearly 40 per cent of households are headed by women. Now, certainly, to alleviate the incidence of crime, including domestic violence, lies in the education and socialization of boys and adolescent males and for too long, for too long, this has been neglected.

Another example: I noted from the CXC entries for 2010—I could not get stats for 2013—the boys entering the examination represented 39 per cent and girls 61, which is inconsistent with population demographics where they are more or less 50:50. So that statistic alone points to serious issues.

Let me say, admittedly, I do not take the statement in the budget about preparing guidelines for gender budgeting seriously because it has been there for the past, you know, every single year and we have not seen anything materialize, but I still thought I would put those observations on the table.

With respect to social services, from year to year, much of the same things are said with respect to the budgets, at least with respect to the ratio of the various sectors, budget sectors, to the total expenditure. If you look over a period of five, seven, eight, 10 years, the ratios are basically the same.

To a great extent, we are repetitive and we are doing the same thing over and over, so anyone who is sceptical needs sympathy and not to be seen as a pessimist with respect to budget implementation and tangible results.

Year after year, we hear about rationalizing the social services sector, which is a sensible thing to do. Transfers and subsidies account for 57 per cent of the expenditure and the highest proportion of that is with respect to social expenditure, but what is the reality? The only way one can answer that, one has to ask, “Well, which Government will cut back on the levels of social expenditure when the only real destination appears to be the ballot box?”

And how many times over the past 16 years, since 1997, we have heard about regulating the gaming industry. You see, this is a case again where the horse has bolted because when you now try to implement legislation and put in handicaps and things like that, you have a serious issue because it will affect the thousands of people who are employed in the industry. That is the same thing that applies to another area, which is squatting. We allow the squatters to squat and then it becomes a major social problem and a major environmental problem later on.

As to private/public sector partnerships, I think that is another story, one which sounds credible as something new to happen. The reality is private/public sector partnerships is a way of life here and a less transparent system than the authentic model anticipates. It will be more useful to get in a robust system of public procurement and campaign financing before one begins to speak about public/private partnerships, given the reality of our society.

Now let me acknowledge that it is a significant development that the Inter-American Development Bank will advance one such project under the Ministry of Education for the 20 primary schools, as well as early childhood care centres, and another under the Ministry of Health for diagnostic centres. Now, I am assuming that these centres include that which would facilitate children with development needs and if so, it is long outstanding. Hooray! That is welcomed. Commendation.

#### **4.30 p.m.**

Procurement reform: now, I tried to locate in the budget—for procurement reform—a budget for procurement reform in these documents, and I could not find one. I could assume that it is somewhere hidden within the Ministry of Finance and the Economy budget, or probably the Ministry of Public Administration but, if so, I certainly would like the Minister to tell us: how much funds have been set aside for procurement reform?

Surely, this will take a substantial amount of resources—human, technical. There would be lots of training to do, there is information technology to acquire, systems and procedures, you have the registry and you have a host of things to be done. It concerns me that while the Minister has mentioned procurement

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legislation, no mention was made of provisions in the budget, and this could be a strong indication that legislation, if even approved early in the year, could not be efficiently implemented in the foreseeable future. So a response to this is necessary.

With respect to tax administration, we are all awaiting eagerly more information. I am not sure whether the plans refer to the old land and building tax model, or whether some other type of property tax model, or maybe the one proposed by the last Government. I do not think anyone is against property tax in principle. It is what method the Government plans to introduce.

The last Government brought a policy for property tax, and I have no hesitation in saying that I thought it unacceptable and totally unfair. The method of arriving at the tax to be paid, I thought it was irrational. It had no bearing on our societal structures at all. It did not take into consideration the reality of residential properties here, and what in fact it would have done was, to penalize residential property owners simply for investing over the years to keep their properties and their communities to a certain standard, thereby maintaining or increasing property values because it was based on estimated rental income.

So that if Mr. Jones renovated and maintained his house throughout the years, he would pay more taxes than Mr. James who did nothing and kept his yard dirty, and the whole community looking run-down and, therefore, the estimated rental value would be much less. So the methodology had absolutely no bearing on anything relevant to local government revenues, and the cost of local government services in the respective communities. So if this Government comes up with a fair and transparent method, relevant to our society, that is fine.

Now, it makes sense for the Government to modernize the system, which should include a drastic overhaul of the valuation division and the town and country division. These are archaic structures. The Exchequer and Audit Act would have to be amended to accommodate up-to-date electronic systems. It is pointless implementing new systems on old architecture, which could only add to confusion and waste. I think there should be a simple, easily understood equitable system.

Regarding a few other tax matters—this was raised by the private sector and, that is, the Government should consider making the Green Fund levy more efficient so that it is charged based on the accounting period of doing business to coincide with corporation tax. Also to harmonize the interest charges under the various tax Acts. For instance, VAT attracts an interest of 24 per cent on outstanding amounts, while the income tax is 20 per cent. So there are inconsistencies.



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Just briefly to touch on education—now I often take the Government to task for the deficiencies in the education system—but I want to recognize some excellent developments by the Minister of Tertiary Education and Skills Training [*Desk thumping*] over 2013 because some of these go to the heart of the problems with respect to young children who fall through the cracks of the school system—it included the heavy equipment technician apprenticeship programme.

Then there is the public access learning system under YTEPP, which is an information technology programme, but it is designed especially for children outside of the formal school system. I think this is an excellent intervention. I cannot say I have all the details, but I do hope that it is something that has been well thought out and it is being implemented well, and targeting the groups that need to be targeted.

Then I understand that there is agreement between the National Training Agency and the International Financial Centre to produce sectorial labour information with respect to the financial sector—and given the preferences of young adults having graduated from tertiary level education—I think, again, that this is an excellent development. So I want to commend the Ministry on those initiatives.

Now education receives the largest part of the budget. There are many strengths to the system, but these are strengths for people who can cope. I do not know how we rationalize an annual expenditure of upwards of \$9 billion, but the compulsory school age is up to 12 years. I thought I would check that out again. It is not even up to 12 years. It says—this is the Education Act, Chap. 39:01:

The expression of a compulsory school age means any age between six and twelve years.

We are spending \$9 billion on education, but we are saying that you could go to school for up to two years or one year or six months, between six years and age 12 and that is okay. When we look at these things, and we look at the entry rate for boys in the CXC exams, we begin to understand some of the problems out there, and why crime among a certain age group is where it is.

So how do we rationalize that expenditure and the numbers of unemployable youth between the ages of 15 and 29? How do we rationalize the billions in education with admission by the Minister that about 30 per cent of children simply cannot absorb the curriculum because of emotional and psychological problems? One also sees that in the pass rate with respect to the CXC examination because you are dealing over the years with a core 40 per cent of students who sit that exam.

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Now, I will not call them failures, but they simply could not cope with it for one reason or the other. But we know that the problem is not only illiterate and unemployable youth because at the other end, you have a lot of bright students coming out of the system and they cannot find jobs, sustainable jobs that are consistent with the level of their education. So there is a huge functional employment problem.

Now, I just want to touch—with respect to National Security, I want to disagree with the statement by the hon. Minister of Finance and the Economy with respect to what he said about the employment rate and crime. The unemployment rate, on average, may be acceptable at 5 per cent or thereabouts, but bearing what I have just said, to say that sustainable jobs are there for those who wish to engage in honest days' work, that is just not the reality when you put all the statistics together. In any event, I have a huge problem with the labour statistics I have seen in that document. Something clearly is not gelling there.

**Sen. Al-Rawi:** That is right.

**Sen. H. Drayton:** The unemployment rate for persons between 15 and 30 is supposed to be 50 per cent, but if you look at the population statistics, between 15 and 30 it is about 300,000. Something is just not meshing with those statistics. So that it is true that a life of crime is a choice, but the Government and the rest of society also have a choice—continue to spend billions of dollars to protect themselves from criminals or shut down the engine room of young people entering the workplace.

Minister of National Security, you could put all the investment you wish into the crime infrastructure, what you are doing is like “Eliza and the bucket with a hole”. It goes on top and it comes out the other way because we are not dealing with that engine room. But, again, I will commend the Minister of Tertiary Education and Skills Training because I understand that there is now a more concerted effort to go into certain communities and actually begin to reach these young people who are vulnerable to the underworld, and if that is being done, I want to say, you know, commendations. We should be putting more of our resources there rather than putting our resources at the other end.

There is one other situation with respect to the age group of 12 years and school—it is one of the other reasons why I know the Government will hesitate to interfere because I have recommended that the mandatory age for education must be up to 16 years. *[Interruption]* You want to?

**Sen. Coudray:** Yes. That recommendation has been made to the Minister of Education by the Ministry of Gender, Youth and Child Development—  
[*Interruption*]

**Sen. H. Drayton:** Okay.

**Sen. Coudray:**—to amend that law.

**Sen. H. Drayton:** Okay, excellent. That is important. I hope, at the same time, you amend the one—the law which says that children are competent to contract marriage at 12 years.

**Sen. Singh:** That is a very complicated issue.

**Sen. H. Drayton:** I do not think it is so complicated at all. It is a political issue—[*Interruption*]

**Sen. Singh:** That is not true.

**Sen. H. Drayton:**—because you see, if it was your child or whoever child it is, it would be a different story.

Quickly, on health, a major concern is how we treat elderly people in the health care system. I read a heartbreaking story about a daughter and an 89-year-old mother who was in one of our hospitals. The medical attendants appeared not to have realized that the mother did not even know how to eat the food that was placed in front of her, simply because she is inflicted with dementia, and we are hearing stories about that all the time. We are hearing stories about babies dying in our hospitals every single week. So there is a serious problem.

We need to deal with it because in the reality—this is why people are sceptical and they are right to ask: where has \$200 billion gone in three years? Where have all the billions of dollars gone in all the past years when you cannot see, when you cannot feel the results of that expenditure? The Government could say and mention all the lovely programmes, but if you have situations like that hitting you in your face every single day then, clearly, what I think our successive governments continue to do is, to go after all the nice big glitzy things and ignore the low-hanging fruit, which is where the tyre hits the road.

Mr. President, there are just three other matters I would mention very quickly. I heard the call of the Chief Justice for some independence with respect to the Judiciary financial management. I want to urge the Government to make it a priority to ensure a greater measure of financial independence for the Judiciary and the Office of the President of the Republic.

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It is really difficult to understand why the two highest offices in the land must go to Cabinet cap in hand, when the President of the Republic or the Chief Justice needs to travel. Certainly, that is something that could be addressed with the drop of a pen. Maybe there is some little piece of legislation—maybe administration or something—that has to be tweaked.

The other thing is, again, I want to thank the Government for the help given to ChildLine. I want to make a recommendation on behalf of all charities looking after children and, that is, to extend to them the same utility facilities that they are giving to other vulnerable people. There are charities looking after children, I think we ought to have a special rate with respect to electricity, which is a huge component of their cost.

And, in closing, let me say, I think it is certainly a well-oiled budget for a long election period, and the reality of the high cost of transfers and subsidies, which is over 57 per cent. Many of the programmes mentioned, I think they point in the right direction. With that, Mr. President, I thank you. [*Desk thumping*]

**Mr. President:** Hon. Senators, it is now 4:44:24, I propose to take the tea break at this point. We will resume at 5.15 p.m. This Senate is suspended until 5.15 p.m.

**4.45 p.m.:** *Sitting suspended.*

**5.15 p.m.:** *Sitting resumed.*

**Mr. President:** The hon. Minister of Planning and Sustainable Development. [*Desk thumping*]

**The Minister of Planning and Sustainable Development (Sen. The Hon. Dr. Bhoendradatt Tewarie):** Thank you very much, Mr. President, hon. Senators. I want to acknowledge the tremendous effort and work of the hon. Minister of Finance and the Economy in putting together a budget for the fiscal year 2014 that is really a formidable budget. [*Desk thumping*]

The philosophy of this 2014 budget is premised on what you might call “two development tracks”. The first one is fiscal prudence, and that includes the incentives in taxation, the support to the SMEs, support for capital formation, also, the commitment and actualization of a 1 per cent reduction in the fiscal deficit, and a commitment to creating a diversified economy by stimulating growth in the non-energy sectors. Secondly, the budget provides adequate funding to economic, social and infrastructure programmes to ensure that citizens continue to enjoy a high quality of life, and that the opportunities for growth and sustainability are also supported and facilitated over the next fiscal year.

Mr. President, hon. Senators, I hope to elaborate on this during the course of my contribution here today, but I do want to take a moment to respond to Sen. Deyalsingh on some of the issues that he raised; first of all, the CSO. If Sen. Deyalsingh would go to the website, [www.cso.gov.tt](http://www.cso.gov.tt), he will be able to find the information that he is seeking about the GDP and the breakdown of the GDP.

**Hon. Senator:** He is not interested in that.

**Hon. Senator:** No.

**Sen. The Hon. Dr. B. Tewarie:** He will find that for the petroleum industry—I would not read everything, Mr. President, but I simply want to illustrate the point. He will find that for exploration and production, the projections 19,905.0; for refining, including Atlantic LNG 8,920.2; petrochemicals, 3,792.8; service contractors, 814.1; distribution, 1,916.5; and asphalt production 42.1. And I think he mentioned the services sector. He will find for electricity and water, 1,446.1; construction and quarrying, 4,567.9; distribution and restaurants, 10,128.0; hotels and guest houses, 229.9; transport, storage and communication, 8,423.9; finance, insurance and real estate, et cetera, 14,155.7; Government, 5,067.9; education and cultural services, 1,736.9; and personal services, 1,268.3, and in the subsequent page he will find the percentages for all of these in terms of their contribution to GDP.

**Hon. Senator:** Wasting. He is wasting—[*Inaudible*]

**Sen. The Hon. Dr. B. Tewarie:** He will also see where we have made progress and where there have been declines, but this is generally quite good, and he will also see that the CSO without attempting to be heroic—and I want to say something about this thing, about GDP. You know, GDP—sometimes it takes three years to determine what is the final figure for the GDP of a year, because the way the GDP is done, it is assessed on the basis of information that comes from the producing sectors themselves of which energy is the most important, but the rest of the private productive sector is also critical. And when there is a forecast about it, because you are doing it around July and August in order to have it ready by the end of August, early September; when you are doing this it is a forecast and it is a calculation, it is a calculated strategic guess based on what you have, it is a forecast. And then when the year is over you try to look at the numbers again and you go through the process—these are technical people, they are professional people, they do their work properly, and they make a revision. So that, for instance, they have done a revision of the 1.2 projection last year, and in fact suggested that it may well have been 1.5, and that may change. It

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might be 1.8, it might be 1.3; I do not know what it is going to be, but at the end of the day, you are going to have accurate figures because these are professional people. They pride themselves on being able to do their work with that level of accuracy and that level of professionalism.

So the projections from the CSO for this year is actually 2.8 [*Desk thumping*] but that may come up—and Sen. Ramkhelawan talked about 3.0 being a threshold; it may go up, it may come down. The point is that as they massage the figures and they do the numbers, they will ultimately, as professionals, get the accurate records as they have done for the years that he mentioned up to 2012—in the review for the economy, they will get it right.

So I want to say that the figures are there, and if he goes on the website there are also other figures that would be important to him, including—some of the figures perhaps are not as up-to-date as they need to be, but we are going to get that right. I want to say something about the CSO, which is, that yes, it is true that OSHA came and they closed down the building, but I want to pay tribute to the employees. [*Desk thumping*]

When they closed down the building, I had a meeting with them, and one of those meetings was indeed at the Crowne Plaza, and I do not know why Sen. Deyalsingh would do this, but nobody threatened to close down the CSO. What we did say, however, is that we would manage bringing the CSO back to wholeness and in a place in such a way that we could take into account the report of the Swedish consultants in which they identified four or five key things that we must do.

The first thing is to set up a highly sophisticated and efficient ICT system with which to manage the work of the CSO. The second thing is on the basis of a supply study to hook up to that system all the supply sources for data, so that we can have a proper and more accurate information base, and more comprehensive too. The third one, on the basis of a demand study, to deal with the production of statistics so that we produce through the CSO, statistics that the users really value and in the form that they want it, and, finally, to address the issue of what is the human resource capability you need and the level of the sophistication of skills that you need in order to have a modern data gathering and crunching, and information gathering and dissemination system.

I want to say that this CSO that is being criticized by Sen. Deyalsingh produced a census report in this country for the first time in the history [*Desk thumping*] of this country in one and a half years. The last time they produced the census report prior to that, it took them four years, but this time they were able to do it in a year and a half, and even as we speak they continue to work.

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I want to say thanks to the leadership and to the employees of the CSO, who as tremendous professionals, produced all their figures necessary for the preparation of the budget on time, and more than that, who in spite of the fact that they had to move out of a building and move into a smaller building, in order to do the basic work on GDP and trade and inflation, they were able to get all of that work done—we have the inflation figures for July, it has been published—and also the other employees whom we have not yet been able to house and we are in the process of getting a new place now that will be able to accommodate all of them, or the rest of them.

I want to say thank you very much to the people in the CSO for being total professionals, for rising to the challenge in spite of their own crisis in their organization, for not making a noise about it and turning it into a politicization opportunity, and more than that, for really having the integrity to continue their work under conditions of duress. [*Desk thumping*]

**Hon. Senator:** Well done!

**Sen. The Hon. Dr. B. Tewarie:** And I hope in good time that we will be able to make up for the challenge that they have faced and to create the conditions in which they can be happier and contribute more to the country, as they have done for all these years [*Desk thumping*] with their absolute and dedicated professionalism.

**5.30 p.m.**

Mr. President, I want to say that in addition to the report from the Swedish consultants, I have a report from September 2013—about the middle of September 2013—which outlines from the CSO perspective, based on consultation within the organization, every single problem that they identified, every single achievement that they have had and progress that they have made and a proposal for solutions to these things.

What we have with the CSO now is that we have this which tells us what the challenges are, what the problems are, what are some of the solutions, what are their strengths, et cetera, what are their weaknesses, and we also have the transformational report from the Swedish consultants. We are now in a position, since we are going to rehouse them, to do some of the restructuring, even while we rehouse them. [*Desk thumping*]

This is very much how we do things in this Government and how we do things in my Ministry—and I will illustrate as I go along—which is, that we know that you have to get things done, so you must do it, but we know that there is always a

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larger frame within which we are working and that you have to think through things if you are going to make them better. You could not just do them the same way and you could not do them without thinking. As a consequence, we have always taken a very methodical approach to the way we conduct the business of development in this country.

I do not want to forget that Sen. Deyalsingh raised the issue of crime, but I do not want to deal with it now and I do not want to deal with it in the way that the Minister of National Security might deal with it. I want to deal with it a little differently, but I will hold that for a moment. I know the Ministry of Energy and Energy Affairs will respond on the energy matters, but I do want to deal a little with the issues that he raised in relation to crime, but I just wanted to put that CSO matter to rest.

I want to continue from where I started by commending the hon. Minister of Finance and the Economy for first of all his fiscal prudence, including his tax incentives, support to the SMEs, capital formation and reducing of the fiscal deficit, his commitment to a diversified economy and stimulating growth in the non-energy sector, and also for the adequate funding that he gave to economic, social and infrastructure programmes, to ensure that citizens enjoy a high quality of life and that there are adequate opportunities for growth and sustainability, and that we make sure that this happens during the fiscal year.

Since 2011, Mr. President, the framework for sustainable development and the seven pillars, having been established in the “Prosperity For All” manifesto, the national planning agenda of this country has been aligned to the achievement of these two development tracks that I outlined as being held to by the hon. Minister of Finance and the Economy. In 2013, the evidence has begun to emerge that the foundation for long-term growth is being realized. I wish to emphasize this: the evidence has begun to emerge that the foundation for long-term growth is being realized.

In 2010, the time was short between May and September and the task to be addressed then was simply to fix and stabilize the economy, then caught as it was in 2010 in the vortex of the 2008/2009 global financial crisis and the crisis at home with HCU and Clico.

In the *Review of the Economy 2013*, it was reported that the real gross domestic product is expected to grow by 1.6 in 2013, which is a marginal improvement, on its estimated 1.2 per cent in 2012. The stronger performance reflects an anticipated expansion of 2.5 per cent in the non-petroleum sector, supported by positive even if it is flat growth of 0.5 per cent in the petroleum sector—that is for 2014.



The non-petroleum sector is expected to record positive growth for a second consecutive year, and the momentum should increase that sector as well as the energy sector's contribution to overall GDP. What we have now is that the services sector now contributes 60.2 per cent, the largest percentage share since 2005, up from 59.7 per cent in 2012. I think that that is something to take note of, and even if we cannot jump up and celebrate yet, I think that we need to acknowledge that we are seeing the beginnings of a shift in the economy, the beginnings of what you might call an "incipient diversification".

That is a long, hard road in which we have tried over and over to make diversification happen, and it is a slow and hard process, but I think we are beginning to see that there are some shifts being made, some differences being made, some advances being made, and this is a very, very important time, I think, in the history of the country, to build momentum in the economy, and especially on the export side of the services sector.

I want to say that one of the things we are doing in order to do that is an arrangement with the IDB to support global services exports of Trinidad and Tobago companies. The Minister of Trade, Industry and Investment is going to be vitally involved in that through exportTT and other institutions in the country, and we hope to make a major thrust. What he is doing in terms of trade, in terms of the agreements with Guatemala, the agreements with Panama, those things are very important to the export thrust and the services export thrust in Trinidad and Tobago.

So I take the opportunity to point out that all of these figures are quite conservative figures that we are using here. The 1.2 per cent expansion as I mentioned before has been revised by the CSO to 1.5 for 2012, and after downtime for maintenance in the energy sector and given what is happening on the production side, the growth in this sector can be bigger. The growth for 2013 may well be overall 2.5 and upward of 2.5. As I said, the CSO is projecting that it can be around 2.8. It may be a little less, it may be a little more, this is a projection.

Growth is the result of the direct support given by the Government to create the environment for growth, to support the non-traditional sectors and to create the platform for both conversation and action toward the diversification agenda to which we are absolutely committed. There have been ongoing consultations on diversification and on opportunities in specific sectors and clusters, and the investment in both energy and non-energy has been encouraging.

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Last year 2012, for instance, we had US \$2.5 billion worth of investment; \$2 billion of this was in energy, but half a billion US dollars, or just over TT \$3 billion was in non-energy investments.

In 2010, the People's Partnership administration took office after having won the Government on a political and economic agenda that made a commitment to ensuring prosperity for all. The Minister of Finance and the Economy in his presentation here today talked about that. Specifically, we made a commitment that through effective governance all citizens would enjoy a standard of living that was commensurate with the level of economic wealth that Trinidad and Tobago was capable of enjoying. Additionally, sustainable development provided the framework within which a prosperity-for-all strategy, addressing the pressing issues of poverty and equity, would be addressed.

That sustainable development framework included the following concepts: first of all, leveraging of resources so that more is produced than consumed; secondly, environmental sustainability would be integrated as a pillar of development; thirdly, development would be accelerated in the interest of today's present society, but also in the context of future generations, building on the concept of sustainability, balancing economic growth with environmental conservation and sociocultural considerations, and fourthly, the sustainable development strategy would balance economic growth, as I said, with environmental and sociocultural concerns.

In 2011, the Government distilled the major priorities for the medium term through the medium-term policy 2011—2014, "Innovation for Lasting Prosperity", which Sen. Deyalsingh spoke about. He even had the document with him, and clearly he had read it. The five priorities identified were in response to the priorities of the citizenry and set the tone for social, economic and environmental transformation.

The medium-term policy document was circulated to all parliamentarians with the budget of 2011, and all policy documents of the Government are on the website of the Ministry of Planning and Sustainable Development, [www.planning.gov.tt](http://www.planning.gov.tt), and we identified five priorities in that medium term to which the budgets have been aligned since 2011: crime and law and order, which is a persistent and pressing challenge even today; agriculture and food security, a fundamental challenge today for countries everywhere; health-care services and hospitals, in a country in which lifestyle diseases had achieved epidemic proportions and in which public service delivery in health-care had been

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challenging for decades; economic growth, job creation, competitiveness and innovation through diversification, which sought to address the twin issues of economic decline in 2009/2010 and the persistent challenge of diversification which has dogged every administration since self-government in 1956; poverty reduction and human capital development—the first because a decent standard of living and quality of life was something the People’s Partnership considered as deserved by every single citizen and because we needed as a country to prepare our young people and the working population for the demands of a 21<sup>st</sup> Century knowledge economy.

The assumption was then, and still is today, that we meet objectives in these five priority areas and if we did so we would have a population moving to more creative and innovative possibilities, where social capital would be built, collaborative thinking could be brought to service and entrepreneurial endeavours would be stimulated in the economy.

We did a lot of work since then, including collaborating with a number of Ministries and a number of institutions in the country, public and private, to establish a diversification priority list and strategies for the country. That initiative was taken by one of the institutions that we created here, the Economic Development Board, and it brought together about 400 people, and at the end of the day they helped to modify what we had included in the medium-term framework and identified seven priorities for diversification. We are pursuing that in all the Ministries now. We are pursuing that as part of our strategy.

We are pursuing these things because they are very, very important things to us and very important things to the country. The diversification areas have been mentioned by the hon. Minister of Finance and the Economy. It has been mentioned by the hon. Minister of Trade, Industry and Investment, but I will mention them again because it is important to remember: energy, including all things related to energy, and that includes services; food sustainability; culture and the creative industries; maritime industries, tourism; financial services; and ICT.

**5.45 p.m.**

Now, the fundamental elements of this diversification strategy were considered to be the following: first of all, strengthening the existing clusters and the creation of new strategic business culture—business clusters, sorry.

Secondly, strengthening the value chains.

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Thirdly, developing the relevant policies with accompanying legislative and regulatory frameworks which will support the development of a national innovation policy and strategy to facilitate the construction of a national innovation system; exploring new markets for goods and services so that diversification takes place at the level of the production platform as well as the level of market penetration; linking diverse investment sources to partnerships with local firms and investors and new market opportunities; and linking investment to human capital formation, decent work and job creation.

So out of this then, the strategy for diversification was linked to foreign policy and international relations initiatives. It was linked to trade investment and development and to an export driven economy. It was linked to tertiary education and the skills development of the base skills of the population upwards in Trinidad and Tobago, and more than that, it was linked to creating economic spaces that did not, up to this time, 2010/2011, exist in the country and which we still have to create as we go forward in Trinidad and Tobago.

So, one of the things that we did in addition to the seven areas for diversification was to identify strategic geographical centres that could also be developed.

We designated what we call growth poles which the hon. Member for—the hon. Senator, Terrence Deyalsingh, likes to call greasy poles. But the poles were not meant to be something that stand from the ground in the air, the poles were a geographically identified area that was linked to industrial development and cluster-building value chain development and transformation of the economy through a strategy of diversification, and that would bring jobs to where people lived rather than have a society, as we have now, where people leave their homes in order to go somewhere else to work.

So the geographical growth poles were located in that kind of context. So in developing the five designated growth poles, what the literature on growth poles indicates, is that coordination between economic agents may be required for the positive effects associated with the concept of realizing the potential of a growth pole.

Third-party intervention from Government manifested through the identification of growth drivers, that is to say areas for investment, infrastructure investment, labour needs assessment, skill development and better coordination of activities are some means by which third parties can eliminate coordination failures. The growth poles depend on coordinated activity by a number of entities.

So that if you were talking about the central growth pole, for instance, what we call the four Cs, what would be critical in that regard would be the primary economic agents of the area as captured by the chambers of commerce in the area; that would be the first thing. Secondly, you would take advantage of the fact that you had the Point Lisas Port.

Thirdly, you would take advantage of the fact that many institutions of learning were located there and Point Lisas was already there, and you would take into account that some of the industries that were incipient industries that had the capacity for cluster and value chain appreciation—cluster formation and value chain appreciation—you would bring these together in order to do it. I will show you what we mean in a minute and what is happening.

So, given the divergent characteristics of each growth pole, stringent data gathering and analysis procedures are required to understand the inherent socio-economic conditions of these geographic spaces, in order to identify the needed monetary, and social and infrastructural injections or modifications needed by the Government to stimulate private and community participation in the improvement of the socio-economic climate of the area.

Under the relationship between current policy interventions, its anticipated impact and the required socio-economic climate in relation to geographic spaces, is critical when intervening in the economy's ecosystem because that is what ultimately it becomes, if one is to achieve the desired impact with the minimum required resources.

It is in this spirit that the economic development board, which is a board of both research and policy formulation and advice, as well as an active interventionist-type board to facilitate execution and implementation, they got involved in the process.

So with the central growth pole what they did, was they did a cluster mapping study, and this was conducted jointly between the EDB and the Arthur Lok Jack Graduate School of Business, and the aim was to identify the potential growth drivers for the central growth poles.

The study was completed in January of 2013 and received approval in February. The aim of the study was to determine competitive advantages and disadvantages of the geographical boundaries of emerging and existing clusters within the specified area.

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The study has been used to detect prospective areas for growth, including and not limited to, opportunities within existing clusters, emerging clusters, cluster collaboration—and this would involve both municipal and regional clusters—and exploring the benefits associated with mixed use but complementary developments.

What were the areas identified? They identified six of them as having real potential: agriculture, pottery, downstream energy, retail and distribution. And I want to say that people are not aware that 50 per cent of the businesses in this country are, in fact, retail and distribution; then, of course, with Point Lisas—port and logistics, business services and cultural heritage tourism.

I want to say that that report is here, and I just want to share with you that the report has been done and they are now actively working on the things that will, in fact, yield to the appreciation of some of these things. I want to say as well that this is how they went about the study of the growth poles, and I will just show what is done in relation to one of these things. And I was saying before as we begin, that when we do things, we try to do them in a methodical way even while you get action.

So it is not just that you do things and you get action, but you also think through the process. What you have here are Couva, Chaguanas, Carapichaima, Charlieville, and that growth pole has been expanded. The first thing you have is a soil study and we have that.

Then we have the flood zones; we identified them. Then we have the land capability, what you can do with it, and what is the best use of it. Then we align that to the land use policy, to see if perhaps we need to make changes. Then we align that by a mapping of the social facilities in the area through GIS. Then we align the PSIP projects to that. And then when we do that we begin to see how government investment, local government involvement, existing economic agents and participants on this geographical space, then create the conditions for involvement.

Then we look at what is there, and then we look at what is possible to do. What is happening now in that central growth pole, first of all, at Point Lisas there is a feasibility study being done. The first phase is completed, it is in the second phase, a solar industrial complex.

In Couva, under construction now, is a multipurpose sport and indoor facilities; in Charlieville, a multipurpose sport and indoor facilities; construction of the Charlieville ASJA Boys Secondary; construction of Preysal Government;

construction of the Couva library; construction of the Chaguanas library; YTEPP Waterloo training facility; relocation of NESC head office and the Brechin Castle Technology Centre; drainage and irrigation programme in Talparo; drainage and irrigation programme in Tabaquite; drainage and irrigation programme in Couva; establishment of a tourism park in Chaguanas; workshop and art gallery in Orange Hill; upgrade of facility Orange Hill Art Gallery in Orange Hill Trace. One is Orange Hill Road and one is Orange Hill Trace.

Chaguanas, creation of passenger park and ride facility; Chaguanas, customization and outfitting of the new administrative complex of the Chaguanas Borough Corporation; Chaguanas District Office; Couva: Couva social services centre; Orange Valley Wholesale Fish Market; development of lands at Caroni and Orange Grove by Estate and Management Business Development Company (EMBD); environmental project in Chaguanas through the Chaguanas Borough Corporation; establishment of integrated primary health centre in Chaguanas. Couva, conversion of Chaguanas Home for the Aged to assisted living facilities. Construction of the children hospital in Couva; Orange Field housing equipment—sorry—Orange Field housing development. That is how we approach the business of growth poles and development.

So, the six economic clusters from the port to pottery are located in this strategy of government investment within a limited geographical location. [*Desk thumping*]

This is what is totally foreign to any sensibility that existed in the years of PNM governance in this country from 1956, and I want to say there is nothing in Vision 2020 or Vision 2030 or anything that has been said by any Member of this Senate or the other place, that says that there is any appreciation or understanding of this kind of approach to development. There is absolutely nothing.

And Vision 2020, of which I was part and in which I made a significant contribution with a number of people on my committee, one of whom was Sen. Balgobin, Independent Senator, but there were others from the tertiary sector, and from elsewhere, from the private sector. That exercise, although it was an important exercise for bringing people together, none of the things that we did was located in any geographical space. There was no connection between strategy of the Government for development, and strategy of the sectors that were linked to anything else. There was no location with the census and its implications for people.

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There was no connection with human development challenges at a community level. The kind of development that we are bringing together in this country is something that is being done for the first time in the history of this country, and I want to say that it is being done by the People's Partnership. We are pioneers in this process. [*Desk thumping*] There is nothing in the history of this country to be compared to what we are doing. I want to say that this is not only true of this, I showed you—this is the one for central. We are doing one for the south-west peninsula, and I want to explain to you, when you look at the south-west peninsula, this is what you see. First of all they do the soil—[*Interruption*]

**Mr. President:** Minister, Minister of Planning and Sustainable Development, before you continue. The speaking time of the Minister of Planning and Sustainable Development has expired.

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

*Question put and agreed to.*

**Sen. The Hon. Dr. B. Tewarie:** Thank you, Mr. President. So I would not read all the things about soil and so on, and the various types, but I do want to give you an idea, let us say in the south-west peninsula. What is the kind of convergence of action that is taking place in the south-west peninsula? Education: construction of Chatham Government; construction of Palo Seco Government Primary; construction of Penal/Quinam Government; construction of Egypt Village Government Primary School; construction of Penal Rock Road SDMS; construction of Fanny Village Government; construction of Siparia Union Presbyterian; establishment of COSTAATT Learning Centre; construction of the Siparia library; construction of Rousillac SDMS Primary School; establishment of COSTAATT Learning Centre in Princes Town.

Then recreation: Construction of multipurpose sport and indoor facilities in Fyzabad; development of recreational facilities in Siparia; Black Rock hard court; development of recreational facilities in Point Fortin; establishment of playgrounds; development of recreational facilities in Debe and Penal. La Brea Pitch Lake enhancement project in La Brea; La Brea technology centre; Pleasantville, establishment of Pleasantville technology centre; Palo Seco expansion of government programme at Palo Seco Technology Centre.

Agriculture: Improvements to markets and abattoirs in Siparia, improvements to markets and abattoirs in Point Fortin; Siparia local government tourism project.



Culture and tourism: Debe doubles pavilion project, local government tourism programme; construction of La Brea Police Station; Oropouche, construction of Oropouche Police Station; Point Fortin Municipal Police Substation; upgrade of jetty at the Port of Cedros; procurement of major vehicles and equipment. This is in relation to health: Debe/Penal and Point Fortin: conversion of Point Fortin Home for the Aged to assisted living facilities; establishment of social services centre in Point Fortin.

So when you see something happening to the Brighton Port and you see a study going on for the port just below—what is it?

**Sen. Bharath:** The La Brea—

**Sen. The Hon. Dr. B. Tewarie:**—the La Brea Port and you see Mitsubishi, Neal & Massy project on the land that was designated for Alutrint, you have to see what is happening in that growth pole. You have to see how the social services, the government spending, the private sector spending, the infrastructure investment—how all of these are related and connected to the population there.

All of this is being done here, together with a project that is being driven by the University of the West Indies, together with Atlantic LNG and the Point Fortin Borough Corporation, in which they are looking at the business of economic conditions of people in that area, which by and large has some elements of depression in it, and in which you have people who are on the margins and looking at ways and solutions of integrating people in those conditions to the economic opportunities that are there. So it is a very strategic approach to things. This is how we approach the business of development in this country, and this is how we approach the whole business of putting people at the centre of the development process.

Mr. President, I know I have just a few minutes to say a few words now, but I could not help but respond to Sen. Deyalsingh on two things: one, the issue of crime; and the second one, the issue of the cable car that he talked about. You know, if I had come to the Parliament or I had announced before it was finished, the Boardwalk in Chaguaramas, every one of the people on the opposite side, that is to say, on Sen. Deyalsingh's bench—

**Hon. Senator:** He always—*[Inaudible]*

**Sen. The Hon. Dr. B. Tewarie:**—would have laughed. They would have laughed and said it was a joke. But they talk about vision. But that Chaguaramas Boardwalk now has become a place where on any given weekend—*[Interruption]*

**Hon. Senator:** Even through the week.

**Sen. The Hon. Dr. B. Tewarie:** Even without a special occasion, there are approximately 7,000 people who use that Boardwalk and the facilities around there. And as we develop and put other things in there, you are going to see the development because phrase two is happening now, and we are going to develop two jetties in relation to that, and there are other things that we are doing there that are going to make a difference. The zip line on a weekend, you cannot get to ride the zip line because the line is so long, the demand is so high and they do not even advertise.

So what it tells us is—you know you use a little imagination, a little creativity, things can happen. And east Port of Spain and the business of crime—[*Interruption*]—no, the cable cars will not solve crime. That was not the purpose. The cable cars were not meant to be simply a transportation mechanism. That was not the purpose.

The purpose was to bring something that was different and new to the experience of the people of Trinidad and Tobago. In a situation where nobody thought that such a thing would happen, and to link it with communities who have been regarded for so long as being absolutely deprived and left out of the system. Because of the respect, not because of looking down on these people, it is out of respect that we saw the possibility of uplifting the community by making these connections between downtown and the Fort Picton thing, and using that as an experimental way of doing something that was very different and imaginative. That was linked to heritage rehabilitation.

I had a session the other day called: “The Human Imagination at Work”, and Earl Lovelace spoke at it. Earl Lovelace wrote about those hills. He wrote a book called: *The Dragon Can’t Dance*. When you read the second paragraph of, *The Dragon Can’t Dance* everything kind of jumps out at you from the page. You can almost see the words jumping up at you. It has so much life in Trinidadian language expressed on the written page. And Earl Lovelace said last night, because he is an artist and the artist is after truth, they do not have to be diplomatic about anything. And Earl said listen: “Laventille eh start today. What is going on in east Port of Spain eh start today, that going on for decades, it just get worse.”

And, I want to say something about this. You know, they do like we cause crime in this country. We have been in Government for three years. I want to tell you that the beginnings of that problem, people forget that there was something in Laventille called Desperadoes and Marabuntas.

**Hon. Senator:** True, in the 50’s.

**Sen. The Hon. Dr. B. Tewarie:** And at that time there was also in central Trinidad, Raffick Poolool and his brothers. Okay? It is important to understand the origins of this. And how do you think these things evolved? Yes you got the Desperadoes steel band and yes you got the Renegades steel band and yes you got sponsorship for them, but that did not go away. And in the evolution of that society from the 1960s, how was that society developed. With the entry of make work programmes in east Port of Spain. Every entrepreneurial initiative in that community was dead in the water.

**Sen. George:** Died. Indeed.

**Sen. The Hon. Dr. B. Tewarie:** It was killed, it was obliterated—  
[*Interruption*]

**Sen. George:** Yes.

**Hon. Senator:** By who?

**Sen. The Hon. Dr. B. Tewarie:** So when you obliterate the entrepreneurial capacity of a community like that and you create the conditions for dependency, [*Crosstalk*] the only avenue—what you also do in that situation where you had—

**Sen. Deyalsingh:** What about CEPEP?

**Sen. The Hon. Dr. B. Tewarie:**—the Desperadoes and the Marabuntas culture—

**Sen. George:** It would not get worse.

**Sen. The Hon. Dr. B. Tewarie:**—what you create in that situation is that you cannot get investment from outside to go there either.

**Sen. Deyalsingh:** So why double CEPEP?

**Sen. The Hon. Dr. B. Tewarie:** And I want to say—

**Hon. Senator:** You know the answer.

**Sen. The Hon. Dr. B. Tewarie:** That there are businesses that are there. There is the citrus industry that is there; there is Angostura that is there; what is the third one, I forget.

**Hon. Senator:** CG.

**Sen. The Hon. Dr. B. Tewarie:** Oil that is there, but I think they moved out, and there is a fourth business, a major business, and these businesses are on the periphery but they are not engaged with the community. And I want to say unless

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you could get business to invest in those communities you cannot unleash the entrepreneurial spirit that is required and the spontaneous spirit that has come with the culture in order to cause a rehabilitation. It takes a lot of imagination to change that place. Guns alone cannot change that place. Crime fighting alone cannot change that place. Social programmes alone cannot change that place. CEPEP and Colour Me Orange and URP, et cetera, alone cannot change that place.

It has to be transformed by very, very creative intervention and that was the idea behind the 50th anniversary. We bring all the cultural people together because they had made a commitment with me, that we would together do some things in east Port of Spain but a lot of things happened since then that made it impossible to intervene in that way. But we are going to do it and it has to be a creative intervention.

I want to say this because it is important. When you kill the entrepreneurship inside and you cannot make the businesses invest because you already have a crime culture in the area, what it means is that the only avenues available for entrepreneurship are illegal avenues for entrepreneurship. And that is how the other side of that culture developed over there. It is true, Sen. Deyalsingh—you alluded to it—that they could not have done that without the help and the bridge of the people outside who are connected.

**Sen. Deyalsingh:** Correct.

**Sen. The Hon. Dr. B. Tewarie:** And I am absolutely agreeing with you on that issue. But you need to understand it and you need to be honest about it first. “You cyar come here and blame us for crime.” [*Desk thumping*] And the numbers tell us a story too. I have numbers for crime, I “doh” know, I will leave that to the Minister of National Security. But the numbers tell us that we have been making progress, not as much progress as we need to do, but progress that we can make. How much time do I have?

**Hon. Senator:** A minute and a half.

**Sen. The Hon. Dr. B. Tewarie:** I just want to close on a very positive note. We have an entrepreneurship programme called the—it is an innovation programme in which you simply put forward your ideas, and if they are good ideas there is a very rigorous process of judging, you get funding for it, up to \$200,000 to start your business. And out of the last programme last year we have about 22 businesses that are at the point where they can do well, and we have another 20 businesses that are at the point where you can say they are ready now to take the concept and turn it into a business. That is remarkable, because they only gave 53 awards and to have 40 people who are at that point, is amazing.

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I just want to tell the success story of two people: a fella called Wesley Gervais who developed something called Hivesource. It is:

“...an online outsourcing marketplace that intends to provide freelance workers with the facility to bid for projects that have been posted by service buyers. The site will also allow freelancers to showcase and sell fixed priced services.”

This boy not only won his prize here—young man, I should say; went to Barbados, he won another prize. That prize took him to Guatemala; he won another prize, and his business is thriving.

I want to talk about Michael Christopher Eli Parris and Jonelle René Jones, who did:

“Mr. Tallyman’s Sun Dried Bananas”—it—“is a Trinidad based company that produces delicious, all natural dehydrated banana strips made from 100% real fruit, and are free of any added ingredients, including sugars & preservatives.”

And he also won and went to Barbados; was funded again; he went to Guatemala; he was funded again, and these fellas are going to build hemisphere-wide and global-wide businesses from Trinidad and Tobago, using online— [*Inaudible*] [*Desk thumping*]

There are about 16 other people. I do not want to do anything to affect their businesses, but there is one business—I would not say what kind of business—they have tied up a contract with an American firm that has kiosks all over the United States in certain locations of a certain kind, and their big problem now is how are they going to supply that because the answer can only be that that person must create other producers of the same product because they alone cannot do it, and they, again, from Trinidad and Tobago, from this little programme will be able to get involved in a global business. So it is possible to do something.

So, Mr. President, I thank you for the opportunity for indulging me at this point, and I want to say that Trinidad and Tobago is in a very good place. We have moved from decline to growth and we are on an upward path. We have begun the diversification process. We need to shift this country to an entrepreneurial mode to a creative mode, to an imaginative mode. We have just been reclassified in the innovation group, even though we have dropped in the competitiveness ranking and it is up to us now to capitalize on that.

Mr. President, I thank you very much for allowing me to make a contribution.

**Mr. President:** The Leader of Government Business.

**PROCEDURAL MOTION**

**The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh):** Mr. President, in accordance with Standing Order 9(8), I beg to move that the Senate continue to sit until about 11.00 p.m. or before—no later than 11.

*Question put and agreed to.*

**APPROPRIATION (FINANCIAL YEAR 2014) BILL, 2013**

**Mr. President:** Senators may now join the debate. Sen. Dr. Wheeler. [*Desk thumping*]

**Sen. Dr. Victor Wheeler:** Thank you, Mr. President. Mr. President, I am happy to make a contribution on this debate which is the Appropriation (Financial Year 2014) Bill, 2013. This Bill provides for a total expenditure of \$61.398 billion, with total revenue of \$55 billion and a deficit of just over \$6 billion.

Mr. President, as I have done in previous Appropriation Bill debates, I tend to refer to the manifesto of the People's Partnership Government, specifically related to Tobago. On page 63:

“Tobago Side by Side

Side by Side and together,

Not One Behind the Other.”

And on reviewing what was promised to Tobago, I would just like to point to a couple areas which I would have made reference to in previous budget debates. The first one I would like to comment on is:

“Implement measures to regularise land titles in Tobago based on a review of the recommendations of recent reports on this matter”

Now to date, this is still outstanding, Mr. President. I know that there was a committee set up by the Ministry of Legal Affairs and the then Minister for Tobago Development, Minister Alleyne-Toppin, was part of that committee but, to date, I am not aware that it has been positively resolved, and it is important to know that there is information that 83 per cent of the land in Tobago is actually affected by this, and the owners of this land are just not able to use it to conduct business.

The other thing in the manifesto I would like to comment on is:

“Revisit the provisions of the Tobago House of Assembly Act, and in particular, the Fifth Schedule, with a view to granting greater autonomy and responsibility to the people of Tobago over matters that directly impact on Tobago”

Again, this is another matter that is in abeyance. We know that before the last THA election a Bill was brought to Parliament, but that has lapsed, and I am aware that the Chief Secretary of the Tobago House of Assembly did, in fact, suggest a way forward from this, but the only mention I see of this in Tobago with respect to constitutional reform is identifying two areas, one of which is term limits for the Prime Minister, which is something that the Partnership had promised, and recalling of MPs—two areas in which they said they would fast-forward. So, Mr. President, I am hoping that the Government would really not allow this promise to Tobago to go unheeded and some action be taken to address it sooner rather than later.

The other area was:

“Complete all infrastructural projects currently in train”

I must commend the Government for having completed the Magdalena Hotel, which has now caused an increase in the visitor arrivals for Tobago, helping the tourism industry. [*Desk thumping*]

They have also successfully completed the new Scarborough General Hospital which is now fully functioning and I think the TRHA and the THA should take some credit [*Desk thumping*] for overseeing the transfer of services from the old building to the new building.

The other project that was completed was the financial complex, the Victor E. Bruce complex, which was one of the outstanding projects. The two projects that are still to be completed, but are certainly much further on three years hence, are the Shaw Park Cultural Complex and the library complex. [*Desk thumping*] So I think three out of five is not too bad. [*Desk thumping*]

I will now go to address some promises made by the Ministry of Health and the Minister of Health. Now, again, with respect to outstanding projects, the Minister of Health last year had pointed out the completion of certain projects. Well, of course, I mentioned the Scarborough General Hospital as one, but there was also the Chancery Lane Complex, which originally should have been completed in December 2011, and now we have a new likely date of being fully completed and commissioned for November 2013.

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I hope this time that this is a reality because the people of San Fernando are in need of those extra beds. We know that there is overcrowding in the old hospital. I have not been to the new Chancery Lane Complex yet but I have been told that so far it is a magnificent facility and I am sure when it is opened the people of south will be proud.

I am, however, concerned about any potential cost overruns that may have been incurred in this project because I do not recall what was the original budgeted figure, and I do not know if we actually have a final estimated costing yet, but I think this is something that would need to be looked at.

The other building—the other project—that was mentioned as an item from far back as 2011 was the Sangre Grande Hospital, and I see in the budget this year it is being referred to as the Sangre Grande Hospital and Enhanced Centre. This is due to be started. I am hoping it does start.

The other hospital mentioned is the Point Fortin Hospital, which I know from 2010, since the Government came in, they have been saying that they need to do it. There was an issue with the location of the site but I believe that has been resolved now and I am hoping that this would be commenced soon.

Now, at this point, I would just want to make a comment on the Couva children hospital, which at the time that it was announced, it was said to be a children's hospital, but I am aware that in addition to providing paediatric care, it will also be providing adult care and will be having a burns unit. My concern with this is that currently the Wendy Fitzwilliam paediatric department of the Eric Williams Medical Sciences Complex is actually having difficulty properly staffing it with qualified specialists, and I am concerned that with another hospital opening, specifically offering paediatric services, we will have a lot of difficulty getting specialists to fill these positions.

Now, generally in the country we are full of a lot of junior doctors who have just finished their training. That is not in short supply. What is in short supply are the specialists in the different areas. And I am concerned that when we have all these new hospitals finished, we may not be able to properly staff them, and as a result they may find themselves like Mount Hope did when it was completed—what, 20/30 years ago—being just a building and equipment and not being able to properly function. [*Crosstalk*]

The other comment I would like to make is, currently there are specialists in the country who have left the public service, and they have left the public service mainly because the health sector right now is one where there are lots of



challenges, and some of the specialists feel it is better to just leave the public service and go into the private sector where they have better control. They feel that they can achieve more and you do not have the frustration and the bureaucracy that occurs in the public system at the moment.

Part of this problem may be related to the RHA system of health care, as a whole. Since the Regional Health Authority system was introduced in 1994—next year it would be 20 years, and I do not believe that there has been a proper analysis of the RHA system. The RHA system, when it was introduced, it was said to be dealing with the bureaucratic problems of the Ministry of Health where you had centralized control. So the plan was to develop these Regional Health Authorities in different areas; they would be closer to the community; the RHA boards would then carry out the policies of the Minister and therefore the care would be better.

Even though in some aspects the standard of health care has improved, we do not really have the data to support that, and some health care workers may argue that the RHA system is too top-heavy, with too many managers, and when you have a system where a board comes in every two years—as in the case in Tobago there is no board of directors of the TRHA right now—on average it might take five to six months for a new board to come into place, then invariably you have changes with the Chief Executive Officer, and every new board that comes in wants to stamp their authority on the health service, and often discard plans that are there from before.

So you currently have an environment where there is lots of uncertainty, and I know some colleagues of mine in this type of climate have chosen just not to fight up—and just leave. This is something the Government needs to review. I think they really need to take a decision and review the RHA system at present, if we are really interested in improving care.

### **6.30 p.m.**

Now, the focus of this budget as far as the Ministry of Health is concerned—even though the Minister of Health had said that he is focusing on service oriented, looking at patient complaints and addressing them—the fact remains it is predominantly buildings that are being built and not enough attention being paid to the staff who are supposed to operate these buildings.

Now, to just make a few comments on what the Minister of Health would like to address. He has identified in his contribution, reviewing all the complaints that patients have made and addressing those complaints, but what would be more

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effective is to look at the health indices: what is happening with our maternal mortality rates; are women surviving better in childbirth now compared to 20 years ago; are there less infant deaths compared to 10/15 years ago; are people dying less now compared to 10/15 years ago?

Trying to get data on Trinidad and Tobago health statistics is very difficult. The last figures that I saw was for 2005, and there is no one place where you can go and get the data that I have mentioned. So, I would want to suggest to the Minister that a real effort be placed on actually gathering data that would identify: are we really improving our health care or not; are we really providing better care to the citizens? It is true that focusing on the patient's complaint is important because that also needs to be addressed, but it is difficult to compare complaints in one region to another. Collecting international health indices would be a more reliable way of doing that.

Now, another area that was mentioned in the budget is the introduction of electronic medical records, and this is actually a very good thing because if the records are electronic on the computers, you will have easy access, you would be able to do proper audits, you will be able to maybe collect some of the data that we would like to collect. The difficulty now is that an electronic medical record system is only as good as your manual data collection system, and if your manual data collection system is not adequate, then the information you put into the computers may not really help you at all.

For this to be successful, you need to have a standardized way of collecting data; you need to have standardized record forms; the way we take histories, the way we examine patients needs to be standardized; and this points towards developing clinical protocols of care so that there is a standard way in which care is provided.

I remember some years ago the Ministry of Health undertook a programme to standardize all the forms in the health sector, but that seems to have come to—nothing much seemed to happen with that because it has not been implemented. The other issue with computerizing medical records is that you would need the health care personnel to enter this data—doctors, nurses, everyone else. You actually have some doctors in the health system right now who do not know how to use a computer—one or two of these doctors are actually in very senior positions—and you would have a challenge here because what has been experienced in one or two hospitals is a resistance to introduce new technologies and a new way of providing care.

So I feel, for this digitizing of the records to be successful, some serious training needs to take place at all levels. Some of us may not have grown up in the computer age, so to start using a computer now may be a bit difficult, but I think the efforts need to be made to have that done. Otherwise, you would have some resistance to modernization of this aspect of the health system.

The other area which the Minister pointed out was to acquire a PAC system, which is picture archiving and communication system. So, there is a big backlog of patients who have had CT scans and MRI scans. You can have someone have their test done, that with the PAC system in place, they can be sent on the computer to a doctor, could be at home, could be anywhere in the country or in the world, and they can have their results recorded and send back their film interpreted and results provided much quicker.

**Hon. Senator:** Telemedicine?

**Sen. Dr. V. Wheeler:** That is right. This is part of telemedicine. Tobago actually should have had a PAC system in place already. I am aware that the system has been ordered but it is not yet in place. The new hospital in Tobago is mainly digitized and computerized. All the new equipment is digital equipment. So when the PAC system comes to Tobago, that would make it a lot easier to get assistance from specialists who may not be on site, who will be able to do telemedicine. One caution though is that any electronic medical system that you put in, you should make sure that it is interconnected, because in the UK when they introduced electronic medical record systems some years ago, different regions used different software and you could not communicate to each other, and then it was very expensive now to have that taking place. So if it is done by one central body, then that would certainly be of benefit.

The Minister of Health also mentioned the introduction of the health card initiative, whereby those patients who are getting CDAP will have a card that will record the medication and when they get prescriptions. This will be in an effort to avoid wastage, because right now it is true that some patients can go to three or four different pharmacies, two or three different doctors and get prescriptions for the same drug and it is really not necessary for that. So you will be able to track it better. You will also be able to have certain tests done and this will be a forerunner to introducing a national health insurance system.

Another area of focus of the Minister to Health to try to improve or at least try to counter the complaints was addressing the long waiting times. I have seen the proposal here is to extend the opening hours for health centres, in some instances,

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24 hours. So that whereas currently you could only have a health centre open maybe up to six, you can go anytime of the night. The aim here is to reduce the pressure on the accident and emergency department of the hospital. Again, with this health centre initiative, unless you have a pharmacist that the person can get their medication, unless you have some form of X-rays that can be done, ultrasounds and some basic lab test, a patient will go to the doctor in the health centre and then he may be sent to the hospital to get these things done. So unless the supporting infrastructure is in place, it may not have too much of a positive effect.

Now I have seen where there is the intention to go to Nigeria, go to India, go to Philippines to get doctors and nurses, what about upgrading the nurses? Now, last year—no, in the 2011 budget there was a proposal to amend the nursing Act to create what is called a nurse practitioner, which is a nurse who has additional training—she is not a doctor, but she will be able to diagnose and treat certain common conditions. This certainly has been introduced in Jamaica.

When it was first raised, I think during Minister Imbert's time as Minister of Health, the medical fraternity objected vociferously because of the fear that you would have nurses now doing the job of a doctor. But, we have seen since that time we are really short-staffed; there are just not enough doctors to do their jobs. So if the nursing Act can be amended—and I am seeing that it is on the books to be amended—and this category of nurse, called a nurse practitioner, introduced, this may have a positive effort on the delivery of health care. [*Desk thumping*]

Actually nurses are the single largest of all health workers. The largest number of health workers in any institution is a nurse. Nurses are there 24 hours. Doctors just visit the wards, visit the departments. We are just visitors, but nurses are there with their patients round the clock. The nurses are actually the true patient advocate. So if you were to create a way in which they can further advance themselves, I think that would have a positive effect. You might even need to bring some of the nurse practitioners that currently work in Jamaica to Trinidad to demonstrate how it is done. In fact, in the United Kingdom there are actually nurse consultants. Nurses who have advanced, gone and done further training; they are actually called consultants in England.

Now another area that I would like to comment on is a problem which is huge at the moment, and during the time of the previous Minister of Health, Therese Baptiste-Cornelis, where there was an elimination of the chit system for donating blood, we still have a serious problem with shortage of blood in the country. I am happy to see that there was a decision to extend the opening time of the National Blood Transfusion Service, where even in the middle of the night someone who

needs to go and give blood, they do not have to take time off work to give blood for a relative or whoever it is. Again, the only concern is: do we have enough staff to man this facility 24 hours?

Another area of comment is the start of wellness clinics. We know that there is a big problem with obesity, diabetes, high blood pressure that causes lots of complications: heart disease, kidney disease, kidney failure. There is intention to start wellness clinics whereby people who are well will go to the health centre to get checks. Tobago actually started about four/five years ago a know your numbers campaign where they encouraged people to go to the health centre, check your weight, your blood pressure, your cholesterol. That did not last for too long. I see that it is being reactivated now. I do not think that just offering the option to the public, they will come.

I feel what is needed is that the health centres in the country should have their catchment area. There should be a database of the people living in that area and those people should actually be contacted directly and given appointments to come in to have their [*Desk thumping*] vital statistics known, and if they do not come, they should be encouraged and coerced, and if necessary, they can go and visit the person. It is actually much more cost effective to spend extra money doing this, rather than spending millions and billions of dollars in putting up hospitals to address the complications of diabetes, high blood pressure and obesity, rather than trying to prevent it. I feel this is one way in which we can have a positive impact on preventing care.

So I feel the wellness clinic is good, but it needs to be extended more. There should be personnel assigned in each health centre to actually contact the members of the public and encourage them to come in. Go to the schools, go to your workplaces, go to your job sites. I think this is one thing that will help.

The oncology centre which seems—well this is the second time it is coming around. It was originally started under the PNM about 2003/2004 and ran into some problems with the consultants—close to \$1 billion is a lot of money actually—and the impression being given is that when this is built, it will deal with all the cancer in the country and that is not the case. It is only intended to deal with the radiation treatment of cancer and the drug treatment of cancer. You still have to diagnose the cancer; you still have to have surgery; you still have to be screened. I am not seeing much emphasis placed on the screening for cancer which would prevent cancer.

The other aspect of it is for cancer in women—cancer of the cervix, cancer of the uterus, cancer of the ovary—at present, there is only one specialist gynaecologist who deals with cancer in the country, working in the public service. That is in San Fernando. There are two other specialist gynaecologists or gynaecology

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oncologists, one who only works privately and the second one who I spoke to earlier on, told me that he will be starting at St. James next month. That leaves out Tobago, that leaves out Eric Williams and, strangely, it leaves out the women's hospital at Mount Hope. You would have thought the women's hospital at Mount Hope would have at least all the different subspecialties to deal with women's problems and that is not the case.

**6.45 p.m.**

The women's hospital will still not have a specialist cancer gynae-oncologist. I hope that efforts will be made to have this done because once you have greater screening for women's cancer, you are going to pick it up more, it means that you will need to deal with it. The primary treatment for these conditions is actually surgery. Radiotherapy and chemotherapy are actually when the cancer has spread beyond and you are just trying to contain. But the surgical aspect, that is the person operating on you, is the one that gives you the best chance of cure, and if we are doing proper screening, we would need to have more surgeons. So I feel there should be an emphasis made on actually getting more cancer surgeons to come into the system.

Now, Mr. President, I just want to now go on to some issues to the THA allocation. The THA has been allocated \$2.47 billion out of a total of \$61.39 billion. This equates to exactly 4.03 per cent and the Minister of Finance and the Economy has said that according to the Dispute Resolution Commission, when you add the money that will be spent by the other Ministries in Tobago, that would add to more than 5 per cent—5.39 per cent—and he seems to be repeating something that is not correct because the Dispute Resolution Commission only refers to the allocation to the THA. It does not refer to the Sixth Schedule which includes those moneys spent in Tobago by other Ministries, and 4.03 per cent is actually the minimum, the lower range of allocation.

Now, the Secretary for Finance, in his presentation earlier this year, made an argument for actually increasing the minimum percentage for THA and part of the reason 4.03 per cent was arrived at is when you compare the population of Tobago relative to Trinidad, over the past 10 years, the population in Tobago grew by 1.1 per cent as opposed to the population in Trinidad which grew by 0.5 per cent. So, based on that increased relative population of Tobago alone, the minimum percentage should really be 4.58 per cent which would result in THA, if you were to use your absolute minimum, should have been provided with \$2.8 billion instead of the \$2.477 billion. It is not all the time I agree with the THA, but this time I think I will agree with the position that they have put forward, and I

feel it is something that needs to be looked at. Of course, if there were discussions on the amendments to the THA Act, this is something that should be factored in and I think this one is very easy to justify purely based on population increase. We are not dealing with the other reasons why Tobago would need to have that allocation.

The Secretary for Finance had actually requested \$4.9 billion: \$1.98 in development funds, and Tobago was allocated \$365 million which is actually 18 per cent of what was requested. The Secretary for Finance requested \$70 million for the URP and was allocated \$19 million which is 27 per cent. He requested \$2.97 billion for recurrent expenditure and was allocated \$2.09 billion which was 70 per cent. But overall, the Secretary for Finance made a request to the Ministry of Finance and the Economy for \$4.95 billion and was given just about 50 per cent.

Mr. President, the other area I want to comment on is tourism. Now, information provided to me by the Tobago Hotel and Tourism Association, when you look at just what money is allocated to marketing, would suggest that even though the new Minister of Tourism seems to have appreciated the contribution that tourism can make to the economy, at the moment, it is estimated to be about \$5 billion when you look at contribution to GDP. The amount of money allocated to marketing is just in the region of US \$14 million and this compares to our neighbours who actually spend up to US \$50 million in marketing their destinations because they have realized that the dollar invested in marketing tourism, there is a return on investment.

It is said that every tourist dollar spent in Trinidad is actually much higher compared to the rest of the Caribbean. As much as 70 cents of every dollar spent in Trinidad and Tobago remains in the country and this is primarily because of the strength of the manufacturing sector—all the supporting industries that support tourism, from building construction, supplies, material, household goods, food. Because of Trinidad and Tobago's strong, manufacturing base, a lot more of the money invest—that the tourist spends in Trinidad and Tobago stays in Trinidad and Tobago.

It is estimated that there are 23 million visitors that come to the Caribbean every year but Trinidad and Tobago only has 2 per cent of this at present. If more money is spent on marketing and advertising the islands better, then we would be able to increase that market share with the consequent increase in income. For Tobago for 2012, I am happy to record, unlike the previous years when I was saying when I come, you know, “decrease, decrease, decrease”, there seems to be no doubt that there are now increased international arrivals to Tobago, increased cruise ship visits, increased domestic arrivals and there is also a slight increase in hotel occupancy.

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Now, Caribbean Airlines certainly seems to have played a part in this in the introduction of the night flights at 10.45 and at quarter to one in the morning, certainly increased the number of flights to Tobago, and a consequence of that brought more people. But even though this is the case, there is a view that Caribbean Airlines needs to do more to support the bringing in of international visitors to Tobago. Already, there is a direct flight to New York on a Sunday but Caribbean Airlines does need to support the sector more to assist that tourism drive for Tobago.

I know there are discussions taking place. We have other international airlines that are bringing more international tourists to Tobago. The difficulty that Tobago will face is that if you have too many international visitors coming at this time, you would not have enough rooms for them to stay because the hotel stock is limited, it is not sufficient and it is not maintained as it should be. So in the same breath, Tobago needs to have more hotel rooms.

I believe this was the reason why, happily, the Government agreed to appoint the Crown Point area, a development area, and I am told that the benefit of this is that when the land licence was introduced under the last regime, this brought about a cessation, a significant reduction, of foreign investment in Tobago. Foreigners were just not able to purchase land again so people—so non-nationals who came to Tobago and bought property thinking that they could have it as an investment to sell when they leave or retire, found that overnight, those properties were devalued. I have been informed that that happened to the hotels in the Crown Point area. So by having the Crown Point area with this new designation, it means that they will be able to attract foreign investments and I am hoping some of this happens sooner rather than later because the hotels are in real need of upgrade. The Magdalena hotel certainly has been making a big difference but we really need to have more rooms.

Having said that, the airports—the ANR Robinson International Airport, we really need to get a new airport. I know that there are plans to refurbish it, maybe change the roof, but there really just is not enough space when one of those big planes lands on the tarmac, you often have visitors outside of the airport lining up in the hot sun; if rain starts to fall, you get wet. When it is time to check in, unless they check in online, the whole check-in area is crowded onto the road—it is really in a mess; and I do not know that just refurbishing it would help. We really need to have a new airport in Tobago—a new airport!

On the fuel subsidy of CAL that was removed, even though the Government has promised that the subvention to Tobago will not be affected, there is still a view that in the near future, we will see an increase in price of—over the airbridge. I hope this is not the case, I hope this does not come to fruition, but there is really a fear.



Mr. President, now, just going quickly to dealing with some health issues related to Tobago, I have seen in the budget that \$20 million has been earmarked for an MRI for the new hospital, but this was actually earmarked from last year, nothing so far has happened. Even though I have been informed that NIPDEC is currently responsible for procuring this MRI, I hope that it does in fact happen in this financial year.

There is a concern by some in Tobago though that the money has only been allocated to acquire the MRI machine. Once that is in Tobago, you would need extra funding for staffing, for maintenance, for supplies for the MRI, and there is a concern that this may not have been factored in when the budget was prepared. I am hoping this is not the case. When the new CT scan was installed in the hospital, the Ministry of Health did send personnel over to Tobago to assist in having the CT scans done, so I would expect that will be the case now. I am not aware that anyone is actually having specific training on performing MRI in Tobago. I hope the TRHA has done some advanced planning and has someone being trained, or at least one or two people being trained by now, because an MRI, when it is operational, should be a 24-hour facility.

The other thing that was promised by the Minister of Health last year which I have not seen is a cardiac catheterization lab. We are all aware of the ravages of lifestyle diseases on our hearts causing heart attacks and a cardiac catheterization lab is a facility to treat some form of heart conditions. I have been told that it is still on the cards, but I just did not see it in the allocations and Tobago is still in need of a cardiologist. As I have mentioned before, there is a shortage of specialists in Trinidad and Tobago, and a cardiologist is still one of them.

Now, even though we have moved into the new hospital, the old hospital is still abandoned. There is still—in fact, right now, that old building, I have been informed, is now termite infested with rats, bats, all sorts of rodents, but you still have some X-ray equipment there which is not something you could just put in a garbage truck to take away because you have radiation material present in it. The old laboratory also still has chemicals that would need to be disposed of and I hope that this disposal and this decommission of the old hospital would be done in a manner that would be safe and not affect the community.

I am just raising this issue now because I am not sure if it is being attended to at the moment, but I think it is important because the old hospital is currently part of the forts. I know there may have been plans for the building but whatever plans they have for the building, you really need to make sure that the equipment that is there is safely and properly removed.

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**7.00 p.m.**

Now, when I mentioned the cardiac catheterization lab and cardiology, when we had the supplemental budget debate earlier this year, I did raise with the Minister of Tertiary Education and Skills Training, Minister Karim, about Johns Hopkins international programme that was going in Trinidad and Tobago providing cardiac care in different hospitals and I was told that something was going to be arranged regarding the continuation of that facility. I have not seen that mentioned and I hope some positive decision would be made to continue with it.

University of the West Indies was supposed to start training cardiologists as well but I am not aware that has happened yet. This is because even though we do need to address the issues of obesity, high blood pressure, diabetes, we still have to deal with the consequences of those conditions and there are lots of patients in Trinidad and Tobago who are in need of cardiac care.

HIV is another area that I need to mention. The Minister of Health quite rightly claimed a lot of success in treatment and control of HIV where the numbers are actually falling. There are actually patients right now who are on treatment and looking at them you would not even know whether they might be infected or not. A lot more still needs to be done too regarding counselling, education about the condition.

There is also the growing problem of tuberculosis which is now rearing its head. In Tobago there is a lot of uncertainty regarding HIV and HIV treatment and this is because the Health Promotion Clinic, where previously most of the patients were treated for HIV, there is a lot of uncertainty as to the future of this Health Promotion Clinic. I have been informed that it is supposed to be absorbed into the Tobago Regional Health Authority and over the past year, half the workers have been sent home. So I hope something will be done to address this; the remaining members of staff are quite concerned and I have been asked to raise it as an issue.

Now, with respect to storage of drugs and items in Tobago, I have been asked to raise the issue that Tobago needs to have its own regional stores from C-40. We know that C-40 is the central supply store based at Port of Spain, that every month sends supplies to Tobago. If Tobago were to have a regional store where they can have bulk storage, then that would certainly reduce the up and down that occurs when sometimes you need an item, it is finished and you have to send to Trinidad to get it.

Now—[*Interruption*]

**Mr. President:** Senators the speaking time of the hon. Senator Dr. Wheeler has expired.

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

**Mr. President:** Dr. Wheeler.

**Sen. Dr. V. Wheeler:** Thank you. I will just take a couple more minutes. Two things that I need to raise on behalf of Trinidad and Tobago Medical Association, one of which is an amendment to the Medical Board Act, which has been discussed and talked about for years now, to include continuing medical education as a mandatory part of the re-registration process. Right now when you have your medical degree, the only requirement to get continued registration is just to pay your \$300.

It has long been proposed that doctors need to update themselves regularly to remain current, and discussions—I was actually a member of Council over 10 years ago and even in those days we discussed having continuing medical education as mandatory for doctors. I believe it is high time that something be done and I have been informed it requires an amendment to the Medical Board Act and I did not see that amendment to the Medical Board Act as one of the things that the Minister of Health has in train for this next financial year.

The other concern of the Medical Association is—and this is something that I think Sen. Ramkhelawan had raised some time ago—you have persons in Trinidad and Tobago who claim to be herbalists who say they have the cure for anything under the sun, from HIV to high blood pressure to diabetes. They are actually breaking the law right now by claiming to be a doctor when they are not and know they are not. In fact some of them even call themselves “doctor”.

Now, there is no doubt that the alternative medicine sector and the herbal industry is big business in the United States and the United Kingdom but it is regulated in those countries, where you have a registration process and I think it is high time that some steps be taken to regulate the herbal industry even—the main requirement for regulation is to protect the public. There are patients who I see regularly who would tell me—a patient I saw a week ago, her daughter has a hernia and she said well you know she is going to take her to this person who has a herb that will close the hernia.

I also saw, when I first came to Tobago in 1996, this woman who came to me with a big coat over and she said she was going to this person who was—she had a lump in her breast—giving her this herb to draw out the—to make the lump go away and when she said she found it coming on to her skin, she was told that it is drawing

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out the poison. When I eventually saw her she had a fungating cancer of the breast. I have never seen something like that before. She was dead within a week or two, and she was going to this person for about the previous six months paying them a lot of money. In fact, when she came to me she told me “Doc you know I spent all my money by this herbalist but could you see me for free?” Hmm.

The point I am making is that when things go badly or go wrong no consequences come to these individuals but if a doctor does something you would see it on the papers the next day. And this is mainly because the medical fraternity is regulated. The drugs that we use have documented side effects and so on and there are protocols for using it. I really think it is high time the Minister of Health takes some action in at least regulating the industry. No one is saying that you cannot use herbal medicine but at least it should be done by people who are monitored in some way, regulated in some way for the benefit of the wider public.

The Soroptimists in Tobago have asked me to raise some concerns about some senior citizens in Tobago who are living alone, who have no one to care for them. Some years ago, probably 10/15 years ago, there was a facility where caregivers were provided. If you needed someone to come to your house to help you for a couple hours, a caregiver would have been assigned from the Division of Health and Social Services to come and visit.

Now, I am actually not aware if that facility exists in Trinidad with the Ministry of the People and Social Development. But some of our elderly citizens just do not have family who can come, maybe help them tidy up, just for a couple hours or so and I do not know if this is something that can be addressed by the Ministry of the People and Social Development. I know it does a lot of work for the elderly, provide transportation, provide extra grants and so on, but sometimes they need a little actual help in their home place.

Two other issues in Tobago I would like to raise, one of which is—I had actually asked a question on this about a year or two ago—at the moment if a mother or father has a teenage boy or girl who they just cannot handle, whereas in Trinidad there are various places that they can place them under the jurisdiction of the social services, in Tobago there is no such facility. There was recently a case where a woman had a son about 14, just could not handle him, brought him to the court, please take care of him for me. There was no place in Tobago; he had to be sent to some facility in Trinidad where he is mixing with hardened criminals. Nothing is wrong with the boy; he is just a little difficult.

Tobago needs to have a place where, whether it is a youth hostel or some juvenile detention centre to avoid having to send difficult youths to Trinidad. The other place that is required is, you have parents with children who have—the parents have divorced—and one parent has full, well, majority custody, the other person just has visiting rights, but the person who has visiting rights cannot visit at home, he might be somebody who is drunk or something like that, and Tobago does not have a place, a neutral zone, where they can go and visit. At the moment the neutral zone is actually the office of the—probation officer you call them?

**Hon. Senator:** Yes.

**Sen. Dr. V. Wheeler:**—probation officer. And that could only be for an hour or two because that person has to leave work at four o'clock. So some building space should be provided where after hours someone can visit their child.

In closing I would just like to certainly commend the Minister of Finance and the Economy publicly for the provision of the stamp duty machines for Tobago. They have actually prevented people from having to go to Trinidad to register their deeds. Also, Tobago now has more justices of the peace and that is something that the Attorney General assisted with about a year ago.

Mr. President, this budget presented this year for \$61 billion is a lot of money; it is really a lot of money. I should note that, I am not sure how often it has been said, but a significant percentage of this money does, in fact, go to salaries, wages, pensions, social support, so the people do have some benefits from this. However, I feel more attention needs to be paid to tourism because we all know that oil and gas will finish but the tourism product that we have will last forever. It just needs to be maintained and sustained. In Tobago the aim is clean, green, safe and serene. Trinidad, we hope it could be clean, green, serene, the safe part is something that we need to work on. Mr. President, I thank you. [*Desk thumping*]

**Mr. President:** Sen. Moheni. [*Desk thumping*]

**The Minister in the Ministry of National Diversification and Social Integration (Sen. The Hon. Embau Moheni):** Mr. President, I thank you for the opportunity to join in this debate following on my Tobago colleague Sen. Wheeler. I too would like to commend the Minister of Finance and the Economy on a very measured and painstakingly and meticulous budget which lays the framework for the continued economic growth and development of our nation, but more so offers the opportunity for putting together the pieces that we need, at this point in time, to deal with the kind of changes and developments that are so definitely needed for the continued development of this country.

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I would also like to commend indeed the People's Partnership Government, the Ministers, as well as all those others outside of the Government, who have participated through the various Ministries and the various sectors, because during the three years that this Government has been in office, a lot has been done to restore this nation to a pathway to a better place.

**7.15 p.m.**

When this Government assumed office in 2010, not only was our nation burdened heavily with debt, but we saw that because of the level of recklessness that prevailed, the lack of concern in so many areas, we were facing \$21 billion in debt. This Government was also saddled with the collapse of the Clico conglomerate, which occurred before we assumed office and which fell to this Government to address, because we must remember that Clico was the only multinational corporation of Trinidad and Tobago involving over 200,000 of our citizens, one way or the other. And, therefore, this problem was one that needed to be addressed and one that caused much pain and hardship to many of our citizens.

But the People's Partnership Government displayed and continues to display a certain level of responsibility in addressing the problems that arose at Clico, as well as at the HCU and so many other areas, in putting together an approach that could address the needs for a new direction.

We inherited somewhere in the vicinity of \$1½ billion being owed to the contractors in this country. The labour sector had witnessed a high level of irresponsibility, again, from the previous regime, and it took the People's Partnership Government to steadily and purposefully address this situation in bringing to bear balance, so that the collective bargaining agreements could be dealt with.

You see, Mr. President, a budget is more than a statement of income and expenditure. Having defined the budget, it has to be done in such a manner as to involve the hopes, the aspirations and the participation of the people. And I must commend the Minister of Finance and the Economy and his team for the approach that has been taken.

I agree with those who have pointed out, which we all know, that \$61 billion is a lot of money. But here, this Government, only three years in office, having to deal with the kind of problems that we encountered, had to chart a course of one, generating economic activity and growth, while, at the same time, ensuring that the needs of our citizens are taken care of.

So, the approach must be responsive to the fact that after the budget is read, for the next 12 months, the active part—because the presentation of the budget is the passive part—the active part involves the implementation of that plan of action. And that implementation has to be carried out by the citizens of the Republic of Trinidad and Tobago.

We are talking, therefore, about something more than the mere economics of it, but here we are talking about the question of leadership, the question of governance, the question of human development. And this Government places a strong and heavy emphasis on human capital. When I say that, that emphasis on human capital can be seen by the emphasis on education, but more than just that, is the Government's approach to people.

In the Ministry to which I was attached, the Ministry of National Diversity and Social Integration, we had a specific responsibility to people. I would just like to touch very briefly, one small capsule area—the question of the first people—and this Government, through the Ministry of National Diversity and Social Integration, was able to set aside 25 acres of land for the establishment of an Amerindian village. [*Desk thumping*] But not only did we do that, we have had continuous dialogue with the first people of Arima, the Santa Rosa Caribs, as well as the Waroa, in order to bring to the fore their heritage, their days of observation, as well as the pursuit of their rights as outlined by the United Nations.

When we look at the approach of the Government in increasing things like disability assistance grants, special child grants, the Children's Life Fund, early childhood education, these are people-oriented activities—[*Desk thumping*]*—*that show the Government's commitment to people, which is so critical in the pursuit of any economic endeavour.

The Minister of Finance and the Economy has shown his commitment to the pursuit of these goals and we have seen that \$1 billion has been set aside in order to make more efficient, the payment, the disbursement, or the repayment of moneys where the VAT is concerned, which in itself will contribute in no short way to adding to the efficiency of our economy, which in itself is going to place money into the hands of business persons in a more timely manner, thereby reducing the possibility of losses, of the payments on interest, and which would also serve as an incentive to such persons for further investment and further growth and development.

But even more than this, is the fact that the question of the VAT payments is something that has nagged our business persons for quite a period of time and this act alone sends a clear message to them that this Government is serious in treating

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with the business sector. It sends a clear message that the Government is determined to be responsible and recognizes the importance of that two-way relationship, that not only does the Government expect the businessmen to be timely when they have to make their payments, that the Government is reciprocating in its appreciation of the contribution of the business sector to the continued growth of our economy.

It sends a clear message that the Government is also concerned about efficiency, to which Minister Bharath has been doing a fantastic job in making the business sector more efficient. Because, not only is the Government seeking to make the disbursement more efficient and effective, but measures are being taken where collection of taxes is concerned.

Measures are being put in place to ensure as well that pension payments could be done real time, rather than having persons be stressed out, not knowing when their pensions would be effected, but that pension payments could be done virtually real time, bringing greater satisfaction and a greater ease to our pensioners, which is going to impact on our homes and the rest of our society.

So that, to come here and believe, as those on the other side would want to make us believe, that there is no plan, there is no direction, there is no commonsense in the budget, I would not know how to describe that.

**7.30 p.m.**

We are also seeing that the Minister of Finance and the Economy is putting measures in place for performance informed budgeting, which is so critical to the development of our society. In other words, this People's Partnership Government is really and truly putting measures in place to take our good nation into the 21st Century, because when you talk about performance informed budgeting, you are talking about putting measures in place to ensure that you get value for money, to ensure that delivery is in keeping with funding or with funds expended.

Measures are being put in place in the key areas to ensure that not only are we going to continue this path of recovery, but that the quality of life of our citizens would be enhanced; to ensure that the social considerations are given their priority; that continuously steps are being put in place for the greater participation of our national community in all areas of national life. And more and more this Government is to continue or will continue where we started in developing the consultative process.



In the Ministry of National Diversity and Social Integration alone, we hosted a number of consultations in pursuit of the development of our National Heroes Policy, as well as seeking to bring civil society closer into governance, establishing pathways of communication between Government and civil society. This process as I said is being pursued through different Ministries and different areas of national life.

I would like to deal a bit with the Ministry of National Diversity and Social Integration, to which I would have been attached for the last year. [*Desk thumping*] This Ministry was given the mandate to embrace, to utilize the richness and beauty of our people's great diversity, to nurture a more humane and cohesive society. We have sought in the past year to embark on a number of programmes under our remit in order to add value to the citizens of Trinidad and Tobago.

We were given a responsibility for citizens facilitation, civil society engagement, ecclesiastical affairs, national heroes, protocols of the State, archives, national museums, national trust. Minister De Coteau and myself had to build this Ministry from the ground up. It was a new Ministry that was established in June of last year. Within the last year, we have been able to achieve quite a lot in seeking to utilize heritage as well as other areas, for the development of that concept of diversity and social integration.

I would just like to deal with some of the achievements in our first year, our one year in operation. In August 2012, we launched a patriotism month, during which time we distributed 98,000 flags, as well as we provided information regarding the significance, the meaning and the importance of the flag to our nation, and rebuilding of patriotism which is so important. Because when you talk patriotism, you are talking about love of nation, you are talking about commitment to your fellow citizens, and you are talking about a commitment to working to make your country a better place for all the citizens. It is with that in mind, with that concept, that we pursued the month of patriotism which we extended to a year of patriotism.

We ran the "Unity in Diversity" radio competition between September 11—24, in which there were 26 winners. We hosted a day of national prayer, seeking to bring our nation together spiritually, as we sought to create channels for unity in purpose and unity for development. That day of national prayer was held on August 21, 2012 and it involved over 1,000 persons with 40 schools being represented.

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Production was completed for the Ministry of National Diversity and Social Integration's clip which was run on radio and television to promote diversity. We also hosted a "Most Patriotic School" competition with two categories, primary and secondary: the Arima Boys' Government winning at the primary level, and the San Fernando West Secondary at the secondary level.

In October, we brought a specialist in diversity in association with the University of the Southern Caribbean, Dr. Betances, who hosted a number of motivational sessions and workshops. He also had a special session with 1,000 LIFESport participants at the Centre of Excellence, where he received a standing ovation from the 1,000-plus youths who were considered youths at risk. He also hosted a conference for stakeholders at the Crowne Plaza involving 78 senior staff from key Ministries and relevant organizations.

One of the mandates of the Ministry was the establishment of an inter-sectoral steering committee on patriotism. The inaugural meeting of the committee took place on September 26, 2012, in which three subcommittees were established, public relations, flags for every home and the patriot and panchayat.

Public consultations both in Trinidad and Tobago were held for the establishment of the Civil Society Board as well as the National Heroes Policy. A number of patriotism fairs were held in order to continue that process of building patriotism, involving organizations from different parts of the island, three were held in Port of Spain and one in Gulf City in San Fernando.

On March 11, the Ministry hosted the project commencement ceremony at Fort San Andres, which we have refurbished, and which has been a very important historical site as the first port of entry into Port of Spain. Nelson Island has also been refurbished and in May of this year, we hosted the re-enactment of the landing of the East Indians at that site.

In the month of March, we hosted our patriotism week where activities were hosted in schools. We had a national patriotism day in schools, as well as a national day for workers, where the workers of the nation were called upon to wear the national colours. On Saturday, March 24, there was a heritage walk around the savannah involving approximately 1,200 participants, who not only took part in the walk, but who were also given a historical explanation and recap of the various heritage sites around the savannah, the Mille Fleurs, the Water Hole, the first reservoir, the tramcar, as well as other sites that were dealt with.

There was also the celebration of the International Day for Monuments in April as the international day for monuments and sites. The Ministry in conjunction with the National Trust of Trinidad and Tobago continues to embark on programmes

aimed at protection and preservation of natural heritage sites. The Ministry has identified over 300 sites which we have sent to the Attorney General for legislation to be drafted for the protection of these sites.

**7.45 p.m.**

The Ministry recognizes the importance of heritage as we strive to recognize the contributions that have been made, by different groupings within our society, to the development of our nation. Development projects which have been completed so far include the sugar museum in Couva; National Museum; Royal Victoria Institute restoration; Fort St. Andres and the Nelson Island restoration.

For fiscal 2014 the Ministry of National Diversity and Social Integration intends to continue the effort at having legislation to protect our heritage sites. On the front burner would be the development of a strategic plan as the main focus of the Ministry in this fiscal year. This document will detail the Ministry's vision, mission, goals, objectives, plans and provide the necessary guidance with reference to the strategic directions of the Ministry. As a fairly new Ministry, emphasis will be placed on ensuring that all the human and other resources are fully functional and that adequate institutional structures and mechanisms are established for the Ministry to achieve its goals and objectives.

The following are some of the policy measures to be developed by the Ministry in the fiscal 2013/2014: the development of a communication and education plan in recognition of the fact that, where patriotism and diversity are concerned, the participation and the understanding of the population are going to be critical. A lot of emphasis will be placed on the schools and the youths in developing this programme; the development of a patriotism policy; the development of an ecclesiastical affairs policy; formulation of a national policy on diversity; policy for the grant of state lands to religious organizations; policy for the establishment of community museums.

The Ministry of National Diversity and Social Integration intends to deepen its efforts to undertake the mandate of promoting patriotism and fostering social inclusion and maintaining and preserving the heritage of Trinidad and Tobago to build a legacy of true and strong inclusiveness. As such, for 2013/14 our strategic focus will be on the following: Policy initiatives aimed at fostering unity in diversity; initiatives aimed at engendering patriotism in citizens; initiatives aimed at institutional strengthening; undertaking of research in areas related to the work of the Ministry such as diversity and social integration, and the development of social cohesion.

The Ministry has also embarked on development work for the national museum—[*Desk thumping*]

**Hon. Senator:** They abandoned the museum.

**Sen. The Hon. E. Moheini:**—which they found in a very deplorable state. The first thing that this Ministry had to do was to meet with the staff, in order to motivate them—who had been functioning under very adverse conditions; and they were quite willing to begin to place a new value on the work that they had been designated to perform.

I would not like to take the time to go into the kind of problems that we encountered where, for instance, you had a particular employee working for approximately 20 years without having been even given the required employment so that during that period they received no leave whatsoever, in 20 years. During that period they had not been regularized as an employee.

The Ministry is also developing community museums in different parts of the country in order to further develop and preserve, as well as disseminate, the rich heritage that exists throughout the landscape of Trinidad and Tobago. So that, a whole new approach is being developed in order to not only place greater value on the museums but also to encourage outreach programmes and participation to the benefit of students and other sectors in our society in better understanding the rich heritage of our nation.

Another area that we have had to pay attention to is that of the national archives, an institution that is so important for the preservation and maintaining of records of our nation. That institution, during the past year, has also embarked on an outreach programme, hosting exhibitions in 15 regions, as well as participating in fairs and disseminating information to attract persons to pursue careers in that area.

During the past year there has been refurbishment and upgrade of the national archives building, as well as, measures are being put in place for modern equipment to assist in and to speed up the work that is being conducted. There have been upgrades in the records centre, including industrial cleaning and maintenance, fumigation of the facility, and requests for proposals have gone out for the Inter-American Development Bank project to clear the backlog of unprocessed records and institute modern systems and procedures for the management of the records centre.

This would provide additional secondary storage space for records of the public service and improved management of our records; Mr. President, all this in recognition of the importance of records as we develop as a nation. So that, our Ministry, during the fiscal year, will also be working with the archives—with the national trust—to continue to bring to our nation the importance of heritage.

I would like to move, at this point, to the area of Tobago. Already, Sen. Wheeler spoke about the reopening of the Magdalena, the hospital and the financial complex, but this Ministry has also opened the Roxborough gas station—which was in January 2013—to serve the people of Tobago East, who have been very long in waiting for this service. UDeCOTT also commenced the procurement of the design/build services for police stations at Roxborough and Old Grange with construction commencing in 2013; coordinated a handing over ceremony for self-help cheques of \$10,000 each for some 40 recipients.

In terms of tourism, we know that in 2012, \$250 million was provided for the tourism support programme which was launched to assist hoteliers and other business persons. The Government Loan Guarantee Programme for hoteliers and the business community was also launched in 2012 with the Trinidad and Tobago Hotel Facilitation Company Limited as the established subsidiary of Eximbank and, in the 2013/2014 budget, this fund would receive an additional \$50 million as the Government continues to play its part where tourism is concerned in Tobago.

During the past year there has been increased activity in both local as well as international arrivals in Tobago.

**Mr. President:** Sen. Moheni? The speaking time of hon. Sen. Moheni 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. The Hon. E. Moheni:** Thank you, Mr. President, and thank you colleagues.

Approval was given for government-assisted school status, in 2013 as well, for the Seventh Day Adventist High School with provision of financial support of \$10 million. In April 2013, over 70 cheques were distributed to faith-based and non-governmental organizations. The NESC/PTSC Trade School was officially opened and all of this was achieved in the last fiscal year. In 2014, the Government will continue the development of the Cove Industrial Estate which would be developed as a free zone for an initial period of five years; the designation of Crown Point area as a special development area in order to attract foreign direct investment, and the development and expansion of the ANR International Airport in the context of a public/private partnership.

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**8.00 p.m.**

Mr. President, the Government maintains its commitment to Tobago and has allocated \$2.477 billion, which is 4.03 per cent, to the Tobago House of Assembly, as well as an additional \$831.2 million coming from other Ministries. In total, Tobago will receive \$3.309 billion, or the equivalent of 5.39 per cent.

So as I close my contribution, Mr. President, I must say, overall, that the budget of 2013/2014 lays a platform for sustainable development by its emphasis on infrastructure, human capital and human development, and that this Government remains committed to ensuring that the citizens of this country could enjoy a better standard of living.

I thank you.

**Mr. President:** Sen. Dr. Mahabir.

**Sen. Dr. Dhanayshar Mahabir:** Thank you very much, Mr. President. [*Desk thumping*] I would like, Mr. President, to preface my own contribution this evening by quoting from a publication, just two lines, the full citation of which would be provided after I read these two lines:

“One cannot solve a problem without knowing the nature of the problem... To modify a famous saying: in order to be able to change the world, we must first of all interpret it.”

This, Mr. President, is the opening salvo of a publication entitled *Government of Trinidad and Tobago, Draft, Third Five-Year Plan, 1969—1973*, Government Printery, Trinidad, Trinidad and Tobago-1968, Price \$1.00.

**Hon. Senator:** Wow!

**Sen. Dr. D. Mahabir:** It was a dollar very well spent. That was the heyday, Mr. President, of a public service which I hope we will be able to reintroduce in our republic at this time. It is an indication, Mr. President, that with 50-plus years of independence, there are many errors which were made and we must never repeat them; but there were certain gems which were produced upon which we should elaborate. I would recommend this *Third Five-Year Plan* as required reading for all public servants who are preparing our financial documents.

I will take off from there because, Mr. President, immediately what comes to mind is the question of really, what is the world we are trying to change with this fiscal package? And second, what really is the economic problem which this Appropriation Bill is attempting to address?

Let us try to identify, as objectively and in as non-partisan a position as possible, what seems to be unequivocally the number one economic problem which must be addressed by this current fiscal package. Is it prices and inflation? The answer is no. The inflation rate is in single digits and is well under control. Is it an escalating interest rate, which is making investment expensive and which is stymieing economic development? The answer again is no. Interest rates are very low. In fact, the low rate of interest may be a symptom of the kinds of problems we are experiencing today. Is it an unstable exchange rate? Again, the answer is no. We have been able to achieve stability in our exchange rate since 1993 when we were supposed to float; but since then we have seen only marginal fluctuations and for an open developing economy to boast that the exchange rate is stable is a feat for which Governments since 1993 must all take credit.

We have been able to stabilize our exchange rate and whilst there are certain questions with respect to the unemployment rate, the issue seems more to be underemployment than unemployment. Again, unemployment does not seem to be a critical economic problem. What is the problem? Is it that the Government has solved all of our problems and there is no economic issue which needs, of course, to be addressed? The answer, of course, is no. There is always an economic issue and the issue we need to address is that of economic growth.

The growth of this economy has been problematic. In the debate so far we have seen questions being raised about the credibility of growth and also about the sustainability of the growth if, in fact, it exists. It is, Mr. President, very critical to ask ourselves why, in 2013, economic growth should be our number one economic pressing matter, since the period 2000—2008 saw rates of economic growth which were enviable in the developing world. In some instances, we experienced growth in excess of 5 per cent, but from 2009, we have seen growth in negative territory and we have seen stagnation, malaise, recession and depression and we need, if we are to proceed in addressing our economic problems, to really analyze the cause of this current malaise, this stagnation. While we may argue there may be positive growth in the economy, I think Senators across the aisle in this honourable Chamber will all agree that there is a level of stagnation in this economy which we all find unacceptable.

How did it arise? If we are able to analyze how it arose, then we would be able to design some solutions to this critical economic problem. Recall, Mr. President, up to 2008—and I must peruse our recent economic history. History, for people in my line of work, is equivalent to pathology for people in the line of work of medicine. It offers us the final diagnosis.

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We need to examine our history to determine how it is we have gotten to this point. An economy is not something that is akin to a machine. It has evolved over time and if we are experiencing errors and difficulties now, it has to be that there were some good reasons for the difficulties that we are experiencing now to have arisen.

And when the financial crisis emerged in 2008, September, few in our society held the view that this particular event was going to have such a long-term impact on our society and our economy. There was a view that we were immune from the global financial crisis. Five years later, we have seen that we are nowhere near full recovery and we need to examine why we made the error in projecting a short recovery when in fact the signs were there that stagnation was going to be long.

When we look, Mr. President, at what transpired from 2001—2008, we observe the following: facts are that the budget figure of 2001 of \$13 billion grew to \$18 billion in 2004—very significant—and then in 2005, there was a significant increase in spending to some \$32 billion—there was a supplementary Bill at that time—and by 2008, the projected figure was some \$52 billion. So between a time span of 2001 and 2008, an eight-year period, we had almost quadrupled expenditure because of the injection of a new form of revenue which was the natural gas trains revenue that we had earned.

This significant increase in expenditure by the Government resulted in a significant increase in economic activity. Government spending escalated and as aggregate demand in the economy by the Government and the state sector rose, we found that the demand for private sector goods also rose and hence investments by the State were coupled by investments from the private sector and we observed the traditional makings of a natural resource boom. This was a natural resource boom similar to the oil boom of 1973—1982.

So, in the early part of the century, we experienced this increase in gas revenues, all historical; all accurate, but by 2008, we found an increase in government spending which, a very significant event, terminated. The crisis in 2008, which caused the price of oil to collapse and the price of gas to plummet, resulted in a massive and a significant decline in government revenue for fiscal 2009; from \$52 billion, we were able to realize \$37 billion and the Government was able to reduce its expenditure from \$52 billion to some \$45 billion.

But this was the first deficit and then we saw deficit after deficit after deficit because we found it difficult to adjust in the new environment. Even when the price of oil recovered, we found that oil output remained at a relatively low level;



from a high of some 157,000 barrels per day a few years earlier—my colleague, energy expert Sen. Small, will no doubt have more to say on that—we were struggling to produce 85,000 barrels. Today, we are producing some 82,000 barrels of oil per day.

The commodity that we have in abundance, which is gas, is fetching a low price and the prognosis does not appear to be good. Fact! Reality! What we therefore find in this particular dispensation is that, at this time, we are facing five years of deficits with implications for the rest of the economy and, at this time, while we are saying there is economic growth, the confidence we can place on the growth prospects for the economy is not as buoyant as you would like it to be, but on this matter, Mr. President, I would return.

### **8.15 p.m.**

Given that we have experienced a period of stagnation and decline for the past five years, and we did not plan for this; given that the last time we experienced a similar situation was in 1983, and it took us 11 years to recover, when the projection of a 10-year period of decline was made in 2008, even some of my colleagues thought that this time he had lost it. But after five years when I look at the signs, I can see that structurally we may be replicating the experience of 1983—1994 unless we recognize the problem before us, and introduce some remedies to address these problems. That is the analysis; that is the reality.

Let us focus now on some immediate issues. The immediate effect of what we have experienced, over the last five years, is a culmination of deficit financing. In 2008, according to the *Review of the Economy* for 2009, it was estimated that the public debt was at around some TT \$40 billion. It was estimated that that particular debt was less than 30 per cent of the country's GDP.

Over the last five years, we have realized deficits—\$7 billion, \$6 billion, \$5 billion. I have estimated that we could have at least generated some \$30 billion in additional debt—deficits, of course, must be financed—and I have estimated that we have accumulated some \$30 billion extra amount of debt over the last five years. And so, if we add the 40 that we had to the 30 that we have accumulated, then it means that the current debt stock should be around \$70 billion on account of the deficit financing and the inherited of the past obligations.

When I look at the figures, I see it is around \$70 billion which appears to be accurate, but then I ask myself: where is the Clico/HCU debt in there? It could not be that the \$72 billion that I see in the financial documents is our entire debt, and this is in addition to the contingent liabilities, which I have always thought were

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included in the debt, but the Clico debt is something I think which we ought to account for. I cannot see it being included in the current \$70 billion, and if we were to add the Clico, then it means that our debt stock could easily be around \$90 billion. This debt is way in excess of what it was in 2008.

Now, economically, the argument is when we are experiencing the depressed conditions that we are currently observing, deficit financing will assist in a significant way to solve our problem. One does not have an issue with deficit financing, but we do need as a society—as we legislate for the next generation—to ask ourselves: what is the level of public debt that this Government—that the country—will find very difficult to handle? Is it that we are going to reach a point where we say, “The level of the public debt is such that it is going to become an onerous obligation to the next generation of taxpayers?” Debt, of course, must be serviced. It must be serviced from the revenues of the State in the future, and this growing number is now a cause for some concern and, clearly, the Minister of Finance and the Economy must assure this honourable Senate and the country as a whole, that he is cognizant of this problem; that he has in his mind a target for maximum debt.

We do not, Mr. President, want to find ourselves in the situation of Portugal, Ireland, Greece and Spain—very developed European countries. The citizens were not aware, but the Government was quietly accumulating debt until their economies became very fragile, and so the debt problem is one we will have to be continuously monitoring.

And we want—I would recommend—in fact, I would make a suggestion that the debt monitoring unit in the Ministry of Finance and the Economy be made very effective so that any citizen should be able to go on the Ministry’s website any day of the week and be able to determine—as is done in more developed countries—what the true state of our public debt is including all components; contingent liabilities, Clico debt and every single debt outstanding which imposes an obligation on the future taxpayer.

I raise this because we would want, at some time—hopefully when we resume growth—to reverse this trend so that we will not be so indebted at the national level, and that we could once again get to the level where we were in 2008. Why is this important, Mr. President? Well, we would like the future generation of taxpayers to use the bulk of their taxes for the provision of social services and not to pay the outstanding obligations of our generation, and hence debt management seems to be an issue of critical import.

From debt, let us move to the flip side, which is savings. The Heritage and Stabilisation Fund now stands at some \$5 billion. A problem I had with the former administration—well on record—is that I did not see the kind of devotion to this fund that I should have seen. What is to the advantage of the former administration is that they kept the debt stock low. So they did not build up the Heritage and Stabilisation Fund, but really they left us with a relative small stock of debt. We now have some \$5 billion in the Heritage and Stabilisation Fund. What we are doing is that we are leaving for the future—and the future is not somewhere in a dismal distance, the future is just a few years down the road—a certain stock of assets but, at the same time, the stock of debt is way in excess of the assets. I think the Minister has to tell us, what is his target, not only for the debt stock, but what is his target for that Heritage and Stabilisation Fund.

When that Heritage and Stabilisation Fund was conceptualized, there were certain targets. In fact, I always held the view that had we had some US \$15 billion in that fund at an interest rate of some 5 per cent, then we would have been able to earn in returns from that fund, some TT \$5 billion to finance the range of social services so much in critical need in this country. So we do need for there to be a target.

A former Minister of Finance indicated that she did not think there was any need for a target, but then that does not do justice to the intent of the Heritage and Stabilisation Fund. The Heritage and Stabilisation Fund is a heritage. It is supposed to be something that the next generation will find to be useful, and we need to have a target. Let us try to see if we can force the hand of the Minister to agree that maybe a sum of \$15 billion may not be such a bad idea at all because once we set ourselves that target, Mr. President, we know we have to devote ourselves to it, and when we are failing we know what to do to remedy our failures, and when we are succeeding, of course, we can celebrate the success.

Let us now move—immediate concerns, Mr. President—to another area of the budget that I would like to raise, and that is this notion of revenue. In fact, it was my colleague, Sen. Henry, who said that the Government is not saying too much about revenue, let me build upon his point. The Government, we know, can raise revenue from a number of sources—taxes being the principal component—but the Government can obtain revenue from grants; the Government can raise revenue from profits—I will return to that—the Government can raise revenue from selling assets, and the Government has.

You see, First Citizens Bank, for which our hon. Minister must be given total credit in addition with his staff [*Desk thumping*] remains, perhaps, the jewel in the state apparatus. From three failed institutions, the management of the bank was able to

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move to a position where there is an insatiable demand for the common stock of that enterprise, and we have seen a certain amount being sold, and there is a call for more to be sold. But the question, Mr. President, is not that we are selling state assets. We should and they should be held by we the people, but it is to what use are we putting the funds so realized?

Are we using the proceeds of the sale of these assets—it was going to be First Citizens, then it may be the Unit Trust, then it may be the Phoenix Park, then it may be the Mortgage Bank and on and on. We do have some prized assets in the State, are we using these funds now to fill our fiscal gap? Are we selling a piece of our property so that our deficit can be smaller? If we are doing that, we need to account for where the funds are going, and I would recommend, Mr. President, the following.

Since the Government earns profits, in addition to taxes and royalties and other forms of revenue from organizations when it sells a portion of its holdings—so much profits generated by these entities will not accrue to the Government, will not accrue to the general population—they will now accrue to the shareholders. And since the State is now losing the profit component by selling pieces of its assets, I would recommend that a policy decision be made so that when we sell assets—when we sell the property of the people—we use the proceeds of the sale to place into a development fund so that we could then finance the acquisition of other properties so that we would be able—without further borrowing, without further increases in our public debt—to exchange a certain percentage of First Citizens Bank so that we could build the highway from Wallerfield all the way to Sangre Grande.

In effect, we will be exchanging one asset—a piece of a bank—for a highway, a road, a port, a hospital. And I think when we engage in financing in this way, we should, as a society, determine that the sale of assets should really result in the acquisition of other assets of the country. So we need to really proceed with our divestment, but we need to use the proceeds very carefully so that we do not sell pieces of the people's property to pay our bills for goods, services, wages and so on.

Let us now move from the capital revenues, which I suspect will become a trend now, to the area of subsidies and transfers. The Minister spends, of course—and not this Minister, previous Ministers from as far as I could recall—by far the bulk of his expenditure on these subsidies. Many of these subsidies are in the form of income redistribution, no doubt very non-contentious. We do need to pay our pensions bill; it is growing. It is good that the Minister has spoken at length

about pension reform, and we do need to ensure that pensions in this country are very much indexed and that the retirees are well looked after, but there are transfers to programmes that we would need to carefully assess.

**8.30 p.m.**

My colleague, Sen. Henry, made a valuable point when he spoke about our Water and Sewerage Authority. The expenditure, the subsidies in WASA on a number of occasions exceeded a couple billion dollars. It is very large this year as well, and we are simply spending huge sums on a utility, and I am not getting from the Government that they are asking the utility to account and to justify for this particular transfer. What cost-cutting measures can be imposed? What kind of rationalization exercise in these difficult times can in fact be subjected to these utilities so that we do not need to transfer such huge sums of public moneys to enterprises? It is true; I have heard the argument that water is essential. That is not the issue that is being raised, the issue that is under question is, should it cost so much?

We need to provide water as a universal service for all; that is part of the developmental process, but should we not seek to minimize cost? And the same can be across all Ministries. We have seen allocations without questions being asked as to whether attempts were made by the various line Ministries to justify the expenses, to justify the request for funds. Is it that they have exhausted all of the slack that they have? Is it that they have removed all the waste? One, of course, is not sure that this is so.

And we hear about the transfer, Mr. President, to the Ministry of National Security. We all know that every single citizen—I would imagine even the deviant elements—is concerned about the incidence of violent crime. There is white-collar crime too, but as we stand and speak, the crime that terrifies us most is the crime that is going to do harm to life and limb. There is white-collar, we will have to address that because white-collar crime can result in more economic loss to the society, while violent crime results in greater fear.

We are transferring some \$6 billion to the police service—to the Ministry of National Security, which is national security, police service, army, military and the various agencies. But, Mr. President, I think the time is now right, given the state of the economy, the fact that we are not going to be able to engage in deficit financing for much longer. The reason for that is not that we may not want to, but that we may find few willing to lend us the money to so do. And we do need to look, Mr. President, at the performance of our police service.

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I have heard the argument that “crime is complex”. Oh, that we all know—it is sociological, it is psychological, it is environmental, there are many reasons which account for crime. But when a crime is committed we expect the number one agency, the police service, to detect the crime, to catch the bad guys, and to bring them before the court so that justice could be served.

In 1998, Mr. President, the amount of murders committed in this country was 98—that is how I remember, 98 in '98. I do not know how many of the 98 murders were actually solved, but I have a suspicion it was more than five. Today, the detection rate is five in a hundred; 25 murders detected with 500 people being killed. Now, no police service in the world can consider that to be an admirable statistic. Why is our service unable to detect the criminals? We need an investigation. It cannot be that they are being starved for resources. We have been providing resources, this administration, former administration, the administration before that; they have been giving the police service the resources and we are not seeing the outcome.

We would like to see some more results. We would like to see some more detection. We would like to see some more people being brought before the courts. We would like to see a busy court docket with murder trials and so on, and I think the time is right for the Minister of National Security—for the Minister of Finance and the Economy to request of his National Security Minister; “I am giving you all this, I need to see some improvement in the crime detection rates in this country”.

If we do not do that, Mr. President, every year we are going to be spending more and more and more money without identifying just why our police service is inefficient, not in relation to countries like Germany and Canada and the UK and so on, but in relation to the rest of the Caribbean. Why are we—what are the inherent flaws? Is it training? Is it recruitment? Once we identify those flaws we will be able to make one small step in correcting this problem which has been plaguing us for the last decade.

And from subsidies, let me move on to what we can do for the people, and I will tie this to the Minister's borrowing. The Minister plans to borrow some—or he is running a deficit of some \$6 billion, of course if assets are sold he does not have to borrow all of the \$6 billion, but he will engage in some borrowing, and this borrowing will be from the domestic market and from the international market. He may be tempted to borrow from the domestic market because the interest rates are very low. But let us look at how we can use his borrowing requirements to really provide a service to a sector of our society whose needs must be addressed in a tangible way.

This, Mr. President, is the retirees of Trinidad and Tobago, and we know the Minister has said in his budget document, “retire today, pension tomorrow”. Excellent! But it is going to be, retire today, pension tomorrow, and maybe a gratuity payment the day after. Where are we going to deposit these gratuities? Let us understand the role of the interest rate amongst various sectors. For young people there is a need for a low interest rate to finance the acquisition of capital—their home and their car.

For older people, however, who have acquired these, there is a need for a higher interest rate as income supplement, because not many of these people may have the wherewithal to earn extra income by renting a second property they may own, or by having a large portfolio of stocks and shares, or participating in some business. They live on their pensions; they live on their NIS; and on the savings they have, they earn an interest rate.

I would recommend to the Minister that since it is the financial sector in this country which would benefit the most from his borrowing programme—the institutional investors—could he allocate \$1 billion of his borrowing so that he can sell something which I will call a “retirement bond” to anyone who is 60 and over, which would pay something in the order of 5 per cent in excess of the rate of interest that he or she would get in fixed deposits or money market funds, nominal 1 and 2 per cent—if he can allocate this amount so that a retiree with a gratuity payment of \$250,000 can take his gratuity cheque, go immediately to a commercial bank and indicate, “I would like to get \$250,000 worth of retirement bonds”.

What will this do, Mr. President, for the retirees? Well, with their \$250,000 in gratuity payment they will get an extra \$1,000 a month in disposable income, for which they would be grateful to the Minister and the Government. But what will it do for the Minister? It will provide him with a billion dollars of funds that he is borrowing, above market rate of interest, but I suspect not much above what he would have to pay the huge investors for borrowing that quantity of funds.

So I would want for the seniors and the retirees, who were tempted in the past to place their hard-earned gratuities in Clico and HCU, and in all of these institutions of dubious quality and of no regulation, let the State step in so that the seniors, the retirees, who are currently facing 1 and 2 per cent interest rate can be assisted further by the Government, and to purchase these retirement bonds. And it is something, I think—an instrument that we could introduce in the country, limited to those who have retired.

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Again on another matter, and this is the issue of gambling. It is always said that gambling is illegal. Well, not all gambling is illegal. The casino-type gambling that we have certainly is illegal, but our Minister of Finance and the Economy runs the largest gambling show in town.

**Hon. Senator:** That is right.

**Sen. Dr. D. Mahabir:** The National Lotteries Control Board is huge, and let us examine a little bit of this feature of gambling. I have heard the moralists say that gambling is wrong and it is sinful. Well, there are many things that are wrong and sinful but they happen to be a little bit of fun. *[Laughter]* The game of Play Whe costs a dollar, and there is a chance that someone can win \$23. You would not win \$24, regardless of which ball plays because you have paid a dollar. So if he gets back \$24 his net earnings would be \$23, and while you wait for one o'clock, it is a dollar of anticipation to determine whether your mark has called.

**Hon. Senator:** Plenty fun.

**Sen. Dr. D. Mahabir:** It is plenty fun, yes, but it is also profitable for the Government. You see, I do not know if there is any Whe-Whe banker left in this country.

**Hon. Senator:** Yeah. Yeah.

**Hon. Senator:** Plenty. *[Laughter]*

**Sen. Dr. D. Mahabir:** There are plenty Whe-Whe bankers. Well—and let me tell you why. Let me tell you why. Let us see why the Whe-Whe bankers will survive.

**Hon. Senator:** They pay 33 to one.

**Sen. Dr. D. Mahabir:** Okay, even if—“ah ha”—even if the Minister is competing them. You see, let us take the formal game of Play Whe; there is informal Whe-Whe where they tell me the odds are a little bit better—*[Interruption]*

**Hon. Senator:** *[Inaudible]*

**Sen. Dr. D. Mahabir:**—so that they are instead—Sen. George, you seem to be very familiar *[Laughter]* with this game. *[Laughter]*

So let us look at Government Play Whe. You see the point I am coming to, it is going to be married to a public policy response. The game of Play Whe is one where any one of us could win every single day. If you put \$36 on the pool, of



course, your mark must, of course, win because you have betted on everything, but you are paying \$36 to win \$23. And so this happens in the simple game of Play Whe, it happens in a larger quantum in Lotto, and in all the state-sponsored games—and for every \$36 of the games which are sold in Play Whe, the State is going to make a good \$12 profit.

In state-sponsored gambling, the house never losses, the profits are huge, and because the National Lotteries Control Board is owned by the Minister, as Corporation Sole, the taxation on the profits of that company happen to be 100 per cent; every bit of profit, theoretically, after expenses have been deducted must in fact accrue to the State.

**8.45 p.m.**

Mr. President, this is in contrast to the Whe-Whe bankers who are able to keep the profits for themselves; they are not declaring it to the Minister. That is why it is a crime; same thing, but one is not declaring the taxes—and the casino operators and all the operators out there, where we now know they are earning huge quantities of profits and not at all passing the profits on to the Corporation Sole.

Let us, by all means, ensure that gambling games in this country are regulated, as they are in Nevada, that all the profits—all the profits—to which the Minister is entitled, will accrue to the Minister. Then let us make a commitment that the profits of gambling which accrued from largely the poor people in this country, who are gambling because that may be the only hope they have for a little fun and for a large outturn—let us make a commitment that the profits of gambling operations in this country will be earmarked and targeted for the development of poor communities.

Since it has been largely sourced from the poor people of our Republic, let us say that if there are going to be programmes for urban renewal, programmes for the creation of childcare facilities for single mothers with dependent children, programmes which will assist the poor directly in terms of grants and, aid and programmes, and we are finding it difficult because of the financial crisis that the Government has found itself in, let us earmark the gambling revenues for poverty alleviation, as is done in jurisdictions across the world.

In that way, an unfair game—Lotto is one of the most unfair games you will find. The price of a ticket of \$5—only a monopolist could charge that, given that the odds—we have formulae to calculate the odds, you know—of winning may happen to be so low that tickets are so overpriced. You are charging people \$5 for

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a ticket which should cost them no more than 25 cents or something. Let us use the profits from the operations, derived from the poor, to benefit the poor. I think in that way we will be building a more equitable society. We would be building a society where we know we will recycle some of the wealth and we could make some good use out of gambling revenues. That is a programme I think for the future and for the poor.

Those retirement bonds, 5 per cent bonds for retirees, I really want the Minister to consider that as something that retired people can have in their portfolios.

Let me come, Mr. President, to what is happening to the dream. [*Interruption*]

**Mr. President:** Hon. Senators, the speaking time of Sen. Dr. Mahabir has expired.

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

*Question put and agreed to.*

**Sen. Dr. D. Mahabir:** Thank you very much, Mr. President. Thank you very much Sen. Ramkhelawan and Members of this honourable Senate for allowing me the extra time.

Mr. President, I have addressed the poor in our society. I really would like to see in our documents how much the Government earns from lotteries. It would be good in the next budget presentation if the Minister would be able to tell us, in some definitive way, how much revenue he has obtained from gambling in total, licence fees, et cetera, and we would know exactly how much we can afford to spend on some of these social assistance programmes.

Let me now turn to what I would call "the dream of the society". What is really our aspiration for our own society with respect to the distribution of income? I will argue that maybe it might be a good idea for us to aim for a 10/80/10 society, in that, 10 per cent of our population can be considered to be very wealthy, 10 per cent of our population can be below the poverty line and 80 per cent of the population will earn a middle class level of income. Why do we need 10 per cent rich? Well, we know the rich are going to be profit-takers, they are entrepreneurs and risk-takers, the individuals who are in some way able, in our type of economy, to capture the developments, the trends and able to really be innovative and to be rewarded for their risk-taking activities and for their various talents.

Ten per cent poor?—well, he of a thousand names has already said that the poor shall always be with us. Poor people do not have to be poor for all of their lives, in the context when it was spoken in the holy book. I think it was meant that at some time in someone's life he can be poor, finding himself in a difficult situation, not yet connected socially or economically, does not yet have capital. But as he becomes accustomed to his working environment, he will move out of poverty and other people will come in. So people will be poor temporarily before they join the ranks of the middle income earners.

But it is the middle income class that I think we would want to expand. We would want the majority of our population to be able to have this dream. What is the middle class dream? The middle class dream is for individuals to be independent economically. They have their jobs, they are skilled, and they are able to finance all of their spending. They can purchase their own retirement annuities; they can look after themselves; they pay their taxes; they are a burden to no one. They are fiercely independent and they are able to take advantage of all the programmes of the State.

But one of the components of the middle class dream is this ability to own a home, and currently the price of a home is now such that what we considered to be middle class 10 years ago is no longer affordable by this particular class. When you saw property prices from over the last decade, they have escalated to a level where a Teacher II, a public servant, a police officer—people in the middle income bracket—cannot afford the million-dollar mortgage. They simply cannot afford it. The poorest people in our society have reconciled themselves to the fact that they may have to squat or rent.

Our housing policy needs to be remedied if we are to revive this dream. We need to look at mechanisms which will allow us to provide housing so that the middle income earner will once again look towards purchasing a home as his or her priority and not lose hope, and the poor individual will be able to have the dream.

This particular programme, Mr. President, has existed in the past. The NAR Government instituted a programme known as the Sou Sou Lands programme, one of the finest programmes for housing ever developed, where the poor members of our society were able to first buy the sites developed by the Government and, having purchased these sites—yes, I see Sen. Singh nodding; he knows of the programme. He perhaps knows of people who actually live in the programme. I know of people who live in the programme: cleaners, hairdressers, taxi drivers, nuts men—that class—buys their land and having purchased their

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land they can then accumulate some funds and build a modest three-bedroom or the various types of homes that they have. Unless we move in this area, we are going to destroy the middle class dream, and we will be converting a nation of property owners into a nation of renters.

We are immediately signalling that the middle income earner is not going to own his own home. We need more and more people to own property and to own a piece of the Republic. I will urge the Minister to go back into the files, see how the Sou Sou Lands project was in fact implemented and reintroduce it, so that the poorer people and the middle class people can think that they have a stake in our Republic. It would mean a radical shift away from building homes for purposes which could be purported to be political, to now a move where we are building people. We are building their hopes; we are building their dreams; and we would be building the middle class. The bigger the middle class, the bigger the property-owning class, the more stable our society.

Let me move, in the few minutes I have left, Mr. President, to the problem of economic growth. This country has all the ingredients for economic growth. We have labour; we have capital; we have raw materials; we have technical ability; we have skilled people; trained individuals; all natural resources; good climate; fertile land. With all the ingredients, why are we not experiencing economic growth? Well, first we have to recognize that we have a problem. The problem is that we are not sure about our sources of economic growth. Let me recommend to the hon. Minister that we need some more dependable statistics when we are gauging the growth potential of the economy.

I would have liked to see, not just GDP figures, but I would have liked to see data from the legal profession. I am sure they would have been able to register all land transactions somewhere in the legal system, to see how land sales and purchases have been behaving over the last year or two.

**Sen. Singh:** Al-Rawi could give you that information.

**Sen. Dr. D. Mahabir:** Right. But I am talking about an index, Sen. Singh, not only one. In addition to land, I would have liked to see from the Ministry of Planning and Sustainable Development: number of housing starts, new housing starts and also the new starts of industrial buildings, as an index of activity in construction, land and buildings.

Second, with respect to the manufacturing sector, it would have been good for there to be no contention on this growth issue, if we could have gotten data from the various agencies on investment in new plants and equipment by the

manufacturing sector; if we could have gotten information on the rate of utilization of capacity. You see, we need to make this analysis a little more structured, more scientific and less polemical. We need to look at the hard data which exists with respect to the manufacturing sectors, plant and equipment, investment in machinery, investment in replacement capital, investment in inventory raw materials, whether in fact their inventories of raw materials are depleting at a faster rate, to know how in fact the production sector is doing.

We could also look at the liquidity. We have had some data, but are we seeing banks and financial institutions holding less and less liquidity, financial institutions finding it easier and easier to obtain qualified borrowers? With that data set, we would have been able to determine definitively where we are with respect to the prospect for economic growth. Without that data and with growth of some 1 and 2 per cent, we do not know whether it is a statistical aberration or whether it is going to be of long duration. Let us start looking at this growth problem seriously.

In the couple of minutes left to me, let me say that we need to recognize that the ingredients we have for growth are all necessary, but they are not sufficient. What we need is to combine the ingredients, and who is to combine these ingredients, but our private sector—the entrepreneurial class to whom Sen. Tewartie alluded.

### **9.00 p.m.**

Our private sector has grown accustomed, over the last decade, to an acceptable rate of return on capital employed servicing the domestic economy and the Caricom economy—Caricom because of preferential trade, the domestic economy because of boom time.

Our private sector, Mr. President, must now wake from its slumber. It must recognize that the Trinidad and the Caricom economies will no longer provide for it the requisite rate of return on its capital. This world has changed while we slumbered. This world has become a global trading marketplace. Our private sector must now become part of that global supply chain. They must become part of that industry which supplies goods internationally. When we speak to the Government of China, the Government of the United States, et cetera, it is, in fact, not the best idea to get loans for them. I think what we need to do is to tell them that they must expose our private sector to their private sector. Our private sector firms must service their firms and we must become global if we are to achieve these acceptable rates of return.

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As we induce the private sector, in fact, every Minister of Government, every Senator in this particular Senate must now let the private sector know that they must now bat. It is the global economy that is now effectively in charge, not the local and the national, and there are opportunities out there. There are opportunities for our private sector, but while we look at those opportunities, we need to also train our young. We need to train our five-year-olds that they must think entrepreneurially. We must teach them business. Out of every hundred five-year-olds so trained, if we get five entrepreneurs we would have done well, but we must now let the next generation know that the world in which we live, which is a comfortable world, is different for them. We have to let them know and we must prepare them for the challenges of globalization.

What do they have? What do we have to allow us to survive, that will allow us to prosper? What we have, Mr. President, is what Sen. Tewarie alluded to—the Trinidadian, the Tobagonian, is creative, imaginative, artistic, talented, educated, entrepreneurial and can be aggressive in business. It is this creativity that we see coming out two days for the year which must now inhabit every corporation, every institution, every sector of our society, every single day of the year if we are to really chart a course globally and if we are to develop like Singapore did with its biotech industry.

In fact, I will say and end, Mr. President, that in Trinidad and Tobago it will now have to be, if we are to grow consistently, it will now have to be Carnival 365 days or not at all. I thank you. [*Desk thumping*]

**Mr. President:** Leader of Government Business.

#### ADJOURNMENT

**The Minister of the Environment and Water Resources (Sen. The Hon. Ganga Singh):** Thank you, Mr. President. After that very engaging contribution [*Desk thumping*] my faith in the University of the West Indies is redeemed and restored.

**Sen. George:** Oh indeed! [*Desk thumping*]

**Sen. The Hon. G. Singh:** Mr. President, at this juncture, I beg to move that this Senate do now adjourn to Monday, September 23, 2013 at 10.30 a.m. to continue the debate on the Appropriation Bill.

**Mr. President:** Hon. Senators, before I pose the question I need to let you know that, you have been very efficient, of course, but we did also provide dinner for you. So whilst you have been very economical with your time, we do hope that you will take the time also to enjoy your dinner.

*Adjournment*

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The question before us, hon. Senators, is that the Senate continue to sit—  
[*Laughter*] stand adjourned to Monday, September 23, 2013 at 10.30 p.m.—  
[*Interruption*]

**Sen. The Hon. G. Singh:** a.m.

**Mr. President:**—a.m.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 9.04 p.m.*