

SENATE

Thursday, October 22, 2015

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

APPROPRIATION (FINANCIAL YEAR 2016) BILL, 2015

[Third Day]

Order read for resuming adjourned debate on question [October 20, 2015]

That the Bill be now read a second time.

Question again proposed.

Madam President: Those who have spoken already on Tuesday, October 21, 2015 are: the Hon. Colm Imbert, MP, Minister of Finance and mover of the Motion; Sen. Wade Mark; Sen. Taurel Shrikissoon; Sen. Daniel Dookie; Sen. Khadija Ameen; Sen. The Hon. Franklin Khan; Sen. Jennifer Raffoul; Sen. The Hon. Clarence Rambharat; Sen. Nadine Stewart; Sen. Melissa Ramkissoon; Sen. Allyson Baksh; Sen. Hafeez Ali; Sen. Paul Richards and Sen. Justin Junk re;

On Wednesday, October 22, 2015, those who spoke were: Sen. Vasant Bharath; Sen. Foster Cummings; Sen. H. R. Ian Roach; Sen. Sarah Budhu; Sen. Wayne Sturge; Sen. Stephen Creese; the Hon. Stuart Young, MP; Sen. Nigel De Freitas; Sen. Dr. Aysha Edwards; Sen. The Hon. Paula Gopee-Scoon; Sen. Avinash Singh and Sen. W. Michael Coppin. Members wishing to join the debate may do so at this time.

The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dennis Moses): Madam President, it is an honour for me to make my first contribution in this august Chamber to the debate on the Appropriation(Financial Year 2016) Bill. Before I begin, however, I wish to take the opportunity to join those before me in

congratulating you on your appointment as President of the Senate and to assure you of my full support.

With your permission, I wish to register my deep appreciation for the opportunity afforded by the hon. Prime Minister for me to serve Trinidad and Tobago.

Madam President, the wisdom, foresight and unmatched leadership of the hon. Prime Minister of our country continues to be on display before our eyes as the budget debate progresses. In a more focused way, may I add that the hon. Minister of Finance deserves particular mention and utter commendation for the clarity and rigour of his presentation and the choices and pathways taken. [*Desk thumping*]

I support the budget proposals presented by the Minister of Finance wholeheartedly. Proper management of the economy, rebuilding trust, fiscal prudence, sharing in an equitable manner our national patrimony, a more efficient tax collection regime, incentives to stimulate growth in the economy, compassion and tackling the main problems confronting our people, including security and crime, all feature in the proposals.

Madam President, I look forward to working alongside all senatorial colleagues in pursuit of the sustainable development of our twin-island nation on behalf of the citizens of our country. It is precisely against this backdrop that the foreign policy of the Republic is defined, driven by the promotion and protection of the country's national interests in the economic, commercial, environmental, security, cultural, social and political spheres. In this globalized neighbourhood, challenges affecting one corner of the planet such as climate change, migration, trafficking in small arms, narcotics or human beings have an impact on our region and our nation. The Ministry of Foreign and Caricom Affairs will utilize its

budgetary allocations for fiscal 2016 to advance domestic priorities where applicable and appropriate bilaterally and multilaterally.

Among the highest priorities for the Government is the diversification of the economy. Through more strategic engagement with existing and new partners, we will place specific attention on the energy, manufacturing and service sectors and on those areas identified as having considerable potential such as maritime services, fish and processing, aviation services, financial services and software design and application.

We will increase the promotion of Trinidad and Tobago as an attractive destination for investment in tourism via engagement with foreign partners located in Trinidad and Tobago, as well as through our 20 overseas missions and the network of 35 honorary consuls located in 27 countries.

As regards Caricom, Madam President, Trinidad and Tobago has prioritized deepening relations with each member state of the Caricom community, this Caricom. To this end, we are heartened to lend support to Dominica in the form of building materials to aid in the construction of homes for the many displaced persons who can no longer return to their villages. Earlier this month, Prime Minister, Dr. the Hon. Keith Rowley had constructive discussions on areas of mutual interest and benefit with His Excellency David Granger, President of Guyana. We expect to collaborate with Guyana on energy, infrastructure development, agriculture and tourism. I am also pleased to advise that the hon. Prime Minister also held productive discussions with Dr. the Hon. Keith Mitchell, Prime Minister of Grenada on October 20 of this year.

The Government of Trinidad and Tobago has adopted a renewed commitment to the development and growth of the Caricom community focusing on rebuilding relationships and strengthening partnerships towards and more

unified and resilient region. We believe, Madam President, that a weak and divided Caribbean community is not in the interest of Trinidad and Tobago. Instrumental to the development of the region would be a strong Caricom Single Market and Economy, the process for which appears to have slowed, but which must be revived. We will also continue to participate and facilitate the controlled movement of skills and labour within the region which remains one of the community's most visible achievement.

In terms of deepening our cooperation within the region, we propose to pursue bilateral agreements with Belize, Suriname and other Caricom member states, specifically in the agriculture and energy sectors where we believe there is ample opportunity for benefit to be derived by all parties.

Of importance to Trinidad and Tobago is the strengthening our relations with Venezuela and other countries in Latin America, in particular the Central American countries, in pursuit of increased market access for Trinidad and Tobago's manufacturers and investment and tourism promotion. To this end, we will build on the strides made within the past five years.

Madam President, I was privileged to preside over high-level discussions held in Port of Spain on September 22 of this year with my Venezuelan counterpart, Her Excellency Delcy Rodriguez. We are endeavouring to ensure that in the short term our collaboration with Venezuela will be further bolstered in concrete ways in areas such as energy, trade, security and culture.

Madam President, of great importance will also be a more deliberate pursuit of initiatives under the Economic Partnership Agreement with the European Union to maximize the gains of participation for Trinidad and Tobago. To this end, I acknowledge the opportunities which exist under the Short Stay Visa Waiver Agreement which came into fruition in May of this year and which was initiated by

the former PNM administration in 2009. This would bolster the EPA through the movement of tourists, business persons and creative entrepreneurs from Trinidad and Tobago to countries across the Atlantic.

In the face of the establishment of new regional groupings and economic associations or blocs, the Government will support regional initiatives and joint action for diplomacy and the conduct of commercial relations with extra-regional markets in South and Central America, Africa and Asia. Stated simply, Madam President, regardless of resource constraints, the Government will strive to regain its place as a significant actor regionally and internationally through more dynamic engagement with traditional partners such as Canada, China, United States and the United Kingdom as well as with new interlocutors.

Madam President, very early in my tenure as Minister of Foreign and Caricom Affairs, I took the opportunity to meet with heads of missions and heads of international and regional organizations based here in Trinidad and Tobago to share with them Government's new policy framework, our continued commitment to contributing to regional, hemispheric and global affairs and to cooperating with all our partners.

In respect of protecting economic and commercial interests, we will support efforts by the Ministry of Trade and Industry in examining the policies of other countries to determine inter alia whether there may be adverse effects on the interests of Trinidad and Tobago and possible benefits in exploiting available options. In collaboration with the industry actors, we will market local energy products and services overseas and assist in developing relationships that would have the potential to yield viable fruit in the short, medium and long terms.

Certainly, Madam President, in these endeavours, certain countries will be targetted, given the more strategic approach to maintaining relations but not to the

abandonment of developing and improving relations with others.

Relative to the Trinidad and Tobago diaspora, in recognition of the need to facilitate the deepening of existing relations and the forging of new strategic partnerships, there will be strengthened effort towards developing, renewing and maintaining strong contacts and links in the Trinidad and Tobago and West Indian diaspora. We will accomplish this by pursuing initiatives that would be mutually beneficial to the country and to our communities abroad, particularly, although not exclusively, those located in Canada, the United Kingdom and the United States of America. Government views the Trinidad and Tobago diaspora and, more broadly, the West Indian diaspora, as an essential element of the local economy, given their wide range of fields of endeavour and the areas in which excellence exists.

Finalization and implementation of a structured diaspora policy is also among Government's priorities. We intend to have a more focused, structured and strategic approach to accessing the skills, knowledge and talent of the diaspora in support of the expansion of the domestic economy.

1.45 p.m.

Madam President, I acknowledge the outreach already undertaken by the Ministry Foreign and Caricom Affairs through the overseas mission and by the Ministry of Health. A new registration system for nationals abroad will support this effort and provide an avenue for them to signal their interest in being part of the new thrust in achieving our nation's development goals.

I now turn to institutional strengthening and capacity building within the Ministry of Foreign and Caricom Affairs. The complement of established Foreign Service Officers at the Ministry is almost twice the number of contract officers serving in similar capacities at the Ministry. There are 95 positions of FSOs, or Foreign Service Officers, and 55 international relations officers, with 57 and 45 of

those positions being filled, respectively. The Ministry's staffing situation is of great concern and in need of urgent attention. From the figures mentioned, Madam President, 40 per cent of the posts of Foreign Service Officer are vacant. Overall, of the 302 established positions, 26 per cent are vacant, while 49 per cent of the 102 contract posts are vacant.

In the prevailing circumstances the strengthening of the staffing and staff capacity at the Ministry has already begun and work will continue assiduously to ensure that the Ministry is well equipped to address the growing demands in the field of international relations and diplomacy, and perform at optimum levels in the execution of its mandate. A comprehensive review of Trinidad and Tobago's diplomatic representation is also being undertaken as part of Government's initial response to new opportunities for growth and development of the country. A manpower audit will be conducted so that any personnel shortcomings may be addressed quickly and effectively to restore efficiency to the Ministry at all levels. A more complex environment also demands that the missions' inspectorate be revitalized to support the very important and necessary functions of the inspectorate.

Madam President, the restructuring exercise will shift the approach of the Ministry to a more issue-based emphasis, focusing on activities in the promotion of economic diplomacy, energy diplomacy, environment and climate change issues, human rights, sport and cultural diplomacy, security and terrorism-related issues, among others, including health diplomacy and digital diplomacy. Our activities will also provide support to the effort of other stakeholders in the public and private sectors. The current environment demands a comprehensive approach that combines both traditional and new solutions to challenges where there may be a dearth of expertise within the Ministry in an emerging field. Training will be

undertaken to build capacity and equip officials with the necessary tools.

The recruitment process will also be adjusted to be more rigorous and to ensure that the best candidates are attracted and retained by the foreign service. We will also continue to partner with other Trinidad and Tobago Government agencies where particular expertise may reside to lend support to the institutional strengthening initiatives of the Ministry of Foreign and Caricom Affairs. We look forward to a stronger, more effective representation that yields the best outcome in our effort to protect the varied interests of Trinidad and Tobago. Of particular importance, Madam President, is the selection and appointment of heads of mission. Government will ensure the best combination of career and non-career diplomats who have the requisite combination of qualification and experience appropriately assigned to maximize the benefit from their skill and experience to enhance the image of Trinidad and Tobago, and provide the quality of representation our country deserves.

Madam President, the permissiveness, arrogance and abuse was such during the last five years that it continued after the past administration had demitted office last month, only last month, with the officeholders of created posts of Consul General, seeking to continue in office until the end of contracts granted to them by the said Government. The Government of the day had seen it fit to install the contracted consuls general until the year 2016 without the benefit of a competitive recruitment process. In one case, the contract was scheduled to end a full year after national elections would have been held in September 2015. The consuls general even sought to set terms to their return from posts to Trinidad and Tobago, such was their and their sponsors perceived and self-bestowed right.

This contemptuous carry over was so pervasive that an ex Minister of Government and candidate of the then Government of Trinidad and Tobago for the

position of the head of an international organization saw it fit to write after the nominating Government had changed, in his personal capacity to Caricom, withdrawing the candidature of the Government of Trinidad and Tobago. Aligned with the will of the people of Trinidad and Tobago, we intend to restore hope and decency in public life. [*Desk thumping*]

We can be more comfortable now with ourselves and with our maker. We will allow for greater career paths for staff at the Ministry of Foreign and Caricom Affairs to be at the top end of their chosen professional fields. We will revert to the past practice of allowing public servants the standard opportunity of acceding to the position of Consul General, heads of consul general offices, in addition to the possibility of being selected as ambassadors and high commissioners [*Desk thumping*] under the provisions of our Constitution. We will endeavour to build trust and confidence, a sense of fairness and humanity to allow the inbuilt competence of our staff to be harnessed for the good of our country. [*Desk thumping*] Our hope is that we can retain the talent we currently have and attract persons with the competence and the experience required to advance our work at the Ministry.

Madam President, the culture of abuse of authority, the wantonness and preferential treatment, according to some individuals, members of staff, at times with marked salary increases in the context of unresolved longstanding claims by many in the same category of staff for staff increases, for salary increases, rather, and revisions of terms of employment, have left their adverse marks on the Ministry. This demeaning attitude formed part of a broader framework that allowed for undue punitive action against persons, including separation from the public service. In some cases, the early recall from posting abroad was linked to retribution for earlier personal discords indiscretions. Conceivably, recalcitrance

and the concomitant loss of productivity and quality of service would have ensued in such an environment.

The atmosphere in the workplace resulting from the inequitable treatment has degenerated to such a level that urgent attention to this area is deemed necessary for the good [*Desk thumping*] of our beloved country. Engendering a sense of respect, a distaste for abuse of authority, a recognition of the worth of our valued staff members and promoting an environment where our employees can best serve our country's interest in line with stated national policies will feature in our efforts to rebuild the Ministry.

Madam President, I turn to another area where I have received information that can conceivably serve some useful purpose in the type of personnel we should seek to attract and general orientations for improving the functioning of the Ministry. This is the purpose, might I add perhaps, sole purpose for highlighting this information. The basic fact of this case is that less than a month before general elections were held in Trinidad and Tobago, last month, a sitting Head of Mission of Trinidad and Tobago in Washington, in the USA, separated himself from the employ of the Ministry and became a member of staff at one of the highest levels of the organization, that is the Organization of American States (OAS), to which he was entrusted to represent our country—the rest of the information leaves one to wonder. We cannot encourage Trinidad and Tobago diplomats of the highest levels, including an Ambassador of Trinidad and Tobago to the United States of America, who concurrently was the permanent representative of Trinidad and Tobago to the OAS, to forage for lucrative jobs/posts for his personal benefit in international organizations—in this case the OAS—to which he was specifically entrusted to represent the interest, however, of this, our fair land.

In simple terms it would be as if you were paying the person to look after

your interests and it turned out that the person might very well have been looking after his interest, perhaps to the detriment of your interest in a most blatant and perhaps vulgar manner. [*Desk thumping*] One is tempted to ask, was an exchange involved in securing such a post? Further, would future decisions taken by such an individual be adverse to Trinidad and Tobago's interests given the new professional remit of the individual and his known social footprint espousing rank partisan political positions, even while supposedly representing the interests of all of the people of this country as a sitting Ambassador.

Trinidad and Tobago cannot afford the luxury of underwriting personal job searches at the expense of its national interests. In this regard, it behoves us to protect the image of Trinidad and Tobago and safeguard the interests of our country. Imagine, Madam President—and do allow me to belabour this slightly because it could serve some useful purpose as we move forward in reforming the Ministry of Foreign and Caricom Affairs—imagine the high costs involved in underwriting the fixed and running costs associated with embassies and high commissions in countries some of which are located in expensive locales, expensive developed countries, and it turns out that instead of being resolute in seeking out business trade opportunities for our country, instead of trying to attract foreign investment to Trinidad and Tobago, instead of heightening the profile and brand of Trinidad and Tobago, instead of tirelessly trying to advance the interests of our country, the individual was busy during his tenure in the post trying to cut personal deals in order to get a job. What a travesty! Compromised, that person may very well have been from the outset.

The situation cries out for attention. We intend to heed that appeal to right a wrong and salvage the good name and moral standing of our country, if only as a guiding light for the potential errant actions of future representatives of Trinidad

and Tobago. Attention needs to be paid to the area of selection of public officials especially at this level. There is no gainsaying that this type of conduct is in harmony with the broader picture of an ethos of questionable conduct seemingly rampant in public life in recent times.

Madam President, I now turn to the question of relocating the Ministry of Foreign and Caricom Affairs. The current location of the Ministry of Foreign and Caricom Affairs, while attractive and modern, does not meet the requirements of such an institution with respect to the appropriate environment in which to provide the required quality of service, in particular, with regard to high-level representatives of foreign countries for whom the Government of Trinidad and Tobago has responsibility during their visit to or tenure in this country; the provision of consular services; general logistics related to carrying out its functions. I was pleased to learn that my predecessor had underscored the importance of the Ministry being based elsewhere, which is *ad idem* with the current perspective. The Ministry is also in the process of reviewing its staff complement and structure to better support government's new foreign policy thrust and to provide guidance and support to Trinidad and Tobago's 20 overseas mission.

New accommodation would take this proposed expansion and restructuring into consideration and would provide the necessary amenities and facilities commensurate with modern and purpose-appropriate office accommodation, in an environment that is conducive to the conduct of the specialized areas of work of the Ministry and the provision of services.

In conclusion, relative to this year, Madam President, the international environment would not remain static but would continue to be dynamic and challenging. I am confident that the approach of Government in managing our

international relations, enhancing the image of Trinidad and Tobago regionally and internationally, and responding to the changes in the environment is the appropriate one which will contribute to the achievement of Government's stated objectives and goals.

We will review our public diplomacy strategy and programmes to keep them in tandem with, and supportive of the goals of the Government with adjustment as appropriate and as required to ensure that the approach remains relevant. The Ministry will be proactive, flexible, responsive, and goal-oriented in the implementation of Trinidad and Tobago's foreign policy and in the representation of the interest of our people in every forum and circumstance in which it is called upon to so do.

If I may, with your permission, Madam President, and time permitting, perhaps I can turn now to a report I would like to delve in some detail in this august House, relative to a recent visit I would have made to the United Nations in the context of the recent meetings last month.

2.00 p.m.

I would want now to present to this august House, as I said, a report on my activities from September 24 to October 04, 2015, relative to the 70th Regular Session of the UN, the United Nations General Assembly, which was held at the UN headquarters in New York, United States of America. I had the honour of leading the Trinidad and Tobago delegation in my first official overseas engagement in my capacity of Minister of Foreign and Caricom Affairs at the landmark 70th anniversary of the establishment of the United Nations.

The General Assembly is the main deliberative organ of the UN, comprising representatives of all its 193 member states. The work of the United Nations derives largely from the decisions of the General Assembly. Each session consists

of a high level segment, the main feature of which is a general debate at which Heads of State and/or Government or Ministers of Foreign Affairs deliver the national address to the Assembly, followed immediately thereafter by the substantive work of the plenary session and its six main committees.

The theme of the general debate for the 70th Regular Session was “United Nations at 70: The Road Ahead for Peace, Security and Human Rights”. The delegation from Trinidad and Tobago availed itself of the opportunities provided during the United Nations General Assembly, to participate in a number of fora, including the launch of the 2030 Sustainable Development Agenda, which took the form of a summit convened by His Excellency Ban Ki-moon, Secretary General of the United Nations from the 25—27 of September of this year.

The summit formally adopted the 17 sustainable development goals and the 169 targets. The SDGs, that is, the sustainable development goals, constitute the development priorities agreed by the international community that will be the primary recipients of development funding from a multiplicity of sources, including official, multilateral and private sources. As such, the agenda provides a broad parameter for contextualizing national development planning of States over the period 2016—2030.

Madam President, the opportunity was also taken to highlight, among other things, the importance of the new 2030 development agenda for Trinidad and Tobago, and to call for the implementation of the agenda to give due priority to the concerns of small island developing States on issues such as non-communicable diseases, climate change and the needs of marginalized groups.

I also participated in the ministerial meeting of the Alliance of Small Island States, a coalition of Small Island and low-lying States particularly vulnerable to the effects of climate change, of which Trinidad and Tobago is a founding and

active member. Discussions focused on preparations for the upcoming 21st conference of the parties to the UN, the United Nations Framework Convention on Climate Change, to take place in Paris, France in December of this year. At the Paris climate change conference, world leaders are expected to agree on the new climate agreement to limit global climate change emissions from all countries and avert the effects of climate change in the long-term.

Madam President, during my intervention, I addressed fellow AOSIS, that is, the Alliance of Small Island States, the Ministers from such countries on issues critical to the group, highlighting in particular loss and damage as an essential element of a truly credible climate change agreement, which should include financial and other material forms of assistance and compensation for the most vulnerable countries. This has long been a position of AOSIS member countries which are expected to experience socioeconomic and ecosystem losses as a result of global warming.

Also, meeting in the margins of the United Nations General Assembly were foreign Ministers of the Group of 77 and China, and together we adopted a ministerial declaration which was subsequently issued on behalf of all members of the group of 134 developing countries. In the declaration, issues of importance to developing countries were underscored, including implementation of the 2030 global sustainable development agenda, poverty eradication and other key matters of highest political significance, such as the need to end the application of unilateral economic sanctions against developing countries.

The Trinidad and Tobago delegation encouraged the Group of 77 and China to maintain its solidarity in the coming months in the context of negotiations for a new global climate change agreement, and expressed the view that the group, under the leadership of South Africa, would be in a good position to positively

influence the outcome of these discussions.

Commonwealth Foreign Affairs Ministers also met to examine preparations for the upcoming Commonwealth Heads of Government meeting scheduled to take place in Malta in November of this year. Trinidad and Tobago is a former Chair of the Commonwealth Heads of Government meeting, having hosted the Heads of Government meeting here in Port of Spain in 2009.

I also had fruitful discussions with the Chairman to the Foreign Affairs Committee of the Parliament of Malta.

I wish to report that on behalf of the Government of Trinidad and Tobago, on September 25 I addressed the Summit of World Leaders organized by the UN General Assembly for the adoption of the global 2030 agenda for sustainable development. During my address to the international community, it was emphasized that Trinidad and Tobago's implementation of the 2030 sustainable development goals will be guided by its own national sustainable development strategy, which seeks to implement the sustainable development goals through 12 strategic priority areas, over the period 2015 to 2025.

It was also reinforced that our intention is to place strong emphasis on social and economic empowerment of our people, through incentivizing sustainable growth and diversification, achieving macroeconomic stability, job growth, respecting the ILO principle of decent work and protection of the environment. The international community, Madam President, was informed that it was the intention of Trinidad and Tobago to achieve these aims through a progressive programme of institutional reform, the establishment of a permanent mechanism for improved dialogue among the social partners, namely government, labour and the private sector and other elements of civil society, and focused intervention in improvement in data collection and analysis.

We are, therefore, pleased to note that the strengthening of data and statistical systems is one of the areas for which small island developing countries will be prioritized for assistance through partnerships and international cooperation.

Madam President, the opportunity presented itself for several other high-level bilateral meetings among which featured the meeting with the Secretary General of the Commonwealth, Her Excellency Margot Wallstrom, Minister of Foreign Affairs of Sweden; His Excellency Bert Koenders, Minister of Foreign Affairs of the Kingdom of the Netherlands; His Excellency Mr. Mike Eman, Prime Minister of Aruba, as part of the delegation of the Kingdom of the Netherlands; and the Minister of Foreign Affairs of Curacao, among others.

Discussions with the Secretary General of the Commonwealth centred on a number of pertinent issues to Small Island developing States. [*Interruption*]

Madam President: Hon. Minister, you have five more minutes.

Sen. The Hon. D. Moses: Many thanks to you, Madam President. I will comply with that guideline.

I will also say that the meeting with Sweden focused on areas of mutual interest, including climate change and a sustainable development agenda. Among the others I wish to mention would be the main feature which centred on the national presentations to the General Assembly, the main event. In setting the tone for the debate, the United Nations Secretary General highlighted that it was time to translate promises on paper to action on the ground. He recognized the 70th anniversary of the UN.

In that context, I must also report on the other meetings, such as the one with Costa Rica—that is the one with Costa Rica and Caricom. We had another bilateral meeting between India and the Caricom group, and we also participated in the

eighth special meeting of the Council for Foreign and Community Relations, COFCOR, of Caricom.

Might I add, Madam President, that it gives me great pleasure again and privilege on behalf of the Government of Trinidad and Tobago to report that the general debate allowed Trinidad and Tobago to present some views to the international community on a number of issues, on sustainable development amongst others.

Before I end, allow me to convey my special appreciation to members of the staff of the Ministry of Foreign and Caricom Affairs for their contribution in advancing the work of the Ministry.

Thank you very much, Madam President, for the forbearance. I wish to thank you very much. [*Desk thumping*]

Madam Vice-President: Let me congratulate the hon. Minister of Foreign and Caricom Affairs on his maiden contribution in this Senate. [*Desk thumping*]

Sen. Daniel Solomon: Thank you, Madam President. It is, indeed, a pleasure to be back in the Senate here, in the Opposition this time. I must first begin by congratulating you on your appointment as President of the Senate, as those before me have, and I certainly sincerely do that. I also want to congratulate young Mr. Nigel De Freitas on his appointment as Vice-President. I am sure he will carry out his duties honourably and with integrity, as surely you will, Madam. I also want to take this opportunity to welcome all the Senators, the new and the previous ones, and express the hope that we can all work together in ways that will ultimately benefit the people of Trinidad and Tobago.

I think it is also important to recognize colleagues in this Senate thus far, for raising the bar of this debate by focusing on issues rather than personalities. I think we have discharged our duties thus far as what is expected of us at the higher

House. We must always keep in mind that when we speak in this Chamber, we speak to the nation, and in doing so we set examples for the nation.

If as representatives of the people we cannot argue without being disagreeable, then how can we presume to truly be seeking the best interest of Trinidad and Tobago? This is something that I take very seriously indeed and I am sure all Senators will take seriously. It must always be at the forefront of our minds that we are always being watched and we set the example as leaders of this nation, that we must always act with decorum and class.

Madam President, I want to deal with a number of topics, if I may, time forbidding that is: tourism, public administration, urban development and numerous tax items I think that I would like to look at the nuts and bolts of how this budget was put together.

With these opening remarks, and with your indulgence and leave, I want to turn to an article which I think encapsulates very much my views and the views of many, of this budget, those who have a deeper understanding of the way this budget works. It is entitled, “Why the budget is a failure”. It is from the *Daily Express*, Monday, October 12, 2015. The author is Michael Harris. It goes:

“As far as I am concerned, far from it being a ‘good budget’ or ‘a just and courageous’ budget, what the Minister presented on Monday was a smorgasbord of contradictory measures lacking in coherence and vision, and serving only to make it more certain that ours shall be a painful reckoning.

Let us cut through...the chaff...”—There are one or two basic questions that I think—“the Minister”—needs to answer and he is—“obligated to address”—and I think it is on the lips of everyone in this nation, and if it is not then it certainly should be—“The first...question...simply put. How are we going to reconcile and bring into balance \$63 billion of expenditure

versus \$41 billion of revenue?”

2.15 p.m.

Madam President, this not a mischievous or trick question. It is a question that needs to be answered. As Mr. Imbert stated his presentation, if these two figures do not reconcile, it can certainly be perilous to our nation. And I quote from the hon. Minister of Finance:

“...in the absence of a well-thought out adjustment strategy our fiscal projections will definitely show continued and sizeable deficits...”—This will happen—“...over the next three years, a substantial reduction in our official foreign exchange reserves and a rise beyond 60.0 per cent of GDP in our net public sector debt. This will be an untenable situation, which we must avoid at all costs...”

This is a quote from the hon. Minister of Finance, Hon. Imbert.

“...knowing full well the consequences of not answering that question, the minister proceeds to simply duck the issue. For after castigating the previous administration for maintaining expenditure levels by resorting to ‘the extraordinary sources of one-off financing’ which were ‘unsustainable...’”—according to the Minister’s words.

He then proceeds to do precisely that in that his fiscal deficit is larger than any hitherto done.

“It must be that Mr. Imbert greatly admires former minister Larry Howai for without blinking an eye he adopts precisely the same set of ‘unsustainable’”—according to his words—“measures Mr. Howai used. But even worse he tells us he will be doing the same thing for the 2017 budget after which there will no more extraordinary items to used.”

Sell out everything. Right.

“This apparently is how the minister demonstrates his ‘commitment to fiscal prudence anchored in a medium-term fiscal consolidation framework.’”

Your words, Minister.

“But even though the minister tells us that for the next two years he is going to do exactly what the People’s Partnership administration did, surely our minister has at the same time given us the broad outlines of his strategy for effecting a real balance”—A strategy— “of revenue and expenditure come 2018.”

And when he is asked about the strategy this is what he said:

“ ‘...over the next six months, we plan to hold a series of consultations with all the main stakeholders and with the country at large on the state of the economy and on the financial challenges and opportunities we face, as a country.’ Yep!”

That is his strategy. We are going to be talking about it for the next six months while we come up with a strategy to deal with this very serious issue. In my respectful and humble opinion, that is wholly unsatisfactory. Come up with a strategy. Do not sit down and depend on others to tell you what the strategy is. You claimed to the rest of the nation that you have a manifesto that you have been working on for years, and you are very proud of it, and you have this plan. Where is the plan? The plan is to sit down and talk, and we are all for consultation. “Doh” get me wrong, Madam President. But really and truly where is your strategy? Bring your strategy and let us talk about your strategy. There is none.

“On this issue it remains only to point out that the situation over the next two years is not going to stay the same. It will get worse. Revenues from energy will decline even further and tax collections will also decline— notwithstanding the Minister’s hopes that his new Revenue Authority will

collect some \$5 billion...”

Now, how is this going to happen in a contracting economy simply because incomes would be reduced through loss of employment which we see happening already and reduced consumption which is also happening, plus prices going up, people are going to spend less. The panic that has been injected by this budget has also caused people to hold back from spending. The nation is petrified of what the future has to hold. And again, as my hon. Member Vasant Bharath said yesterday and I cannot repeat it enough, that it is so irresponsible to send a message to the nation, to the international community that we are looking at perilous times when in fact that is not the case. And I think I do not need to repeat Vasant Bharath's argument which was so comprehensive that the PNM was left with more than enough, more than enough. Anyway, so we move on to:

“The second question which the minister needed to address...”—and this is—“...the perennial one...”—which will face this nation for many, many years is—“...how do we proceed to diversify the economy? Here we must be honest.”

I concede to the Minister in his issue that he devoted some 75 pages, he devotes three pages to the issue of diversification. This is what the Minister has to say on the issue:

“There is also widespread agreement that with the uncertainties and challenges facing our energy sector, diversification has become an urgent priority. Indeed, in explaining the downgrade of Trinidad and Tobago's credit rating, Moody's Investor Services cited among the most important factors, ‘our limited economic diversification,...’” is one of those factors, and it—“...weighs heavily on the economic growth prospects.’

Unfortunately, it becomes readily apparent that the minister has no clue

about what diversification means, and what the Government can do to help bring it about. For under the rubric of diversification, the minister talks about reviving the International Financial Centre...the creation of shipbuilding and repair industry, and the widening of the country's telecommunication capacity.”

All things pretty good in their own right.

Probably—“...worthwhile initiatives, but they hardly”—and I repeat this, hardly—“constitute a diversification strategy...”—for the nation of Trinidad and Tobago.

That is not acceptable. Those are three projects. For the foundation any strategy has to be the process and this is the key. The process of weaning the country as a whole away from the dependence on oil and natural gas, particularly the businessmen who rely so much on off-shore generated revenue. And on this issue, the Minister with the greatest of respect, is totally silent.

Madam President, if I may, I think I would like to turn to a number of these other items that—[*Crosstalk*] at least I am qualified to talk on what I am talking about. Madam President, having asked those two key questions of the Minister, I really look forward to his answer and I also want to turn to the issue of taxes and the adjustment of personal allowance.

Madam President, had the increase in the personal allowance to \$72,000 been part of the simple People's Partnership that would have been satisfactory. The People's Partnership would genuinely say, look, we want to raise the bar to \$72,000 to improve the lives of the citizens of Trinidad and Tobago. That did not happen. You see, what you have here is a mamaguy. You are giving with one hand and you are taking back with the next. [*Desk thumping*] And in the normal PNM fashion we are all supposed to be so forever grateful of the crumbs that we

get. Because it is a lie. It is not true because you are taking it right back, right back. You say, okay. How is this 12.5 per cent decrease in VAT? Sounds fantastic. Does it not sound fantastic? It is an ultimate reduction in VAT.

Now, I have my own theory about how that came about and perhaps, indulge me for a moment. As I recall during the election campaign there were some allegations that the PNM was going to actually raise VAT. I do not know if anybody remembers that. Then they said, “Well no.” What they did in fact to counter those allegations was to say, “We are not going to raise it. We ain’t leaving it de same. Hear what. We are reducing VAT.” [*Laughter*] Now, I mean, okay. So, you are reducing VAT in a time when we are facing economic crisis just to prove the point on your PNM manifesto so people will vote for you? That is what you are doing? Okay. Well you have done that. We have seen the PNM manifesto here. Painful to read this document. Let me tell “yuh”.

“Reduce VAT to 12.5 per cent to provide much-needed relief to all consumers and lower the cost of living...”

Not true. So this is one of their selling points.

So you read this. You are an average citizen. You are taking your time to read the different manifestos. You say, “boy, that sounding good.” Well that is fantastic. But why do you not tell them the truth? What you really wanted to do and what you are doing is that you are increasing VAT. People’s Partnership, we reduced VAT to 7,000 items because we do not want the people to suffer. [*Desk thumping*]

Not this PNM administration. They are pretending to the nation. They are fooling the nation, and they get them to vote on that basis, on this small issue. They say that is how we are going to do it—12.5 per cent. Now they have made the promise in the elections, “they surprised they win now”, now they say, “Oh

God, we have to reduce VAT. How we go get around this blunder? Well wha we go do is we will raise VAT on all the other items. So we say, okay. What are the items? We ain't telling yuh. Da is ah secret." That is transparency? That is honesty? Madam President, you tell me. That is the way that we have to trust this Government? That is the way we are going forward? I do not think so. I do not think so. I demand that the Minister tells us immediately what these items are [*Desk thumping*] because the nation needs to know. It is a shameful thing. You have everybody sitting down here singing praises because like they have been robotically programmed to repeat this nonsense. It is a lie and a mamaguy and the nation should be appalled; appalled.

Madam President: Sen. Solomon, I am a little reluctant [*Crosstalk*] to interrupt you.

Sen. D. Solomon: Sorry. Sorry.

Madam President: But let us not go with "robotic responses". Speaking like that about the contributions of the other Senators in the Senate.

Sen. D. Solomon: I apologize. Moving on. I do apologize to my fellow Senators. I actually did very much enjoy a lot of the contributions, albeit a few of them repetitive. [*Laughter*] In fact, what you are doing because we do not know yet, we are left guessing, but we have to look at what we have been provided because the information trickles through and we have to sift through it to actually find the truth because we know that the truth is hidden in the detail. You know full well that the nation does not have access to these. They are not going to go through each of the details to try and work out where the tricks lie. We did it though. That is our "wok". I am proud to say that we did it and we are earnestly and vigilantly watching. This is what we uncovered.

First, during the hon. Minister's presentation he said that he was going to

raise \$4 billion by VAT. Okay. So, we are moving into a situation where I believe it was \$1 billion VAT to \$4 billion VAT. So we say, well that sounds like a lot of items are going to be increased, but we still have this reduction in VAT. But in fact we are going to end up paying a lot more which means what you are really doing is raising from 0 to 12.5. So the nation now is thinking to itself, well how many items? Well we are moving from a situation of \$6 billion revenue from VAT to \$12.364 billion. Now you do not have to do rocket science to realize is plenty items that are going to get VAT. Plenty. So the cost of living is not going down because of a reduction in VAT, [*Desk thumping*] as you say, as you say in your manifesto. Lower the cost of living. "Nah." You are not lowering the cost of living. What in fact you are doing is that you are doubling it. You are taking \$12 billion more from the people for Trinidad and Tobago and pretending that you are doing us a favour. I say this is because the nation is still waiting to be fully informed, and I beseech you, hon. Minister, do come out of the shadows, be transparent, act with integrity and tell us what exactly you are doing with VAT and what items are and are not going to attract this increase? [*Desk thumping*]

One of these items that keeps re-emerging is the coming property tax. The previous administration resisted the property tax in the form that it was proposed by the PNM because we thought that it was unjust and could radically erode the quality of lives of many citizens and I dare say it is one of the major reasons that the PNM lost their office in 2010, of course, coupled with huge allegations of corruption and mismanagement and nepotism and cronyism and what have you. They have restored the idea of the system will not be an unjust one. So let us draw our own conclusions. We will see what will happen with that when it starts to hit the people of Trinidad and Tobago, and not just everybody.

What would happen is that you will have young couples who may not own a

property, but they will be renting a property. The landlord would say, “I have to pay property tax now, I have to pass that on to you”. So the young, who you say you are going to get—that you support and you love and you want to look after and you want to help, well those who are not part of the Heliconia Foundation will unfortunately not be getting that additional income, and would have to face the wrath of the property tax from unscrupulous landlords who may increase their rent dramatically.

2.30 p.m.

What happens to them? Where is the reduction in the cost of living that is so promised here? Where is it? That is a hoax. That is a con. We had a whole strategy to deal with this fuel subsidy matter in terms of introducing CNG to reduce the cost to the public. In fact, our plan was to try and make the cost to the consumer a lot cheaper and then what we would do is move to hybrid and electric cars. I urge the Government to think in a more forward-thinking way in terms of technology and where the rest of the world is going. If you go to California now they are driving around in electric cars, every other car is an electric car. We should be heading in that direction.

Anyway, Madam President, I think that it is clear that these are items that are really designed to hurt the middle and lower income class people. In particular, the young, whose income is not that high as they start off, and what is going to happen is that they are going to be punished for believing in this lie and voting for this lie. You know, I was going through this document and I was looking for—where does it say, perhaps I missed it, where does it say that you are going to increase 15 per cent on super gas and diesel? Is it in this document? Has anybody seen it? [*Holds up document*]

Hon. Senator: The manifesto.

Sen. D. Solomon: This is the manifesto here. The PNM manifesto, “Let’s do this together”. Yes, this one. [*Laughter*] [*Interruption*] “Yes, da one, da one”. Where does it say in this PNM manifesto, which has been prepared over years and years, lots of hours, lots of work, lots of stuff—increase in the Green Fund Levy. [*Interruption*]

Madam President: Sen. Solomon, just a minute. I just want to remind all the other Senators please of 51(1)(e), let us listen to Sen. Solomon in silence. Good.

Sen. D. Solomon: Thank you, Madam President. Where is it in this manifesto about the 15 per cent super gas and diesel tax or removal of the subsidy? Where is it? Not here. That is a major, major, major omission on the part of the manifesto. Because, I say, if it had been here they would not have won. So, you had to lie to win on your manifesto. This is a serious document, because apparently now this document forms part of the official policy framework.

Might I remind you, Madam President, that we were the first to put our manifesto as part of our policy document for the medium-term policy framework, and I am pleased and proud to say that the promises that we outlined in that manifesto, 98 per cent were fulfilled. [*Desk thumping*] It was laid in Parliament.

Sen. Khan: That was Kamla’s plan.

Sen. Mark: Listen, the President has ruled.

Sen. D. Solomon: I am sorry, but this reveals a lack of innovation, lack of imagination, it passes the burden on to the citizens immediately. And it seems to me as though what we really are doing here is we are turning to the IMF for them to tell us what to do. Well, them to tell the PNM what to do, because they do not have a clue.

Having won, perhaps to their own amazement, they really are struggling, and I do not have any sympathy to say, oh, you only had a little bit of time, or you

only had a month. You claimed that you were working on this for years. Years you all had consultations up and down the place, you all working on this document, you all have a plan. It is thorough, it is well thought through. When I opened it I say, “wow”. Okay, let us move on. I want to move on, Madam President, with the greatest of respect, to tourism. I turn to the 2016 budget and I have a statement to say, economic diversification is the key imperative for Trinidad and Tobago and the Ministry of Finance has wholly failed to provide the country with any initiative that suggests an increase in export revenue from any sector outside the hydrocarbon sector. I want to repeat that because that is very, very important. You want to talk about diversification, the economic diversification is the key imperative for Trinidad and Tobago, according to the Minister’s own admission, and the Ministry of Finance has failed the country in suggesting any initiative for diversification outside of the hydrocarbon sector.

So, I turn to tourism. Madam President, in the national budget, wherever reference is made to tourism, it was contextualized in sun, sea and sand thinking. Nothing is wrong with that. But tourism is far too diverse a sector for us to place such a narrow context with development as part of our economy. I note that on Tuesday a Government Senator responded to the absence of a particular issue in the budget statement by saying that it was addressed in the PNM’s manifesto, and that the manifesto is now Government policy. So, I am listening and I am learning, I am understanding how the PNM do their stuff. First, I think it is important to remind this honourable House and indeed the citizens of our country, the People’s Partnership administration adopted its manifesto—I said that already—and we adopted a fiscal policy.

But it is not good enough just to say that a particular policy is mentioned in the manifesto, even if it is not mentioned in the national budget; two separate

documents. A national budget sets out a Government's fiscal policy direction for each sector that it hopes to develop, expand or achieve revenue from. You cannot escape that. That is what your manifesto needs to have. This means that it forms a serious part of the next year of capital and recurrent spending. It must be clearly articulated.

So, I want to say this before I respond to obvious questions. Incidentally I checked the manifesto and the only reference to the diversity of the tourism sector is on page 63, so I turned to page 63. Subheading:

“Actively develop and promote Sports Tourism.”

—subsection on sport. I say, “nah, this cannot be right, let me check again”. I go to the index, I am looking for tourism, mind you, Madam President, and I go through the table of contents:

“National Security
International Relations...
...Water Sector
The Environment
Energy and Hydrocarbon...
Trade...Industry
Infrastructure
Education
Health Care
Agriculture”

—“duh, duh, duh, duh”. No tourism at all. This document that is now part of Government policy does not have a section on tourism. What, you forget tourism? Not important? You want to tell me you are serious about diversifying your economy but really you do not have a plan. All you are studying is hydrocarbon

gas, rapid rail and getting IDB to come and give you the money to do that, but you do not have a plan for tourism. So, you are not serious about tourism whatsoever.

Maybe I missed something. Minister of Finance, perhaps you could show me where in the index it says, tourism. "Have all kinda thing though, eh".

Sen. Ameen: "It have no gender either."

Sen. D. Solomon: No gender in here either? How ungrateful, Sen. Ameen.

So, setting aside that, perhaps it is an oversight, perhaps you can rectify it retroactively, perhaps you would not, perhaps you do not think tourism is important. Setting aside the fact that it is neither there, I want to try and at least say something positive, perhaps the other side may be gracious enough to take it on board and somewhere down the line when they do put in a tourism sector index, let us think about what the value is? The UN World Tourism Organization, and I quote from its website:

"Over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world."

The World Tourism Organization also underscores at its website that:

"Today, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles."

It also states:

"In 2014, international tourism generated US \$1.5 trillion in export earnings"

"PNM doh have it in dey manifesto, though." Maybe, they "doh" need the money. It surpasses that of oil exports. It surpasses that of oil exports. We as an oil dependent nation must be feverishly running down tourism, because the value is there, just my humble, respectful opinion, Madam President. I want to ask the

question, where are the provisions and policies for promoting and developing other types of tourism? Tourism is not a simple industry anymore, it is complex, but there are so many opportunities to make revenue, and Trinidad is well poised, so well poised to capitalize on it.

Education tourism, health tourism, sports tourism, environment tourism. What is the Government's plan to tap into the huge potential the tourism sector presents to us as a Caribbean nation? That also happens to be a leading destination in the region for energy, financial services and skilled labour. I want to say that the People's Partnership set the stage by providing the infrastructure on which to build on these tourism sectors. You see, you cannot just go into these sort of tourism sectors that I have just listed without the infrastructure to support it. You cannot have, for instance, a swimming competition where hundreds and hundreds of teams come from around the world and you do not have the facilities to accommodate them, to house them and world-class facilities to compete. If you did, you can make serious income, you can get serious profile, and you are enhancing the whole sport for your country and internationally. You are putting yourself on the world map of sport.

So, we found ourselves with this infrastructure deficit in 2010 when we won the election, and what we did was, we said okay, we need to expand the roads and highways networks in the south and even in the constituencies of the hon. Prime Minister, as well as the Minister of Finance, who has just left the room. Diego Martin has got their highway, and this is what led to the traffic bypass infrastructure across Trinidad and Tobago, and in particular along the East-West Corridor. It is what led to the upgrade and construction of over 100 health centres. The redevelopment of the San Fernando Teaching Hospital, and start and completion of the Couva Children's Hospital. As much as they would like to

destroy that aspect and that achievement, which seems to be the cultural plan of the PNM, is to destroy what they did not build.

And I urge that culture to change. That you must build on the fundamentals of the past and move forward. Otherwise we would just be going backwards every time. And this is what led to the expansion of tertiary education infrastructure in Trinidad for the first time at a large scale in south, and for the first time in Tobago, with an integrated university complex. We saw just beyond the immediate and understood that a changing post 2008 global economy required us to make certain standards if we were to become players in expanding sectors like tourism. We understood that if jobs were to be sustainable, if revenue growth and sectoral expansion were to be maintained, a serious infrastructure deficit required critical attention.

So, Madam President, having spent a great deal of the previous five years, redeveloping and transforming our nation's infrastructure, the question that we are asking this Government is, will you please use that as a platform to tap into the vast potential of tourism? Madam President, the question is asked on the basis of the People's Partnership not only addressing that deficit, but also commencing projects focused on expanding the tourism sector.

Madam President, if I may just touch very briefly, I am currently also—I am more peculiar than Helen Drayton in her position. I am currently, as I stand here, an Opposition Senator clearly, and I am also the Chairman of Chaguaramas Development Authority. I think that is perhaps because the Minister of Planning has not yet had the time to meet with me and to discuss the handing over where we are at in terms of the CDA. On her assuming office, I wrote to her a letter offering my resignation as is protocol, and asking that I would be available for a meeting, and I enclosed the chairman's report so that she can be fully apprised, and I would

stand available to meet with her so that I can apprise her and hand over, once a new chairman is appointed—

Madam President: Sen. Solomon, you have five more minutes.

2.45 p.m.

Sen. D. Solomon: Thanks. I turn briefly to the developments that we have made in Chaguaramas. We transformed many lives in Chaguaramas and I indicated a few minutes ago that I would talk to you about what we have achieved. Now this may be in assistance, in terms of how to approach, with very little funding, the diversification of the economy.

Hon. Senator: Explain the Chaguaramas Convention Centre.

Sen. D. Solomon: The PNM convention centre? Yes, the master plan we conducted provided a planning framework for the next 15 years. We had a vision where we would use what we had in nature. We built a boardwalk which will be a self-sustainable boardwalk, a people centered nature, health, family oriented recreation. That boardwalk was used as a platform to trigger further investment. And as such, I think we can say now, safely, that perhaps we have so many projects that are on stream at different levels that would transform the Northwest Peninsula and it would make it a sustainable area for recreation, for cultural, for health, for sports, for nature. We are looking at a sort of Walt Disney World versus Yosemite National Park, marinas, and we are hoping that what will happen is that this will be an epicentre of action and that this economic zone will springboard further investment.

We think that 3,000 new jobs will be created.

Sen. Gopee-Scoon: Who is we?

Sen. D. Solomon: We have—we, the citizens of Trinidad and Tobago. [*Desk thumping*] “Oh”, it is just you. We successfully completed the zip-line project,

first of its kind in the country, and the model that we use is that, the foreigners would come and train, set up the safety, explain the processes and now I am proud to say that it is handed over completely to 45 employees from the Carenage area who make a successful living and they have actually expanded into a children zip line as well.

We are pleased to see that the PNM mention that they were going to construct the causeway, and we look forward to that. It is my genuine hope that the current administration would build on the developments, and not hamper the continued development based on politics, for the sake of the people of Trinidad and Tobago.

Madam President, I quickly want to turn in closing to something, it has been very upsetting. On Tuesday I think one of my comrades had mentioned it. It is the alleged serial killer in Tobago. This is extremely disturbing and I do not see how we can proceed in this country when these types of heinous crimes are being committed in the small island of Tobago. It has sent ramifications throughout the country, throughout the world. The world is watching and judging us, and we must, and I urge the Government to please put resources into solving this problem.

I want to take the opportunity to extend my condolences to the Wheeler family and I hope, with your leave, Madam, on behalf of the Senate that we could extend condolences and best wishes to the Wheeler family. I just want to share with the Chamber:

“UK puts Tobago in its ‘bad books’”

The High Commissioner of the UK said that:

“There is a factual revision of the travel advisory which reflects that these murders have taken place. We already have advised UK visitors to take care and we provide them with the facts...of what has happened and...the

murders.”

The BBC has been reporting it, Metro has been reporting it. Financial Times:

“Gas riches give Trinidad no escape from crime...

The country has suffered from a homicide rate that exceeds Mexico’s for more than a decade, but the latest spate of killing has shaken many of the 1.3m ‘Trinbagonians’.”

We are worse than Mexico in the crime rate, Madam President. Government online services from the United Kingdom:

Trinidad and Tobago Foreign Travel Advice:

“There is a high level of gang related violent...in Trinidad, particularly in the inner city neighbourhoods east of Port of Spain’s city centre, Laventille, Morvant and Barataria.”

Madam President, in closing I have a whole host of international reports of varying kinds putting this scourge on our country and I urge the Minister of National Security to put resources into solving these crimes, bringing these hate crimes—perpetrators to justice. It is spiraling out of control. All murders are horrific, Madam President, and I urge that this Government deal with this matter as a matter of extreme urgency. Thank you, Madam President. [*Desk thumping*]

Sen. David Small: Thank you very much, Madam President, for giving me the opportunity to join this debate. Madam President, I want to begin, as many of my colleagues have begun by extending congratulations to you on your elevation and I also want to acknowledge—send congratulations to all Members on all sides for their appointments.

Madam President, I often say, and I have said it before that I do not start off and I do not come here to be controversial. Every day I wake up and I make my peace with the Father, 10 fingers, 10 toes, I am thankful for what I have received

and have achieved. I am thankful for my family, my children and I continue to say that Trinidad and Tobago is a blessed place. [*Desk thumping*] And I try to do what I can do to try to see how I can impact on the positive development of the country, and I do so without fear, without favour, at all times.

Madam President, we live in a place where—I sit here in this debate and I keep hearing corruption and nepotism and with the greatest of respect, it does not exist. There is no corruption in Trinidad and Tobago, there is none, and I say that on the basis that nobody has made a jail. It does not exist. As a former Prime Minister of this country had said, “if you have evidence take it to the police. If you do not have evidence stop besmirching peoples characters”. [*Desk thumping*] So that if there is no corruption, then everything is wonderful. Is it not? There is no corruption, it does not exist, because until somebody makes a jail—
[*Interruption*]

Hon. Senator: “Cut a jail.”

Sen. D. Small: They have to “cut a jail” then I may be persuaded to believe that there is some corruption. But as far as I am concerned there is no evidence to support it.

Madam President, I want to quote from 1 Corinthians 6:10 where it says, and I quote:

“nor thieves, nor the greedy, nor drunkards, nor revilers, nor swindlers will inherit the kingdom of God.”

And I say that deliberately because there are people who have used and abused the resources of this country and not a single person has made a jail.

HCU—I heard someone going back to Jean Miles and all sorts of history. I am like, unless there is proof or evidence and you can take it to the police and they can be charged and tried, it is not real. I believe we operate on the basis that

Trinidad and Tobago, and most countries, we are a democracy, you are innocent until proven guilty. At least that is what I thought.

Madam President, I want to be efficient in my time because I have 27 topics I want to cover so I—one of the things I want to talk about is, there is a stasis in the economy. The economy is not moving in the direction because there is a level of banditry and thievery and thuggery going on at all levels. Madam President, I gave a story in the previous Parliament. Several Members here may not have heard it so I will repeat it.

In the year 1696, Madam President, King William III of England introduced a property tax based on the number of windows in your home. And the effect of that was the gentry, those who had lots of money added on windows. And they were like, yeah, more windows, we have money, we can afford to pay the tax. The regular citizens started boarding up their windows because they could not afford the tax. And that, Madam President, was the origin of the term “daylight robbery”. And daylight robbery is happening in Trinidad and Tobago every time, every time I go to the bank or the insurance company, it is daylight robbery. [*Laughter*] It is robbery.

And it is a thesis of mine—the Minister of Finance is smiling—I would like him to address it, why should my credit card interest rate be 29.99 per cent. On what basis? When I go for a loan it is 11 per cent. The interest rate on my savings is 0.0001 per cent. It is fundamentally against the population that the country is being bled dry by a system where banks are sitting at \$70 billion plus of savings that earn nothing. Something is fundamentally wrong with that. And as the citizens of this country you earn nothing—I will talk about my request.

In the last Parliament, Madam President, I had pleaded and begged and cajoled to bring back the tax free savings bonds so that regular ordinary people can

have access to something where their savings can earn some return, a reasonable return. It was introduced, I saw no mention of it in the current budget, but I live in hope and I will continue to press for things like that.

I heard yesterday about the issue of the Government payments only going to banks and a case was made by my colleague Senator, why they cannot go to credit unions? Why must the bank alone make fees? If you look at the Central Bank data, banks earn over \$700million in fees. It is obscene. It is obscene. And I have no problem with an institution doing business and making a return. But when you are making a return on the backs of the ordinary citizens of this country and then you give nothing back—you give nothing back. You have a function every year, good job, profits, looking good—that does nothing for me. And I believe these are some structural things that can be easily fixed. The inspector of banks, you need to wake him up and say, “whoa”, we need to have some process by which we bring some reality to this system.

So, Madam President, let me try to be efficient with my time. The Minister of Finance outlined in his presentation, in great detail, the current fiscal position, and I am grateful for that review of the state of the economy. I have concerns about the data set that was used to generate that outlook, because like many people—Madam President, in my private endeavours I provide advice to companies who make decisions worth tens of hundreds of millions of US dollars. And when I make recommendations based on data, I have to have confidence that that data is solid, is unimpeachable. I sit here and I hear one person say, the numbers that you are saying are correct and the other person say, no it is wrong—and it is wrong, it is correct, and there is no independent organization where I can go to and get definitive financial and fiscal data on the country. Anyone can say that this is correct and if anybody says it is not correct is not telling the truth. That

is what we need.

So, Madam President, one of the things I am also happy to see, the hon. Minister of Finance indicated that he has a target for a balanced budget and I believe that is something that is needed for this country. I believe that in the same way he set a target for the balancing of the budget, a target should have been set also for the reduction of the subsidy. I think that the Government should have said—come out clearly with a policy—we want to reduce the fuel subsidy by X per cent and we will reduce it every year by X per cent until we get that number. And it removes this position we have every year of the Minister of Finance pulling things out of his back pocket. We need to get out of that and we need to be in a place where we can plan properly and citizens are not surprised or caught off guard by changes where there is some predictability in economic policy. Yeah?

Madam President, I want to run quickly to talk about the assumption for oil price used by the Minister of Finance. I believe, on my estimation, on my analysis, it is a sound number. I believe that the—interestingly, I am a data junkie so forgive me. If people were to understand that since the beginning of the marker, West Texas Intermediate, the inflation adjusted price, average price for West Texas Intermediate from 1946 up until last week, was \$41.70. So that—I live in this industry and I like to understand what it means, so that when oil price today is about \$45 the inflation adjusted price—ever since the marker begun 70 years ago, is \$41. So that all that has happened is the market has tended back towards its long-term average. And that is an interesting perspective.

Further, I tend to have lots of data, if you look at and understand that from the average WTI price from 1980 to now, is \$53, and the average price from 2000 to now is \$64, all it means is that relatively high oil prices are a recent trend. People have gotten use to \$80, \$100, but that is not something that is of any long

vintage. That is a recent phenomenon. And I say that because I believe that all of the projections I have seen point to slow recovery of the oil price for more than one reason. I have Platts projection here out to 2023 and it shows just moderate growth and around 2016 they are estimating mid \$50, \$53, \$54, so I think that \$45 as a planning basis is a sound number.

And it is because of the structural changes in the international oil industry, and I want to just take a couple quick minutes with this so that we could understand what has happened.

3.00 p.m.

In the past, when we had oil price changes, it was largely OPEC members or some untoward event causing an adjustment in the demand/supply scenario. What we have now is a fundamental reorganization of the international oil market where, because of the potential production capacity of the United States' shale production, the OPEC partners have rallied around themselves and decided they want to protect their corner of the market and let everything else sort itself out. Because now, the shale producers are in a position—they can increase production just like that; turn it over just like that, and they can actually flood the market with crude, and the OPEC partners have not figured out a strategy how to deal with that. What it means is that, certainly for the medium term, oil prices will be at more moderate levels. That is what all the forecasts point to and that is something that we need to wrap our minds around.

Madam President, there is a saying that God is a Trini, and I want—you know, on previous contributions on the budget, I have placed on the record my concern about the size of the budget in the context of the situation regarding our oil and gas production and in the prices in the world. Madam President, I want to quote from the *Hansard* of September 23, 2013. And I quote:

“Let me first state that given our energy sector reality, a record budget of \$61 billion seems to be flying in the face of the barely stable natural gas production, and the rapidly declining crude oil production. Given the overwhelming importance of energy revenues to our economic stability, there seems to be some putting to the side of caution.”

That was from the budget contribution of the hon. Sen. David Small, and this is where I do not expect everybody to take everything that I say and just run with it and accept it as it is policy, but what I do say is that I come from a background where I understand this business, and there are people at the Ministry of Energy and Energy Affairs who understand this business probably better than me. I only spent 22 years there. So, you know, I have a little good reasonable background in understanding the business, and the past year has seen us begun to pay the price for the over-dependence on market prices. The effect of that approach is that we have been playing Russian roulette with our economic fortunes.

Madam President, I want to quickly now—I am only at three issues out of 27. Madam President, I continue to have a position about a policy framework guiding the administration of the energy sector. I have had the unfortunate or fortunate experience of having to travel to many countries all over the world and an energy policy is not something that, you know, you think about or will find in a manifesto. An energy policy is a document that you can go, download, print and examine and hold the Government to account to, and successive administrations have not seen it fit to move that process in any clear direction that I could see. And the absence of one, Madam President, in my view, could be seen as an indictment of the performance, or lack thereof, of particular administrations as time has gone on.

Madam President, in concert with what I consider to be a major piece

lacking in the energy strategy and policy of successive administrations, I believe we in Trinidad and Tobago should have been doing a long time—and I was part of that process—about seeking to leverage our energy industry experience into a higher level of global business connectedness. And we were talking at one time—certainly when I was in the Ministry—about building Trinidad and Tobago Incorporated, and where we would leverage our—and use, as I think the hon. Minister of Foreign Affairs spoke about—energy diplomacy. Madam President, this is something that I worked hard on. The hon. Minister Sen. Gopee-Scoon is well aware that I was one of the persons who would have led on several initiatives globally for Trinidad and Tobago during my time, and I understand what is required.

Madam President, three days ago—today is Thursday—I sat in a forum hosted by the United States Department of Energy. I was invited to participate in a panel discussion, and I am sitting there, and another representative from a Caribbean country is saying they are about to be importing natural gas and their strategy is that they want to be the hub to deliver natural gas to all the other Caribbean countries because nobody else seems to be interested in doing same. And you have members from all the Caribbean, and I am sitting two chairs away from the United States Assistant Deputy Secretary for Energy, and everybody is all excited that a Caribbean country has the vision to deliver gas to other Caribbean countries. And I sit there, and I say, “Well, hmm”. What happened in the past few years with our energy diplomacy? What happened to it? And I am not saying that Trinidad and Tobago may not have been there, but we were not even in the room—not in the room.

I was invited to speak because I just have one or two people who like to hear me talk. And this is of concern to me, and the hon. Minister of Foreign Affairs

raised a particular issue and at that meeting, members of the OAS, the IDB, the World Bank were all present, including some particular parties, and I was actually asked a question on that issue. So I listened with rapt attention to the hon. Minister of Foreign Affairs this afternoon and I am like—because when it was asked of me as to how a particular machination occurred, I am like—news to me. My public service training kicked in and I pled the fifth.

So I say these things because things happen in a particular way and then as a citizen of Trinidad and Tobago who is out there doing business on my own, I am caught off-guard. I ran, actually, into the individual. I said “Good afternoon”. I am not upset with anybody, personally, but things happen, and when you do so you damage the reputation of the country, and that is my concern. I do what I do, and whatever I do, I try to make sure that I do not do things that are inimical to the interests of Trinidad and Tobago.

Madam President, I move on. Natural gas reserves: Given the lack of public information on the annual gas reserves update by Ryder Scott—normally the Ministry—I understand it would have happened in the wonderful period coming up to the election and all of these other wonderful things, but I think enough time would have passed that an update on the reserves situation should have been forthcoming, should have been mentioned in the budget, and, with all due respect to the Minister of Finance, no mention of it by any Member of the Government is not good enough because we are not in a situation where we have surplus gas.

The situation is tight. It is not yet panic station, but it is certainly observation station. Men hands on deck to understand what is going on, and having the latest available information, having access to it in a public way—I do not always want people to get information because I know people, but that is how

it is. So I will not talk about what I know, but what I am saying is the average person who is just looking for information should be able to have access to that information, and that is not the case.

Madam President, I got excited sitting here. I was sitting in a row here—a created row—during the budget debate and the hon. Minister of Finance said he is going to talk about transfer pricing. I am like, “Woah, finally, great stuff”, because I am like, transfer pricing is a big issue. And then what I was expecting I did not all hear. I heard some things that were sounding good but I did not all hear, and I am concerned about liquefied natural gas in particular, about transfer pricing that is occurring in that industry.

There have been situations, Minister of Finance, where cargoes of LNG have been sold and then the Government is being given a bill because the revenue earned is less than the cost of transportation and all the other things. That is because we have to understand the structure of this business, and you have people in the upstream—there are partners in the upstream; there are partners in the plant. They own the chartering company which charters the vessels; they own the delivery port, and then the receiving facility they own, and then they sell it to themselves to market it. So they are all along the chain. And there are strategies to manage these things. There is enough information available but they require some focus.

Madam President, I am talking about an industry where seven out of every ten molecules of natural gas produced in this country go to that industry. It is an industry that generates \$50 billion to \$60 billion a year, and we are not really optimizing our participation in that industry. Because, Madam President, of all the countries in the world with liquefied natural gas, Trinidad and Tobago—and this is something I have beaten over the head and I will continue to beat over the head—

we do not have LNG in Trinidad and Tobago. We do not. The Government of Trinidad and Tobago, through the National Gas Company and its subsidiary companies—and I would know; I was on the board and I was the chairman of a couple of those companies for some time. Trinidad and Tobago, in total, is a 6 per cent shareholder in Atlantic LNG—6 per cent. Of all the countries in the world, that is by far the lowest on an equity basis. That is the reality. And, of course, Madam President, as always with all my numbers, I am happy if someone will say, “Sen. Small, your number is wrong and it is really a higher number”, and provide that number and share it with the public. I have no problem with somebody correcting me on that. But on that, you can bank.

So, Madam President, I ask how long will this go on? When would we keep talking about our LNG, and our LNG, and our LNG industry? We do not have an LNG industry. An LNG industry exists on our shores and we collect some rents and some taxes, but we have to understand the kind of money that is generated. The average cargo—I have a sample calculation, Madam President, and I am happy to share with any Member who is interested—where, if you have—I have done my math; I was pretty good at math—I assume, a standard cargo going to Argentina and it is fetching a price of \$8, the value of that cargo is about TT \$130 million—one cargo.

The scale of money that is generated by liquefied natural gas, the average person just does not understand or grasp, and when you understand that Atlantic does between 200 to 300 cargoes a year, and every cargo is probably going to be valued at least \$120 million, we recognize it is a huge business and we are an insignificant holder.

So the Government is aware that there are contract re-openings regarding the supply of gas to Train 1, in particular. I had the unfortunate experience of sitting

in a standing committee on an energy meeting several years ago, and the then Prime Minister had requested a document from the Inland Revenue, and it was entitled: "Revenues Foregone for the Government of Trinidad and Tobago by Train 1". All I am willing to say is that when the numbers came back the room was silent. And while at the point in time that the decision was taken to approve the project and was given a 10-year tax holiday, I remember very well, the natural gas price in North America was \$1.75 and the forward projections for the natural gas were going to get to what, \$2.00/\$2.20. So that the project needed tax incentives to really be approved.

But by the time the project came on steam, the market had completely changed, and that project now, the first contract for gas supply, is coming up for renewal. This is an opportunity for the Government to get in there and say, "Guys, lovely. You had a good run, but the Government needs to get a bigger share." And I would be happy to share my thoughts with the hon. Minister of Finance on that, at how you can structure the Government's engagement in that process, that at the end of the day the partners have to understand that this is a State asset. Seven of every 10 molecules of gas we produce go to an industry of which we are 6 per cent shareholder. It is simply untenable.

And, Madam President, to be clear, I have nothing against the Atlantic partners. They are here doing business. They pay their taxes. They employ people. They are doing a wonderful job. All I am saying is that the State, the guardian of the resources for the people, I do not think we have done all that we could have done.

Sen. Khan: Are you proposing that Government take greater equity in Atlantic? Or should they streamline the value chain so that they could cream off better taxes and rents from the stream, in terms of the value add, as distinct from equity?

Because, you know we have gone the equity way already with state enterprises and you know the history of that.

Sen. D. Small: May I address you directly, Minister? Thank you for that. Yes, I am proposing equity. I am proposing equity. Equity allows you access to that entire chain and understanding how they cream. Now, I have had the privilege, hon. Minister, of sitting in the room—sitting in a data room in Gasunie's office in Holland and seeing the value of a cargo coming from Trinidad and Tobago and understanding the pieces and how the particular shareholder is making money along the train, and then when it is time to remit money to the Government of Trinidad and Tobago, "Oh, we sold this cargo at a loss". Yeah.

They are not bad people, but we need to understand it is up to us now to understand the market and say, okay, for me, I have a straightforward plan for that. The Government is going to be providing gas through a production-sharing arrangement and the Government of Trinidad and Tobago wants an equity share and we are going to use part of the gas to pay for our equity share at a discount, because that particular project, Train 1, received a 10-year tax holiday.

3.15 p.m.

So that there are ways to structure this. I do not want to go into the details because that will derail me, but Minister, we can have a discussion. It is a pet peeve of mine, Madam President, so please, forgive me. And my colleagues at the Ministry of Energy and Energy Industries, I am not seeing anyone here but I am sure they are watching or listening, saying, "Oh God boy, Smally killing we with that again", but it is just me.

Madam President, the public service, at one time, attracted the finest talent in the country. We must now face the fact that there are simply many more opportunities in the market and that if you want the finest talent, you have to pay

top dollar. I know the Ministry of Energy and Energy Industries is struggling with this and perhaps, more innovative use of the petroleum impost is one way to fix this. Because we have the petroleum impost and I believe it has been sitting there and no one has really looked at it to see how you can use the petroleum impost to make sure that the Ministry of Energy and Energy Industries is properly skilled and resourced to really manage all of the fine details involved in the energy business in Trinidad and Tobago. And I have more information on that to talk about. I just want to raise the issue.

[MR. VICE-PRESIDENT *in the Chair*]

Madam President—forgive me, Mr. Vice-President. I meant no disrespect, Mr. Vice-President; humble apologies. In light of the tight natural gas reserves situation in the country, I have another major issue. We have operators sitting on small pools of gas who have decided, because of their corporate hurdle internal operations, these gas fields are not economic to them. I am saying, we have a situation where there is a company that has 1.3 trillion cubic feet of gas north of Tobago and has been sitting on it for a couple of years—four or five years—and has not figured out what to do with it and we have a gas shortage in the country. But there is enough gas there alone so fix that problem. And it is because we sit here and we seem to be afraid to go to talk to the company and say, “Guys, this is the strategy of the Government, we want you on board and let us see if we can work together to fix the problems in this country”. I believe that the companies who are sitting on gas deposits: 120 bcf, 200 bcf; small reserves by themselves may not be exciting. If they do not have a plan for it, give it back to the State.

Give it back to the State because we are having a situation where someone is sitting on our resources and choosing to develop it at their convenience, and that disadvantages us and having the Minister of Finance—well, he still has his full

head of hair, so I wish him luck for the next couple of years, but we have to find a way to operationalize and access those small pools of gas to treat with our particular issues and start smaller industries in the country.

Fiscal incentive review: I was happy to read in the budget that the Minister of Finance is really looking at the fiscal incentives and the incentives for exploration in the oil and gas sector. I believe that we have largely given away the farm in the past few years, the past couple of years some things have been done. And I have been on record; I am laying questions, and I have listened to the responses. I have gotten responses, but not answers. What has been the gain to Trinidad and Tobago from these incentives? I always marvel at how, at one point in time, business is bad for some companies and then they get incentives and all of a sudden, things look good now, and the companies' bottom line is impacted positively but the production numbers do not support it.

So that we give incentives, but the incentives have to work. I have no problem with the company earning more revenue but there should be increased production which would mean increased revenue to the State and that has not happened. Which means that I am happy that the Minister of Finance is going to be looking to review all of these things. They need a hard look, sharpen the pencil, get the guys in the rooms, and say, "Listen, we need to fix this and we need to fix this sooner rather than later".

Compressed natural gas. Mr. Vice-President, I totally support the move to continue with the compressed natural gas initiative, but it will fail unless, if you—this has a long history. When I joined the Ministry, people were talking about natural gas, CNG, in 1980 whenever. And the reason for it is that there seems to be a fundamental mental block about understanding the citizens of Trinidad and Tobago. The economic driver, the numbers are easy. If you convert to CNG, if

you run the numbers, you are going to recoup your investment in 12 to 18 months and thereafter, you are in the black. The problem is the upfront cost. Until we deal with the upfront \$7,000 to \$10,000 to \$12,000 conversion cost, it will not move. The average person—maxi driver, car driver—is not going to invest, take \$10,000 or \$12,000—and this is where people do not understand the reality of life for the average person in Trinidad and Tobago.

For the average person in Trinidad and Tobago, \$7,000 is a lot of money and if you are really serious about moving CNG, having this huge upfront cost—I had a simple solution that I have proposed here before: have FCB give a soft loan and tell persons, rather than \$7,000, pay it off over 24 months at \$150 a month or \$200 a month, and—you have to incentivize people to go in there and soften the blow. It is not going to work because people just do not want to put out that initial cash to pay for the conversion of their vehicles and we have to be creative in fixing this.

And we need to set the right tone. All Government vehicles should be CNG. Every Government vehicle should proudly have a CNG sticker on it saying this vehicle has been converted to CNG. I had to ask in the previous Parliament, I said if the—the Members of Parliament should have their vehicles converted to CNG. We need to set the tone because we are telling people to go to CNG and then nobody is using it; they cannot see anybody using it. So that the problem I have and the challenge for it is that it has to move; for it to move, you need to find a way to soften that upfront blow.

Madam President, the manufacturing business sector continues to struggle in this country and it is—Mr. Vice-President, forgive me. I am only focusing on time because I have a few things that I want to get through. I fully support the increases in the Green Fund and the Business Fund Levy. It should have been more because the business sector and the manufacturing sector in this country have benefited and

they pay lip service to giving back to Trinidad and Tobago. I say that without fear and every time I have said it, they write and say, "Sen. Small does not know what he is talking about, we have made contribution", good, but do another press release.

Because oil and gas revenues in Trinidad and Tobago is a double-edged sword. These so-called industries here are not innovative, they are not competitive. You sit in a place where you pay the lowest cost electricity in the Western Hemisphere, save and except for Venezuela. You have one of the lowest corporation tax rates in the Western Hemisphere; extremely low. For those who would use natural gas, they get it at a peppercorn rate from the NGC. Water rates are very low. Diesel for transportation vehicles is subsidized. How could you not have a competitive business in this country with all of these things already in place, put in place by successive administrations? And still want more incentives? Something is wrong with your business model. Something is fundamentally wrong if you cannot make money with this. And I say that because I asked, I challenge you in your industry, shut down your business, move it, lock, stock and barrel. Let us go to Barbados where you pay five times the cost of electricity, the tax rate is higher, you pay three times the cost for water. Let us see how competitive you really are.

So I believe that while we have oil and gas revenues, it is a double-edged sword because it has not placed pressure on the manufacturing industries to really be innovative. Why? Because of all of these incentives and it is just what it is. But I believe that we need to figure out a way to move and to wean them off these, and the Government has said, "Listen, we are going to increase these levies", I have no problem with that. It should have been more.

Mr. Vice-President, I was very happy to read in the budget when the hon.

Minister of Finance spoke to the legislative agenda. I believe that that is long overdue. The current Attorney General, in his former occupation in this Senate, had on many occasions, clamoured and asked for the legislative agenda. So I look forward to receiving same and seeing what the plans are from the Government so that we, on this side, who are trying to plan all the other things that we need to do, can understand what the Government's plan is. But it is not only for us, it is for the country so that we could understand what is the thinking, what is the policy, what is the strategy of the Government. The big tickets items. There will always be bits and pieces of legislation that come up at short notice but I have no problem with that, so I am looking forward to that.

Mr. Vice-President, as I am talking about that, you should be aware that I am a Senator without portfolio. What does that mean? I do not exist. Save and except—

Mr. Vice-President: Sen. Small, I just wish to advise you at this time you have five more minutes speaking time.

Sen. D. Small: Thank you very much, Mr. Vice-President. When I came into the Parliament this afternoon, a gentleman stopped me and indicated that—he provided me with a poppy for a tiny donation and it is in recognition of those who have served this country. Some of those have made the ultimate sacrifice and yet some of them are paupers now. They have served and they have been pauperized. While it may not be of the same ilk, there are people who have served in this Parliament, Senators without portfolios, who received no final benefits from the Parliament, because the current legislation regarding legislative pensions only applies to Senators with portfolios. Senators without portfolios do not exist. I believe it is a historical oversight that I am looking forward to the current administration fixing.

I am looking forward because it does not require any huge amendment. All you have to say is to include everybody. It cannot be that I stand here as a Senator and I sit here, and for all intents and purposes I am a Senator, but when it comes to legislative pensions, I do not exist. It cannot be. We are invisible, we do not exist, and I will beat that over the head every single time I talk until the wonderful Leader of Government Business puts it on the legislative agenda that the Government is going to fix that.

Well, I have too many things to talk about. I asked the Minister of Finance to look at the—I support the revenue authority; I support the issues with property taxes; the statistical institute. Tax-free savings bonds, Minister of Finance, I look forward to that. I look forward to the wonderful report on the FCB IPO scandal. Somebody has to make a jail because I cannot understand how one man gets 650,000 shares and I struggled to get 500. Something is wrong with that. “Somebody ha to make ah jail; have to make ah jail”, because it is unfair and people have insulted my intelligence for two years about the investigation going on and they cannot finish, and then the SEC, since it has been existing, has never found an incidence of insider trading in this country. That is unbelievable, pure fiction. Somebody has to “cut a jail” for using and advantaging the resources of the State for their own and personal and family benefit otherwise it will not change.

Mr. Vice-President, one other little issue. I saw the hon. Minister of Finance talk about broadband roll-out in the budget. I believe in that, I support it, but here is what, there are some other quick fixes. During the interregnum when I was a—I was a Senator without portfolio and I was no longer a Member of Parliament so I was not an MP, but I was informed by the Parliament that I am still an MP but a member of the public. So, as a member of the public with a loan with the

Parliament, here is my experience. I get up in the morning to make my loan payment, I have to go to my bank. Walk up to my bank, get a bank draft. Walk down to Treasury, go upstairs to loans division, sit down; very lovely lady, very helpful. She writes out a form manually in triplicate, hands it to me, I have to go downstairs, join the line, pay. Twenty minutes now, go back upstairs and drop a copy for her and then after that, come back to the Parliament to drop one for the Accounts Department here. That took me five and a half hours to do because it is Port of Spain.

Why can I not sit and tell my bank to just pay the Treasury whatever I am owing them every month? What is the problem? There is so much technology; so much technology available. I have to make a loan payment, I have to do that every month, traipsing around, upstairs, downstairs, line up, pay. So I support broadband roll-out but there are some quick fixes. There are things that we can fix that will make the difference in lives of ordinary regular persons and that is all I am saying.

So, as I begin to wrap up, I only have one other thing I want to really talk about and it is the issue with Tobago transport. I have stopped going to Tobago because I cannot function in a space where, when I pay for something, I do not get what I pay for.

I should be able to—the same way I could jump in my car now, decide I want to go Maracas, drive and go and—fine. I should be able to go to the airport now, and just jump on the next available flight. I am wrapping up, Mr. Vice-President.

3.30 p.m.

I had the experience of going to a particular city called Jeonju in South Korea three years ago. I could not purchase the ticket from Seoul to there internationally. I had to buy it when I arrived in Seoul. I arrived in Seoul and I got the shuttle to the domestic airport and there were three people in the line, and the

guy said, well, there is a flight at five o'clock; there is a flight at 5.20; there is a flight at 5.40, which flight do you want? Every 20 minutes there is a flight. All were not full, but here is what, it is a national service. Transport between different parts of the country is not necessarily the profit initiative, the profit driver is wrong. It is supposed to be something that is an essential service to which citizens have a right to access at any time. They should not be dependent on Caribbean Airlines trying to make sure that the flight has 97 per cent load. It is wrong.

Mr. Vice-President, I believe I have overstayed my time. I want to thank Members for their patience with me. I tend to get excitable when I am talking so forgive me, but these things I feel them, because I am a regular, normal person. As soon as I leave the doors here, like everybody else, I am a regular, normal citizen. Every staff member here knows that I talk to everybody when I come in, because we are all human beings. We are here to make Trinidad and Tobago better, and I will continue to be as vociferous as I can, as respectful as I can, but also as forceful as I can to get my point across. Thank you very much, Mr. Vice-President. [*Desk thumping*]

Mr. Vice-President: Thank you, Sen. Small for your contribution.

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): [*Desk thumping*] Thank you very much, Mr. Vice-President. Through you I would like to convey to the President of the Senate my own personal congratulations for her ascension to such a prestigious position. I am confident that her reign would be one that we would all be proud of. Secondly, I would want to thank my political leader and Prime Minister of this country for the splendid opportunity he has presented me for giving national service.

I have to borrow my senatorial colleague's statement or I wonder if he borrowed it from me, and not knowing I had it. I pray that God would bless our

Prime Minister with wisdom like Solomon, patience like Job and discernment like Jacob. I seek your approval to waive Standing Order 42(10) and allow me to read from a prepared text. Before I do so, Mr. Vice-President, I would like to address one or two points raised by Members of the Opposition. I am sorry they are not here, but I am quite sure my point of view would be conveyed to them.

I want to start with Sen. Wade Mark's statement when he said that my Government is a minority administration. Here again lies the fine art of deception; the Elections and Boundaries Commission results showed otherwise. In fact, this PNM Government won the popular vote, and this is yet another attempt by Sen. Wade Mark to mislead this honourable House, as perhaps he did in another place.
[*Desk thumping*]

My sister, Sen. Khadija Ameen, lamented the fact continuously about the absence of any statement on gender in the budget. I want to remind my sister that her political leader, the immediate past Prime Minister of this country, held the reins of power five torturous years in this country, and she failed to implement the gender policy. [*Desk thumping*] And that is why the women's movement of which I am a proud product, withdrew its enthusiasm, and she lost the election.

Mr. Vice-President, I want to remind my sister—I see her coming back in, and I am happy for her presence—that women fared the worst under the former Prime Minister of this country; fared the worse. I want to remind her to ask Mary King; ask Therese Baptiste-Cornelis; ask Verna St. Rose-Greaves; ask Nan Ramgoolam; ask Lyndira Oudit; ask poor Carolyn Seepersad-Bachan who she demoted. I also want to remind, that it is under the defining leadership of Dr. Keith Christopher Rowley, there are eight women in the Cabinet of Trinidad and Tobago. [*Desk thumping*] There are five women in this Upper House, eight women in the Lower House. [*Desk thumping*] Yet, when I look across the room, I

see you by your poor lonesome self; one female. [*Desk thumping*] Our election team comprised 13 women, but you know, when I look at your team, the UNC team, I saw one woman Kamla 2015, [*Desk thumping*] who failed miserably losing six consecutive elections. [*Desk thumping*]

Mr. Vice-President, I want to touch on a statement made by my fellow senatorial colleague, Sen. Bharath, who should know he should not pelt stones. He should know that those who live in glass houses should not pelt stones. I want to remind Sen. Bharath that they are accusing us of creating a panic among the population, but to the contrary. We are telling the country the truth. It is they who mislead the country with lies, half lies, half-truths. It was under their administration that this country experienced five consecutive deficit budgets. [*Desk thumping*] He did not say that. Remember how they were telling us that the economy was working so well? Thank God the population did what was right, and our Minister of Finance told the population the truth. So that those of us who call certain people, the country knows certain people to be misleaders. And, therefore, there is a significant reason why they are there, and we are on this side. [*Desk thumping*] The population lost trust in the former administration, and I will say no more on that.

But, Mr. Vice-President, it gives me great pleasure to address this honourable House, and the people of Trinidad and Tobago for the first time. I am indeed humbled to be a part of history; history in the making today in delivering my first address to this august House as the first female Minister of Labour and Small Enterprise Development of Trinidad and Tobago. [*Desk thumping*]

On September 7, just over a month ago or so, the people of Trinidad and Tobago spoke decisively and emphatically, they have had enough of corruption, of missteps, squandermania, fiscal indiscipline, bacchanal, shadiness and downright

dishonesty.

Over the last five years, politics and governance in this country had sunk to an all-time low. Our citizens had neither witnessed before nor even envisaged so comical a spectacle as what passed as the last administration. The fact that the people spoke in the manner that they did is a clear indication that they had recognized, in the past administration, a level of morale and philosophical bankruptcy which must have convinced the majority of the electorate that the previous administration just had to be relieved of office.

Over those years, Mr. Vice-President, those of us on this side became absolutely convinced of the necessity for new, more conscientious and progressive thinking regarding governance of Trinidad and Tobago. When on October 5, the new Minister of Finance presented the budget for fiscal year 2015/2016, under the theme “Restoring Confidence and Rebuilding Trust: Let us do this together”, it was an indication in the first instance that the previous administration had, by their misconduct and misdemeanours, left the population in distrust of those who aspire to and those who hold high office.

There was in consequence that need to rebuild that trust and confidence in Government. It is, therefore, my privilege to contribute to the debate on the first budget, which has ever been presented to the people of Trinidad and Tobago, that clearly presents the facts in a simple and transparent manner. It is the first time that the true state of our economy has been presented honestly to the people in such a way, that layperson or the man or woman on the street can finally understand.

For this, Mr. Vice-President, I wish to congratulate the hon. Minister of Finance and his team, for doing an exceptional job in such a short space of time. [*Desk thumping*] The preparation of such a comprehensive budget, in a couple of weeks, is indeed a reflection of the tenacity and fervour of this Government in

doing things exceptionally well in the best interest of all. The favourable responses coming from the business sector and the labour sector, as well as the ordinary citizens of this country, have confirmed that we are indeed doing the right things in the right way. We can only move forward in these uncertain times if we do so together hand in hand, but before we can hold each other's hands, we must have trust and confidence that we are genuinely interested in building this country. As such, the theme of this year's budget presentation: "Restoring Confidence and Rebuilding Trust: Let us do this together" is most fitting and timely.

More importantly, Mr. Vice-President, as you would imagine of necessity, the objective of this budget was to confront our needs and challenges through a return to a level of fiscal discipline, capable of halting the negative slide of our economy, reversing our direction, and returning us to economic growth and development. You would also imagine that like everyone else, I have been closely following the budget sitting here, not really saying much, but digesting all that was said.

Moreover, I want to submit that in my humble estimation, this is the most keenly followed budget debate in the history of Trinidad and Tobago, either because of the form in which it was present, or the content of the budget. Everyone is tuned in, and this augers well for the population of Trinidad and Tobago, and I wish again to congratulate the hon. Minister of Finance.

3.45 p.m.

Mr. Vice-President, the time has come for me to have my say, and in my contribution I propose some insights into the logic of the Government in respect of the budget and our proposals. By the same token, I have, of necessity, willed myself to provide some insights into the logic of the Opposition regarding the budget.

Enshrined in the budget are some important recurring themes which underscore this Government's approach to moving Trinidad and Tobago out of the abyss of gloom and doom created by the previous administration, onto a sustainable path. These include: social justice, dialogue and consultations, evidence-based decision making, transparency, accountability and, most of all, value for money.

Mr. Vice-President, as a former trade union leader in the trade union movement for many years, you would appreciate that these words sound like music to my ears. Now, as Minister of Labour and Small Enterprise Development, I am happy to be part of the process of making these buzz words a reality in Trinidad and Tobago, but this can only happen with the support of our social partners and all other stakeholders.

On this note, permit me the opportunity to allay any fears or concerns that some persons may have regarding my approach to governance in the Ministry of Labour and Small Enterprise Development in the context of my Government's policy framework. My interest is not in working with the trade union movement alone, but I openly embrace collaboration with employers, entrepreneurs and other stakeholders. I can assure that I have learnt well from the many areas of my predecessor, and do not intend to segregate and ostracise any of the social partners, particularly those partners who are poised to make valid contributions to the continued growth and development of our beloved nation.

Mr. Vice-President, the Opposition today, while in Government, had been the most illogical Government this country has ever seen. I am duty-bound to inform you that now that they are in Opposition, their condition has become considerably worse and it is likely to worsen even further. Fortunately for us all, there is a perfectly logical explanation for all of this and it has to do with the defeat

at the polls, and as I recall my grandmother or my grandparents would say: “Dey too-too-bay”.

Despite the negative position of the economy at this time, and in spite of the years of mismanagement by the previous administration and their inordinate and unsustainable levels of expenditure, this Government in this budget has kept several of our promises to the people of Trinidad and Tobago.

Mr. Vice-President, the Opposition Leader and Members on the other side have labelled the budget as deceptive and anti-worker. Neither of these descriptions could be further from truth. Firstly, this is easily the most straightforward and comprehensive budget ever to be laid before this Parliament.

Secondly, this Government, as far as I know, has demonstrated absolutely no interest at all in the art of deception. The art of deception and interest in it have been the province of the Opposition. In fact, merely to describe the budget as anti-worker is itself deceptive. The budget for 2015/2016 is anything but anti-worker. The workers of Trinidad and Tobago are at the very centre of this budget.

My colleagues on the other side, however, have chosen to treat the Government's reactivation of the property tax as a cardinal sin, notwithstanding the fact that the tax has been introduced at the old rate, and despite the fact that our elderly and indigent with low fixed income will not be disadvantaged wherever they reside. In spite of all these assurances by the Minister of Finance that a fair and equitable tax regime will be introduced by January 01, 2016 while widespread consultation would take place regarding an agreed system for the future, the Opposition persists. But, at any rate, Mr. Vice-President, a property tax is not anti-worker. It is actually used in various parts of the world to bring in revenue which aids in the development of communities and the redistribution of income.

Mr. Vice-President, when I last checked property taxes are used in almost

every part of the progressive world: the United States, the United Kingdom, Canada, Australia, New Zealand, the Caribbean including Jamaica, Barbados, Antigua, St. Vincent, St. Lucia, also in Italy, Austria, Germany, India, Pakistan, Spain, Denmark, the Netherlands, just to name a few. You name it, Mr. Vice-President, it is used everywhere with the exception of very few countries in the world, one of which is Qatar, perhaps one of the richest countries which, in fact, has one of the highest GDPs in the world. So, are we to compare ourselves with Qatar? Does the use of property taxes in nearly all of the world mean that governments in those territories are anti-worker, Mr. Vice-President? I dare say not. The removal of the tax has cost the Government some \$ 1 billion in revenue and, perhaps, the time has come for the nation to ask the current Opposition: why are you all so afraid of property tax? Is it because many of you have gained vast properties over the last five years?

It is the Opposition which is engaging in the art of deception. It is those on the other side who are complaining about paying property tax in this country, but surprisingly they pay Uncle Sam and other countries property tax without merely a word. That is why the population retrenched them on Monday, September 07. *[Desk thumping]*

Mr. Vice-President, with respect to the Opposition's cry that this budget is anti-worker, I want to draw your attention to the following. When one does not plan for the future, that is being anti-worker. When one misleads the population as the Opposition has been doing, that is anti-worker. When one sacrifices the future of the country on the altar of populist measures and propaganda mired in dishonesty to match, that is anti-worker. In fact, that is not merely anti-worker alone, that is anti-nation.

Mr. Vice-President, contrary to what those on the Opposition are peddling,

we in this Government consider it a responsibility of the Government to promote good industrial relations and to promote tripartite discussions between Government, labour and employers.

I look now to the state of the labour market. Mr. Vice-President, efficient and effective labour markets are crucial for a nation to effectively compete in the international marketplace. The mandate of my Ministry in the promotion of decent productive and sustainable work creates such a labour market through measures aimed at reducing poverty, creating employment and advancing equal opportunities for women, men and young persons in the labour market.

The Labour Confidence Report of 2014 prepared by the Central Bank of Trinidad and Tobago provides an indication of the state of the labour market which we must address. This report embodies the opinions of employees, employers, the self-employed and trade unions on the state of our labour market. Some of the issues identified in the report include a mismatch between skills and available jobs in the market; too many instances of unfair hiring practices; unemployment among the youth is unacceptably high; high prevalence of foreign workers in the construction and security industry; poor work ethic and a general desire for higher income without increasing productivity, and I would come back to that a little later on; high worker absenteeism. Even though minimum wages have increased, the cost of living is still rising faster; wide income inequality and the middle class is neglected; many instances of unfair labour practices and nothing is done about it and, lastly, the widespread use of short-term contract and the creation of a parallel public service comprised mainly of contract employees undermines job security and, therefore, limits economic advancement. As a consequence, as you can well appreciate, this Government has a lot of work to do, but I assure you that we are all on this side prepared to work exceedingly hard to bring about tangible and

successful results. [*Desk thumping*]

Mr. Vice-President, the last administration has all but disappointed the people of Trinidad and Tobago with empty campaign promises. The critical 2015 amendments to the Industrial Relations Act drafted without consultation with any of the social partners has left a bitter taste in their collective mouths. Provisions for paternity leave, the time which is so essential to the bonding of a child to a father, never saw the light of day; amendments to several pieces of legislation, such as the Retrenchment and Severance Benefits Act and the Occupational Safety and Health Act, that were pledged, never happened.

In this dynamic global environment, the migration authority that was promised was never set up. Mr. Vice-President, suffice it to say that in the circumstances of the present global economic climate, and in the context of the challenges Trinidad and Tobago experienced under the last administration with the myriad number of matters attendant to labour that have remained unresolved, there is no room at all today for the small talk, one-upmanship, “gran’ charging” “gran’ standing”, robber talk and unprovoked conflict and bravado and “bravé dange” from any side, be it labour, Government or the private sector.

Our main business on this side of the House is to build this country. As we pursue this quest, we need to be reminded that our society was built by the working class. Our nation was built by the working class struggle. As a matter of fact, we are all workers for this nation, toilers for the pursuit of the national good or ideally that is what we all ought to be or ought to have been. The workers of this country are people too. Citizens and burgesses of our nation, just like everyone else, they are entitled to their rights as they are equally obligated in their responsibilities.

Mr. Vice-President, one would have thought that those of us who belong to the labour movement would have known this, and would have been sufficiently

cognizant of the fact and, more importantly, adequately sensitive to the plight of workers, but there is an observation never worthy of dismissal, and that is power tend to corrupt and can indeed corrupt, absolutely. Mr. Vice-President, I have qualified that observation by including the words “tend to” and “can” because there is, of course, the matter of choice, and one can choose not to be corrupted by power or, for that matter, not to be corrupted in any way, notwithstanding the orientation and the pull towards corruption.

4.00 p.m.

Mr. Vice-President, the people of Trinidad and Tobago and, in particular, workers are not likely to forget the great betrayal of those on the other side; their lack of humility, indeed, unbridled arrogance they were confronted with by a Cabinet Minister who sold out the nation and its workers for a mess of pottage, including the opportunity to act as Prime Minister, [*Desk thumping*] intoxicating as that proved to be. The result was that the former labour leader come Minister abandoned all the issues and concerns of the labour movement. So great was his betrayal as a labour leader that as far as a large segment of the labour movement is concerned, and even his very own members, viewed the fact that he has squandered his legacy and, as such, they have relieved him of the title of comrade.

Sometimes, Mr. Vice-President, those in high office—Mr. Vice-President, sometimes even those who speak while I speak, became so intoxicated by the power they wielded they failed to recognize the fact that they have to be honest with the population so that we would not have situations where they will admit that they misled the population and even apologize. Mr. Vice-President, the word “Minister” means to serve, almost with the same piety as the pious, for we are called upon to serve our fellowmen with humility and love. So here we are, Mr. Vice-President, in this Government charged with responsibility for doing much of

what that arrogant Minister, and others like him, did not or was not able to do, what with the rift between that former Minister and his former colleagues in the labour movement. He came in as a bright cloud with the so-called rising sun and left as a low dark cloud hanging over the heads of workers in this country. [*Desk thumping*] In the end, he failed to treat with the many long-standing disputes and issues affecting workers.

Mr. Vice-President, some of the major issues that impact on my portfolio are the establishment of a national tripartite mechanism, legislative agenda, industrial relations, the framework of rights and responsibilities, pensions, employment productivity, on-the-job training programme, small enterprise development, minimum wages, the THA, and policy on migrant workers. Mr. Vice-President, permit me to address a most critical aspect of our democracy, one which the previous administration only afforded lip service, that is the issue of promoting consensus and inclusive participation in the decision-making process through the involvement of the tripartite partners, or the social partners that is Government, business and labour, as well as the other stakeholders in our society, and we refer to this as the social dialogue process.

Mr. Vice-President, social dialogue can assist in crafting and implementing creative solutions to development challenges by drawing on the collective wisdom of the real players in the economy. For this to work effectively there must be, Mr. Vice-President, a simple word, T-R-U-S-T, trust. There must be trust among Government, business and labour, respect, openness, shared responsibility and, above all, commitment to the national good. While I truly believe that business and labour would have given their all in building trust to make social dialogue work, the administration would have faltered severely.

How can trust be built when political decisions begin to adversely affect

labour to the point that an important social partner opts to withdraw from the process? Mr. Vice-President, we all recall when the movement for the MSJ removed itself from the Government. How can trust exist when Government takes amendments to a most important piece of legislation governing industrial relations in Trinidad and Tobago to Parliament without consultation? How can trust exist when information is not being shared? Mr. Vice-President, learning to trust is one of life's most difficult challenges and rebuilding trust appear insurmountable. However, our PNM Government is up to the challenge. We have expressed quite clearly in our national policy document that we are committed to dialogue, regular consultation and interaction with the labour movement on all areas of policy, plans, projects, programmes affecting the rights and interests of workers in this country.

We will hold true to our promise to ensure meaningful and active representation by labour in the decision-making process at all levels, in all important Government committees, state boards, task forces, and the like. So, now, Mr. Vice-President, there are those who go about the place glibly, and in a most hysterical form, describing the budget as anti-working class; chief among them, Mr. Vice-President, is the one who held an esteemed position—oh he has gone—in another place where we had our own experiences with him. There is also the former Head of Government who tried to introduce a 5 per cent ceiling on wages during negotiations, and who during the bargaining process attempted to frustrate workers in the legitimate demands for increased wages.

Mr. Vice-President, this self-same former Prime Minister tended to seek political motivation behind every legitimate protest or demand made by workers of this country. [*Interruption*]

Mr. Vice-President: Sen. Baptiste-Primus, I would just like to advise you, you have five more minutes of talking time.

Sen. The Hon. J. Baptiste-Primus: Thank you, Mr. Vice-President. This is the same Prime Minister whose administration deliberately failed to treat with a number of burning issues raised by the labour movement. Mr. Vice-President, there is so much more that I can say, but I will live to say it another day. But I turn my attention to the pension system reform, which has been ongoing since 2004, in which reform of the financial system of Trinidad and Tobago, a White Paper was produced. In 2014, an update on the status of the pension reform in Trinidad and Tobago was submitted by the Economic Management Division of the Ministry of Finance and the Economy.

We are aware, Mr. Vice-President, that the pension system in Trinidad and Tobago is very complex, it comprises a mixture of both private and public pension funds which may be either voluntarily or mandatorily defined benefits or contributions, funded or non-funded, or publicly or privately managed. There also exist various pension schemes and numerous pieces of legislation. It is clear to all that this system requires a level of harmonization before the issue of portability of pensions can be addressed. This involves, Mr. Vice-President, the consolidation and modernization of approximately 32 separate pieces of legislation which deal with specific Ministries, statutory authorities and State enterprises.

Mr. Vice-President, the public sector reform working group for pension reform will be re-established to oversee the effective implementation of policy changes to the pension system. And very quickly, Mr. Vice-President, with regard to small enterprise development, the PNM has a clear policy of support for small enterprises through the provision of financial, technical, marketing and business development assistance. The fact that it is estimated that small businesses constitute approximately 91 per cent of business establishments in Trinidad and Tobago, indicates that we need to ensure that the appropriate enabling environment

is in place to foster growth and development of these enterprises. And in that context, Mr. Vice-President, there will be a realignment and rebranding of NEDCO, institutional strengthening, enhanced legislation, and several more steps in order so that we can realize the new mandate for this enterprise.

Mr. Vice-President, my administration looks forward to Tobago being allowed internal self-government which will give to the Tobago House of Assembly the responsibility for industrial relations and all labour matters.

In conclusion, Mr. Vice-President, I dare say that Trinidad and Tobago is well on its way to increasing the efficiency of its labour market and achieving economic and social prosperity. As our hon. Prime Minister has stated, the nation needs to have confidence that they are living and working in a society that is based primarily on honesty and trust.

Mr. Vice-President, it must be noted that the Minister of Finance has assured that equally important, appropriate budgetary adjustments would be made in March 2016 through mid-year review. This is to ensure that the budget is a comprehensive mechanism to achieve our goal of fiscal discipline and prudent management of our economy. Mr. Vice-President, I dare say that when we come out of this mess, to which the last administration has led us, the next generation would undoubtedly be possessed of a foundation solid enough to continue the building of this great country. Mr. Vice-President, I look forward to the continued support given to my Government by the trade unions, employers, and other stakeholders, recognizing that to forge ahead we must do so together. I thank you, Mr. Vice-President. [*Desk thumping*]

Mr. Vice-President: Thank you for your contribution, Sen. the Hon. Jennifer Baptiste-Primus, and I wish to congratulate you on your maiden speech. [*Desk thumping*] Sen. Samuel. [*Desk thumping*]

Sen. Rodger Samuel : Mr. Vice-President, I too take the honour first of all in thanking Almighty God for the opportunity given to me to serve yet another place, but I take time to congratulate your young self in the ascension to the position of Vice-President, and, likewise, through you, to congratulate the President on her ascension, and that God will continue to bless both of you, and even her as her portfolio would expand even when she has to act in the absence of His Excellency as President of this twin island Republic. So, I join with all in the congratulations.

Mr. Vice-President, I sat intently listening to and looking at the presentation of the 2015/2016 budget statement and, as I sat there listening, it did not take long for the mannerism of the presentation to begin to affect my observations.

4.15 p.m.

As a matter of fact, Mr. Vice-President, you are quite aware that it is not so much what is said with regard to content, but how it is said can either turn you off or even draw you.

When I sat there I could not help but reflect on the many budget presentations that I was privy to since I was a young man, from the days of Eric Williams, to the Robinsons, to the Motleys, to the Mannings, to whoever presented in the past, to Mrs. Tesheira, to Mr. Dookeran, to Mr. Howai. There was an exhibition of grace and poise. There was an exhibition that we were now addressing a nation, to draw a nation and to pull a nation together. There was this excitement to listen.

There was a grace that was surely missing when I sat this time looking and listening; that I said to myself, "Oh how the office of the Minister of Finance has fallen from that grace and high place that we held it significantly over the years." It is not so much in content, but it is the mannerism. I admired though that when the same presenter came to this House, there was much more grace. There were much

more pleasantries, and I want to congratulate him for the swift turnaround in attitude and mannerism.

But I was drawn to the theme of the budget, and I am drawn to themes because they guide me as to how the content will be aligned, and how the outcome is to be envisaged. So the theme carries a lot. The theme, Mr. Vice-President, says, "Restoring Confidence and Rebuilding Trust: Let us do this together". My question is to you: Restoring confidence and building trust in what? Restoring confidence and building trust in whom? Because to restore anything is to re-establish or to return something to an earlier or original condition. That intrigues me. Obviously confidence has to do with the quality or state of being certain. What period is this budget referring to or is this theme referring to, as to where there was confidence in our society?

Mr. Vice-President, history would teach us that eight short years after our independence, when there appeared to have been some semblance of confidence, there was the 1970 revolution. So confidence is something that we must look at seriously. By the way, as early as that, the party that now sits in government was in government at the time of the 1970 upheaval. But trust has to do with belief that someone or something is reliable, that they are good, honest and effective.

Mr. Vice-President, since the eventual change of government in the 1986/1991 period, this country continues to change government consecutively. I just want to reiterate, because if we are talking about confidence, what period are we talking about? We had the NAR in 1986. We had the PNM in 1991. We had the UNC in 1995. In 2000, for a short time, again the UNC, and then the PNM in 2001, that is when there was the issue of moral and spiritual values.

In 2002, you had the PNM, so it keeps changing, as if confidence seems to be evading the population, as one group rises to power as opposed to the next.

The same people, the same group alternating positions. In 2002, the PNM. And the margins of discretions between those who won and those who did not, or those who attained that position of Government and did not, was not much. Let me just call it out. In 1986 it was the largest—well, for change you had 33/3. In 1991, you had 21/15. In 1995 they had 19/17, 17/17/2. In the year 2000, you had 19/1 and 16—20/16. In the year 2001, you had 18/18, so I wonder where the confidence was.

In the year 2002, you had 20/16. In the year 2007, when we shifted to a far expanded Parliament, you had 26/15. Then in 2010, you had 29/12 and then in 2015 you have 23/18. So details and the tables are shifting from one side to the next. So when one side gets in power they say, “You know, we are here because of confidence”, and then five years after they are not there because of what? Is it because of a lack of confidence or less confidence or whatever happens? Those are the issues that we face, and we have faced for the last eight elections. There might just be a possibility of going back to the polls again based on the court’s decision.

So the idea of confidence says that in the past years the constant change in governments, the population seems to be sending a strong message that there is a confidence problem across the board that nobody seems to have the right to claim it unfortunately. So when we boast about, “Well, they have confidence in us and we are going to restore confidence”, restore it to what period between 1986 to now? Those are the questions, Mr. Vice-President, that we must answer.

What does trusting someone signify? What does it really say? In a practical sense, trust really means that you place confidence in someone or something to be honest with you or to speak the truth, or to be faithful to you, or to keep promises or vows and not abandon you.

I must say that the old saying that there is no second chance to make a first

impression was absolutely blown by the presenter of the 2016 budget. Because, there it is—can I use the word “arrogance”, Mr. Vice-President? [*Mr. Vice-President nods*] Thank you very much. I just wanted to make sure I could use it. I know that it is a free country.

Mr. Vice-President, I want us to keep in mind the idea of the truth and faithful and keeping promises and vows and all these things, and confidence. On the onset this budget appears to the simple-minded to be friendly and caring, but in reality the spirit of the presenter, which is seen in what is presented, is craftily subtle.

Sen. Khan: Come down to the budget; talk about the budget.

Sen. R. Samuel: In the not-too-distant future, it will be painful to the citizen. [*Interruption*] I am not distracted. I can preach in a crowd. [*Desk thumping*] I can preach on a train.

Hon. Senator: Amen.

Sen. R. Samuel: Mr. Vice-President, I delayed to move away from the presentation, because the nation had been left unaware as to clearly defined mechanisms that affect their lives. As a matter of fact, the presentation was skilfully choreographed with the intention to distract the viewer, so that they would not realize the budget’s deception—skilfully choreographed. This is not really a budget, but an amalgamation of tremendous ideas pulled together, hopefully would fool a lot of people until March, and then there is the sting in the tail that would come in the mid-term review.

Yes, this budget appears as a wolf in sheep clothing to the public and to the citizenry, and at the end of the day we will see the outcome. As a matter of fact, many have tried tremendously hard to make us believe that this scantily presented budget without much substance, happened to be that way because of the limited

time, the short time in preparation and, therefore that is why it was presented in a litany of vague manifesto promises, without cost and dates and time, and what would be realized from the different measures in any great way. As Sen. Daniel Solomon said, all of those books the public does not have, expenditure and revenue, they do not have those drafts, so the public is unaware.

Former budget presentations informed and kept the citizens aware as to the measures and what it would yield across the board. But the argument of the short time holds no worth, because the facts are that on page 2 of the budget statement the presenter said:

“In fashioning the 2016 Budget, we have relied heavily on the policies and programmes in our 2015 Election Manifesto, which is now official Government Policy, and was a team effort that was several years in the making.”—so there is much history behind this mess—“We also took careful note of the many helpful suggestions and recommendations made by concerned citizens,”—so there was some effort—“industry experts, sectoral interest groups, economists, the business community, the labour movement...” [*Interruption*]

Mr. Vice-President: Hon. Senators, it is now 4.30, and the time for the tea break. This House will now stand suspended until 5.00 p.m. when we will return.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

[MADAM PRESIDENT *in the Chair*]

Madam President: Sen. Samuel. [*Desk thumping*]

Sen. R. Samuel: Thank you, Madam President. In the midst of creating in the minds of the citizens an atmosphere that things are exceptionally chaotic, in the midst of that, the presenter of the budget presents a budget that is larger than the

budget before. I would assume, Madam President, that in the issue of those things that have been presented that are now in the 2016 fiscal year, that have been omitted from the 2015 fiscal year—like Sen. Vasant—I am quite concerned as to the reasons why they were actually omitted out of the 2015 fiscal year and included in the 2016 fiscal year of revenues or income. And as a matter of fact, those things—and I want to reiterate, because I am wondering why this happened? Was it a deliberate act? If it was a deliberate act then the idea of trust and confidence is blown out of the door.

Madam President, was this conveniently left out to add insult to injury? Did the presenter of the budget know of these items? And the items are clearly defined as the \$1.5 billion from the Phoenix Park IPO and the \$3.8 billion capital repayment from TGU; the \$500 million dividends from NGC—and I am quoting—the partial payment by Clico; obviously all of that was supposed to be part of the 2015 fiscal year and the deficit would have changed. But for some apparent reason it was either craftily left out, clinically left out, deliberately left out or for some reason the presenter of the budget was unaware and was probably set-up by those people in the Ministry of Finance that did not make him aware of the fact. Did the presenter forget or did he intentionally forget? I am asking questions because the theme of this budget is trust, the theme of this budget is confidence. Did the presenter have discussions?

I understand that the former Minister of Finance had discussions with the present presenter of the budget about these items. Did this take place? If so, when did it take place? Because we are talking about the issue of trust and we are talking about the issue of confidence, and rebuilding and restoring. Was this purposefully left out to make the deficit look bad or to look worse than it was? Did he, the presenter of this budget, was he misguided? Did he make misguided

assumptions about income and expenditure projections? Those questions must be answered because they play, they present something to a nation that is not there. In other words, if it does that it means that we are in some way hypnotizing or fooling a nation to believe something that is not. That does not go well when we say, “Let us do it together”.

Madam President, if these questions are not answered—as you remember the theme of the budget—if they are not answered, then the entire theme of the budget is null and void. And if the theme is null and void, the contents of the budget are actually null and void because it will not derive or achieve the desired outcome in the hearts and the minds of citizens of Trinidad and Tobago.

If there is no clarity, it is blown to pieces. I sincerely hope that the presenter of the budget, I hope he is not—they are not playing politics with numbers. Because some of the numbers in the budget do not seem to add up, you know. It talks about a reduction in VAT, yet an increase in collections. It talks about increase in levies, but when you calculate the numbers projected in revenues and stuff like that, it does not add up.

As a matter of fact, we started with a \$61.-something billion budget and then it was reduced by \$3.-something billion, and then a \$5 billion was added and then at the end of the day \$100 million missing. That is what happens; just so. Is it a mathematical error? Because just so with the numbers, Madam President, the figure does not add up. And if you calculate where it started, where it was reduced, where \$5 billion was added back because of the agreements, it does not add up with the final figure. The final figure, according to the presenter is \$63 billion, but according to the calculation it is supposed to be \$63.1 billion. So the calculation does not add up. So something has to be wrong. And in a few areas in the budget it does not add up. Because the expansion or the increase by 200 per

cent of certain levies, and then when you see what is being collected is far less than what should be collected. I would love to see, hear explanations on those, Madam President.

Not only that, VAT is the same. When you think about how craftily the idea of oil production was thrown out in the budget statement, that oil production was reduced from 100,000 barrels a day to 80,000 by 2015. But you know something, I in my little way went around asking questions and I recognized that the presenter of the budget either deliberately chose to mislead or he did not have his facts. And I give him the benefit of the doubt that he did not have his facts.

Because the facts would show, Madam President, that since 2005 there has been a decline in production, since 2005. As a matter of fact, in 2005 oil production was 144,425 barrels a day. By 2010 that had declined to 98,179 barrels per day; a sharp decline of about 32 per cent. So it was going down. And there seems not to be the ability to curb the decline and it continued. But why say that it happened between 2010 and 2015, when it was happening between 2005—and I agree, something has to be done to make sure that it does not subside or decline any further. If we want to draw it in then we must always use the language and see how it is going to—this has to stop. And in order for the country to really benefit, we have got to stop the sharp decline in production and we have to find ways to increase it. That is the way to approach it. But look what you do? Craftily you begin to give the population the idea that this was happening only between 2010 and 2015. What a job! [*Desk thumping*] What a job to build trust! What a job to build confidence! What a job! What a job to say, we want to restore confidence. We want to rebuild trust and in the midst of wanting to do that, what you do is that you send a clear message that this was only happening, as a matter of fact, as if it started in 2010 and it absolutely declined between 2010 and 2015, and you did not

show that this was a trend that was taking place that started in 2005, [*Desk thumping*] but unfortunately, it had not stopped. It has not ceased. It continues to decline. Madam President, those are the kinds of things that happened. As a matter of fact—[*Interruption*]

Hon. Senator: It dropped 50 per cent.

Sen. R. Samuel:—it is important for us to see that. It is important for us to see, Madam President, that I read in the newspaper an article on October 20 entitled “Box lunches” because when the calculation came about and I was listening to the committee stage, there was a drastic decrease of \$15 million in the School Feeding Programme. And that \$15 million “kinda” jumped out at me because I am hearing about \$15 million being given somewhere else. So, I am wondering if the children are being starved at the expense of labour. Maybe, you never know. You never know what is happening.

Because as a matter of fact, the Minister, the presenter of the budget had been saying that he has to have some reviews and stuff like that, on the system and stuff like that. But, Madam President, I found out in my little research that it costs about \$9 to supply a lunch for a child. It costs about \$7.50 to supply breakfast. And the presenter of the budget is saying that we have to get it cheaper than that; and it is a big statement in the public. We have to get it cheaper than that. Breakfast is \$7.50. So are you saying that—what we want to supply, Crix? So the idea about it, Madam President, the School Feeding Programme has a 75 per cent local content in it. I have been asking questions. As a matter of fact, they supply 155,000 meals a day. The suppliers are local, most of them. And they supply 55,000 breakfasts in the morning and they supply 100,000 lunches. Now what you have done, you have taken \$15 million out of that, reduced it. I wonder what “yuh” planning to give the children.

So this budget has already started to affect the poor and the indigent and those children and parents who cannot afford to give their children breakfast and lunch, and this now cuts back because it would have its effect on the people who receive. It may be the suppliers will not be given the quota anymore. Maybe it will not be 155,000. The children will be affected by a \$15 million. As a matter of fact, I would have thought that we would have increased it because dietary supplement is important for our children and there are a lot of families that still cannot afford the kind of meals that the children have.

And as a matter of fact, Madam President, there is a stigma that is associated in the schools with children who access box lunches and we have to remove the stigma because there are children that are called “box lunch children”. I am being honest with you. It is a kind of degrading kind of impact on the child and many children hesitate to go for the lunch and prefer to sometimes remain hungry because of the stigma attached to it. In other words, you are poor and look at “yuh, you hat tuh go for free food”—which is a dangerous thing, Madam President.

5.15 p.m.

I believe something has to be done in the system to make sure there is no stigma attached to the children who access the box lunches in schools. [*Desk thumping*] When you cut back \$15 million without an assessment of the programme—listen to me carefully, I believe if you came and said “after assessing the programme you had realized there is over expenditure, so, so, so, and you have realigned it and cut it back based upon the supply and demand, I could understand you do that. But, just like that you cut it. Just like that. Without even a reason for cutting it, and the issue is, who are the ones that would benefit, and who are the ones that would be affected tremendously by this cut? The children of the country. Yet we are restoring confidence and we are rebuilding trust, and the children in the

midst of restoration and rebuilding will suffer because there is a cut back in the supply of meals at the schools for them. I am quite concerned about that.

Another avenue and another area, Madam President, is the fact that quite a few small business people have come to me, and I want you to take note of this, Leader. Because, when the first idea of property tax came up that caused a tremendous problem in the society, people were quite concerned as to the rates and stuff like that, and then it was rejected and stuff like that. Before it was ever brought into fruition, quite a number of property owners escalated their rents for their properties, in anticipation that this property tax was coming into being. And, when it did not come into being, it did not drop back. Now, there is a greater fear, because now they are renting at a higher level since then, based on the expectation of the property tax, and now there is the thing in the air, it is coming again. And a lot of small business people and people who are renting are quite concerned that property owners would again, in fear, raise it, and then they will suffer further.

Quite a number of things has its domino effects, and we have got to look, and they were quite concerned about what kind of protection they can have. They have been coming. I know it is not an easy. But something has to—because you realize that in the budget there are domino effects. There are things that are said or unsaid, there are things that are clear and not so clear, there are things that are presented that are not absolutely presented, there seems to be a kind of hidden agenda, while the Minister or the presenter of the budget says, “I have not kept anything secret”.

But, there are lots of secrets. There are a lot of secrets, Madam President, because we do not know those things that are going to be taken off the zero-rated listing for VAT. We do not know. You plan to derive out of that some \$4 billion, but you do not know what they are. What was the means for the calculation?

What is their method of calculating? And those are the questions that have to be answered. And just for the information for the citizens, I still want to talk about some of the things that are zero-rated now, because if it is 2.5 per cent reduction in VAT, but we are going to increase collections, and it is going to affect those things that you did not pay VAT on, so, actually, your cost of living increases. And I want to let people know—

Madam President: Sen. Samuel, you have five more minutes.

Sen. R. Samuel: Thank you, Ma'am. And in that five minutes I still want to congratulate you. [*Laughter*] You are talking about sardines, curry, corned beef, Crix, ketchup and macaroni; you are talking about cooking oil—basic amenities. You are talking about personal hygiene: soap, toothpaste, deodorants, sanitary towels and diapers, basic amenities. You are talking about health prescription: medicines, pharmaceuticals, diabetes equipment and equipment for the injured and the disabled, eyewear; agriculture. A lot of stuff is listed, and many a time the public when they go to buy, when they spend they are unaware that many of these things are zero VAT.

What is going to happen now is that will change. As a matter of fact, Madam President, I was standing in the gas station and there was this young man filling his tank, and he started to cuss. He started to cuss so I looked at him, and he says, “wait nah, boy, you see me I going and sell this car and buy a bicycle. He said, “but ah living too far and I work this thing, ah driving this thing”. Because, he said to me he is accustomed filling his tank from almost empty with about \$70 and now it is \$115.

Sen. Khan: It should not be with a 15 per cent increase.

Sen. R. Samuel: Because, it is 15 per cent per litre. And I want you to understand carefully what it meant, 15 per cent per litre says a lot, and if your vehicle—

Hon. Senator: Madam President. Madam President.

Sen. R. Samuel: Madam President.

Sen. Khan: I am sorry.

Hon. Senator: Really.

Sen. R. Samuel: Thank you very much.

Hon. Senator: We are being tolerant for long enough now.

Sen. R. Samuel: Yeah, yeah, yeah. Madam President, the idea was that the increase had been presented as 15 per cent. “De per litre kinda came about quietly”. So, the average person did not associate the 15 per cent per litre. But, the average car, the average vehicle uses about 50 litres.

Sen. Khan: The Senator wants to give way? I know you are cutting it thin, but—

Sen. R. Samuel: “I ain’t cutting it thin. I ain’t cutting it thin.”

Sen. Khan: All right. Okay.

Sen. R. Samuel: It means that, Madam President, a taxi driver, who sometimes, based on his route, has to fill his vehicle almost twice a day—listen to me carefully—will now have to add some \$44 or \$45 more per day.

Listen to this, for six days he will have to find an additional \$144. That will go back to the people who are travelling. The average vehicle that works six days a week will have to find some \$270 every six days to add to what they were paying before, that will eventually end up being taken care of by those who are travelling. The people who are working their maxis, and they probably fill their maxis once or twice a day depending on the route that they work, and if they work six days a week they are going to now have to find an additional \$150 to do that. That will affect them.

Madam President, I am hoping, and I know that sometimes what is said in the Senate when it comes to a money Bill, some people do not even take us on.

But, I am hoping in some way that we revisit a lot of these measures, and that these measures can now find themselves to the benefit of the citizens and not against the citizens.

My last statement is that I sat here for a few days and I have experienced the greatest amount of verbal abuse. I sit here and everything that came across—well, barring a few, I mean, I commended the seniors, but it has been tremendously abusive. And, in the midst of the verbal abuse, you are saying to me, “Let’s do it together”. And I remember somebody drawing an illustration by a statement made by somebody else in the other House, that they will not support Bills and stuff like that, and things like that, and he is hoping that we will put politics aside and partisan things aside and then support.

But, it is like a woman who is being battered all the time and then the husband say, “come and walk with me”. My thing about this, it reminds me of an experience I had by the doctor, where the reception area was packed with people and there was this lady, like she was fed up of being there, she had a child in her hand so the child began to cry. But I recognized that it was an intentional thing, because as the child began to cry she had pretended to—I am wrapping up—comfort the child, but in the midst of comforting the child she pinched the child more. Then I realized the receptionist felt sorry for her and then ushered her inside before others, because she did not want to have the child crying, and I recognize that the same thing is happening. That this Government is pretending to comfort us. It is pretending to, and while they are doing that, they are pinching us to make us cry even more.

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

Sen. Dr. Dhanayshar Mahabir: [*Desk thumping*] Thank you very much, Madam President, for granting me the opportunity to speak this evening. Like all who

came before me, I shall not congratulate you. I did that on the very first day, but I wish to commend you, having congratulated you on your elevation and appointment, I wish to commend you on how efficiently you have administered the affairs of this Chamber over the last three days [*Desk thumping*] and I know under your direction and stewardship this House will indeed bring honour to the Parliament and to the people of the Republic of Trinidad and Tobago.

Madam President, as the last speaker on my bench, I must say that having heard the contributions from my bench and indeed from the entire Senate, that there is very little left to say. All that should have been said, I think has been said, and I want to express my deep commendation for all the Members of my bench who made their maiden contributions, and I know that the Members of the Independent Bench will peruse and examine the laws of this Republic, in a manner over the life of this Parliament, that will make the bench proud, and will bring honour and distinction to the job of the Senate. [*Desk thumping*]

Madam President, I was not particularly truthful when I said there is nothing left to be said. [*Laughter*] There are a few things that I too would like to say. And first let me take a long view, and the view is that 30 years ago, 1985, few in our country had ever heard of a province in China called Guangdong Province. Today, I think it is fair to say that every citizen in our country is quite aware that what happens in Guangdong will affect drilling activities in Guayaguayare immediately. The world is connected. Not only does the fortunes of China affect us positively or negatively, as the case may be, but it affects the economy of Canada and Australia and Africa and Latin America. China is a huge player.

And, Madam President, what we have seen is a slowing down of the Chinese economy, over which we have no control. What we have seen is the impact of that slowdown on commodity prices across the board, not only oil and gas, but we have

also seen technological development, as Sen. Small indicated, shale oil and gas ready and waiting to make an entry the moment the barrier price is breached.

So, the world has changed inexorably, so much so that when Sen. Khan indicated that we have econometric models to forecast, I think, Sen. Khan, we have to recognize that that field of forecasting is now the weakest field in economics. One does not wish to be there. It is like forecasting an earthquake. We know all the factors, the fault lines which can generate earthquakes, we cannot yet predict it. It is much too complex.

Madam President, let us go back a little bit, 2008, and I would want to say more about the issues which confront us. The issues which confront us happened to be strictly economic issues, and the politicians cannot solve it. I will explain why. But, we as a group can. The politicians cannot solve it because the solution will defy the political realities. In 2008, what did we observe in Trinidad and Tobago? We observed very high oil and gas prices, and then with the collapse of the financial economy in the United States in 2009, projected Government revenue which was some \$52 billion collapsed in one year to \$37 billion.

This is not friction. You do not have to use the CSO figures. The budget of 2009, Sen. Khan would know, the hon. Minister would know, and all those who were in Government in 2009 understood how vulnerable we in this country were, and continue to be to international vagaries over which we have absolutely no control.

5.30 p.m.

And, Madam President, 2009 represented the first year in a long series of years in which we ran our first fiscal deficit. And from 2009 to now we have experienced deficit after deficit. Sen. Shrikissoon had quantified it at some \$35 billion, and when I thought that the deficits were going to be removed by 2016, the

Minister of Finance now tells us he needs a couple more years, so we would have had 10 straight years of fiscal deficits. And the question we need to ask ourselves is this, what has caused 10 continuous years of deficits, when prior to that we had many years of balanced budgets and sometimes surpluses?

Let us go back, and I want to take a cue from Sen. Samuel, because you see we tend to look at economic problems through political lenses. That is a mistake. There are some deep seated economic problems of which there is some longer duration. Politicians think in five-year terms, but the crisis that we are seeing today—and there is a crisis that has to be addressed—the crisis we are seeing today is one which started in 2003. From 2003 to 2008, this country experienced an infusion of revenue that we had not experienced prior to 2002. What was this? I have more to say on that, but we had experienced for the first time the injection of natural gas revenues into our revenue stream. Let us look at the figures.

In 2003, expenditure, \$13 billion; 2004, expenditure, \$18 billion—and I want to draw a point that Sen. Coppin made yesterday, we should be running countercyclical fiscal policy. What does that mean? It means that when we have a lot we should sort of temper our spending and when we have a little we can raise our spending so we stabilize across the board. But Sen. Coppin, the reality is this, in 2003 we spent 13; in 2004 we spent 18; in 2005 we spent \$32 billion; in 2006, \$38 billion; in 2007, \$45 billion; 2008 planned expenditure, \$52 billion. You know what had happened during those years, and I am glad that there are many younger people now in the PNM, because when you get into the young caucus you have to ask, where did your party go wrong during those years? Rising revenue, rising expenditure in a significant manner. And then in 2009 when we had planned to collect \$52 billion, all we could generate was 37. There is a huge gap there.

Madam President, this is where the problem started. Because once you have

increased expenditures to \$52 billion you have programmes, you have employment sections, you have allocations to Ministry. It is easy for a politician to authorize an increase in expenditure, but it is extremely difficult, almost impossible, politically for you to cut that expenditure level.

And while during those years—and I want to commend the young people who are now in the Governing party, the Government, because you have the power. As a young person I did not have the power but I could only complain. But in those years when we should have been running huge budget surpluses we were simply spending what we got and we left in 2009 with a huge deficit that will now take 10 years for us to recover. There was something we could have done so that as you sit in Government today, you would not be sitting in a Government facing a crisis. Let us not make the error on the third occasion. We made an error with the oil revenues in the 1980s. We borrowed too much, externally. We learnt, we made an error with the gas revenues in the 2000s, let us hope that there will not be a third error and let us hope that there is a third chance.

So, Madam President, the world has changed and what has happened is that in this changed world we cannot predict, not even Sen. Small, as eminent a petroleum economist as he is can tell me what the price of oil will be next year. He cannot. He may indicate to me, and I will have more confidence on his gas prices, but the price of oil is so volatile, so many factors that played, Iran deal, the shale issue, China collapse, European uncertainty, American—too many issues and my own recommendation, first, to the Government is this, recognize that there is a crisis, let us convince the population, and I will convince the population, this is not a political matter. This is a matter that will have to be dealt with realistically and economically, because if we do not do it according to our terms, another agency will do it for us according to their terms. This is the opportunity we have to adjust

so that we are going to make cuts in expenditure that are convenient for the people of the Republic. When the cuts are at the behest of IMF, I know, I was part of that programme when the cuts are made by some external agency, it is the poorest and the most vulnerable in our society who experience the greatest distress.

So let us understand that we can no longer spend the way we spent in the past. It was impossible for anyone wishing to maintain employment levels and maintain programmes to cut expenditure. It is for this reason that we had from 2009 to now, Government year after year increasing expenditure. We have studied this in depth, Madam President, it is called the public choice theory for the economists amongst us. Why is it difficult to cut expenditures? Why is it difficult for us to expand the debt? Why is it impossible for us to balance a budget? Because the political fallouts are going to be significantly consequential?

So, Madam President, we do need to understand that this country cannot afford to spend the way it has spent over the last 10 years. We simply cannot afford it. What are the consequences if we continue? Well, I only have 40 minutes. If someone begs 20 minutes for me I will tell you, but I do not want to say that yet. We have the whole session of Parliament to talk about the consequences of failing to understand this reality. But let me posit for the hon. Minister of Finance, and incidentally, I have respect for the Minister of Finance. I have worked with the Minister of Finance in the Public Accounts Committee and his ability to identify corruption, waste and mismanagement as he did in the SEC hearing, is legendary. He can spot where there is “thiefing” going on in the public sector and he has a good instinct for it. And that instinct will now have to come into play because that is one way in which he is going to save a few billion dollars of public money—

Sen. Small: And some in jail.

Sen. D. Mahabir: Well, it would be left up to him whether he wants to jail them or charge them or whatever. I do not know how big his heart is, but I do know he has a good head for the numbers and I know he is going to really do what is necessary to ensure that we can at least remove the inefficiency and the corruption in all arms of the state. But the Minister of Finance has to understand and sell it to the population, that we cannot have an increase in expenditure year after year. He has a revenue base of some \$40 billion. That is a reality. And he has an expenditure profile of some \$60 billion. That is a harsh reality. How do you fill this gap in the middle? You either sell assets, you can borrow, you can get some interest payments, you can get some profits, but the problem is, soon we are going to run out of assets to sell. And once that happens you will find that there is this widening gap, unless you can raise revenue you are going to be forced to reduce your expenditure.

My suggestion simply is this, and I have been trying to convince the Minister of Finance and I have dealt with many Ministers of Finance, from Brian Kuei Tung, all the way, Wendell Mottley actually all the way down from 1992, and the concept is: what is the amount of expenditure that we could reasonably afford in this country? I am saying that we cannot afford a \$60 billion. We have increased to \$60 billion, but could we say that the permanent income of the Government, the amount that the Government could reasonably secure over the next five years, maybe over the next 10 years, on the recurrent revenue side is a sum of some \$50 billion. If we pursue along those lines then the Minister has to ask himself two very difficult questions: How do I cut expenses from \$60 billion to \$50 billion? And how do I raise my recurrent revenue from \$40 billion to \$50 billion? He has to make a \$10 billion either way to balance at \$50. Raising the revenue is going to be challenging. And I have heard from Minister Paula

Gopee-Scoon the efforts which were being made, Madam President, for diversifying the economy.

Let me posit that we have been speaking about this for the last 50 years. And we have not been successful, and my instinct tells me we have not been successful because we have not been following a tripartite approach to the economic diversification. Not tripartite in the normal sense, but we do need to involve the following. We need our manufacturing sector of which Trinidad and Tobago is particularly fortunate, we need a manufacturing sector to come on board to talk, to talk to the bureaucrats in the Ministry of Trade and Industry and the bureaucrats in the Ministry of Foreign Affairs because they are going to be in charge of exports. But we are missing out a third link. The link is the research facilities that we have which seems to be divorced from business.

In order for us to become competitive on the global scale the world has changed. We have not changed with it in order for us to compete on the global stage. We do need to identify from CARIRI, the Faculty of Engineering, UTT, everywhere there is a research, everywhere there is a research institution, everywhere a PHD thesis is produced in science and technology; everywhere there is a promising idea, get these three people together, let them meet twice a year and let them come up with saleable ideas, and the Ministry of Foreign Affairs will be particularly critical. Let us identify opportunities in Central America and Latin America.

In this regard, Madam President, this Parliament is going to lead the development thrust in this country. I was privileged to chair the Foreign Affairs Committee. One meeting, a public meeting, Sen. Paula Gopee-Scoon was a member, Sen. Avinash Singh was a member, and when we interviewed the people about Central America, the feedback I got, that for the first time the people of our

Republic understood the opportunities which existed in Latin America, the Spanish and Portuguese-speaking world.

The Ministry of Foreign Affairs knew about it but we needed to use a Parliament to indicate to the population what benefits lie with Central America. What are the advantages we have in diversifying? Let us look at Cuba. I would love to have the Foreign Affairs Committee interview people from Cuba. I would love to learn about Cuba's pharmaceutical industry. They have made pioneering strides there. Could we learn from them and work with our department of food technology to work with the Cubans, develop a thrust there. The opportunities arise, but Minister Paula Gopee-Scoon, consider that tripartite agreement. Let there be meetings twice a year. I would like to participate and hear what the researchers are saying and we should be able to get some projects going and not only to have a huge travel budget, we need a huge investment budget as well.

But while we are raising revenues and we are looking at the hon. Minister, Madam President, to ensure that we can remove all the waste, and there is a tremendous amount of waste in that \$63 billion. LifeSport is not the only one. Every Ministry has an—and in this regard I would like the budget for next year to be presented along certain lines to which I will come, because we need to craft some solutions. The budget I would like to be presented along the following lines is something that followed the early models of the 90s and the 2000s. We had the presentation of the figures in the following form. Easy to digest. How much of the \$63 billion in dollars was going to wages and salaries? How much was going to goods and services? How much was going to interest payment? We needed to know what percentage to interest payment? What percentage was going to transfers and subsidies? And what amount/percentage was going to public investments? Five categories, \$63 billion. How much in wages, how much in

interest, how much—[*Crosstalk*]

5.45 p.m.

I am making good time, 20 more minutes. Do not worry. The engine only will last, not to fire off, you know. [*Laughter*]

Hon. Senator: We are supporting you, my good Senator.

Sen. Dr. D. Mahabir: Very well, thank you. Ten minute mark, remind me.

Madam President, once we have the categories—wages—we are able to see the following: How did it grow? How are wages growing? How did it grow over the last decade? Interest payments—and I want to focus on the interest component. How is interest behaving over the last 10 years? Is it that interest payments are close to the public sector wages bill? Well, we need to watch that.

The goods and services category offers tremendous opportunity for savings because, Minister, you can always tell the people, “You see that computer, you could delay it for two more years”. While technologically it may last for three years, we can ask the State sector to push it for two more years. We could make tremendous economic savings on the goods and services category and we can simply learn to maintain our equipment better, and we are able not to compromise the services to the population, if we simply maintain. For years I have spoken about a public sector maintenance programme. It will come up again and again in this Parliament. Once we learn to maintain, we will be able to spend less and less on goods and services.

But the one category I would like to focus on is this category of subsidies. Of the \$63 billion, I am sure the Minister will be spending over \$30 billion on subsidies of all types. There are some subsidies and transfers that you absolutely want. You see the old age pension? You want that. The assistance to disabled persons, the food card programme, all of those things you need. Again, I have

plenty things to say, but what I want to focus on are the subsidies that constitute the low hanging fruit that we could now ill-afford.

In 2003, the Government had the courage to save the country \$500 million by closing down Caroni (1975) Ltd. It was a political decision that was made. There was never an economic problem with Caroni. It was always inefficient. Who was going to bell the cat? Your Government did it. So you have a tradition of making difficult decisions. You have started with the petroleum subsidy. What we need to do—and I endorse Sen. Small's point. We need to let people know that the era of cheap gas is gone. Why? Because the less we consume for ourselves, the more we could export and earn foreign exchange for the country.

But, second, we need to do two things, and I will appeal to my Senator Ramkissoon here, who is a mechanical engineer. She understands the thing. Is Petrotrin efficient or inefficient? Can Petrotrin be made efficient like a middle line refinery in the United States? I do not want it to be the most efficient refinery, nor do I want it to be the most inefficient. Could we increase efficiency and lower the cost of refining all its products? And once we could improve the efficiency of Petrotrin—the Minister of Energy and Energy Affairs will have that responsibility—then once the price of super and other gas is fairly priced and it is not a price that includes inefficiencies, we should, as a population, ensure that we are going to pay these prices. [*Desk thumping*]

And we will adjust, and I was very happy to hear the Minister of Agriculture, Land and Fisheries indicate that there is decentralizing. You see, once the price of gas is rising, what you want to do is that you want to have people closer to work so that the commute time is going to be less. Decentralization, started by the former government, continue it, as far as it is practical. Have people within a few miles of their work; have people relocate. In that way the congestion

problem will be somehow tempered. That fuel subsidy is burnt every morning on that Churchill-Roosevelt Highway and on the highway. [*Desk thumping*] Let us stop the congestion and let us decentralize. But I commend the Petrotrin subsidy. You see, these things are not politically palatable, but they are economically necessary.

Let me speak, however, about subsidies which the Minister will simply have to assess as we go along. One, the WASA subsidy. Could he allocate a certain hard budget to WASA? Reduce it every year so that their efficiencies can rise. The T&TEC subsidy, reduce it every year, gradually, so that that will rise. And there is an easier one, the Caribbean Airlines subsidy. How much can we really afford? Because I hear Sen. Small indicating that you cannot get the flights to Tobago on time, but at the same time we are pumping huge amounts to Caribbean Airlines. So the people are not benefiting in any tangible way, an airline is relatively inefficient, Minister, it is your call, not mine. But I would say, consider that CAL subsidy as something for targeting.

GATE: I want to endorse Sen. Ramkissoon's position. Go back to the *Hansard*; look at her proposal. You will see that once everyone has access to tertiary education, fine, but earn your way in the second and third year. Once you earn your way in the second and—keep up your GPA. Too many students go into the university and waste time. They “lahay” at the university. They are wasting their time and they are wasting your money.

Give them a performance bond over a two-year period, and what that will do is this. You will then be able to honour one of the wishes of former Prime Minister Patrick Manning, when he said his intention was that the best products of the GATE programme, the first class honours, will be financed by the State up to PhD level. It is in one of the budget speeches—2007, I think. They will be financed in

any institution so that this country's stock of trained people will contribute to the diversification. The people I speak about, Sen. Gopee-Scoon, who will create the new science and technology for us, the new business ideas, are the people we should be looking at, so that we can use all the facilities in the world over the next few years.

Now I need to manage my time. Senator, how much time do I have, 15 minutes?

Hon. Senator: You have 14 minutes.

Sen. Dr. D. Mahabir: Fifteen minutes. He said 14, but I think it is 15. *[Laughter]*

Madam President, let me now, having hopefully impressed upon those who are making the decisions—that I recognize that there is a problem, a problem which has started a long time, and let us now focus on some solutions. The first solution, of course, is the fact that during our gas boom years of 2003 to 2008, we did not have any major respect for the Heritage Fund. I have not heard much about the Heritage Fund in this debate, but I want to make it the first item on my agenda here. The reason is, my target for that Fund was always US \$15billion. Why 15? Fifteen billion dollars—and a good investment manager investing in bonds and equity—would have generated a 5 per cent rate of return. Sen. Shrikissoon would generate a 5 per cent rate of return for me on a mixture of bonds and equity. *[Interruption]* Yes, he would do that. And 5 per cent on US \$15 billion is US \$750 million per year in interest payment.

The Minister of Finance was complaining that the former administration left a bill of TT \$5 billion for him to pay public servants. You know, if your Government had been true to that Heritage Fund, over the years that I reviewed, you would have had the \$15 billion, and today you would have simply come to the Parliament, hon. Minister, to say, “I will use the returns of the Fund because of the

fall in revenue, to honour the obligation”—\$5 billion. Five billion dollars for poor people; \$5 billion for social welfare programmes.

I would like for the Minister to consider that in the coming years, if there is any increase in the price of oil and gas, we are going to have a target of that Heritage Fund with an aim to generate TT \$5 billion, which is 10 per cent of his revenue. So 10 per cent of his revenue will now come from interest earnings. That was what I always had in mind. But no one ever—the only Minister—let us be fair—whoever took this Fund seriously was Brian Kuei Tung who created it in the year 2000. All other Ministers, on all sides, decided it is too difficult politically to be true to this Fund.

Let us now bite the bullet and let us say, we need it. We need to diversify, not only the economy, but the revenue base of Government. And please take Sen. Small's position on equity in natural gas seriously, because if we can increase our equity stake in natural gas, we would be able to supplement the revenue of the State with profits as well. So we have taxes, we should have interest, and we should have profits coming from natural gas investments; [*Desk thumping*] profits coming; interest from the Heritage Fund and we should get all the profits now. National Lotteries: audit the National Lotteries Control Board. They are not contributing as much as they should to the national coffers. Our revenue base needs to be expanded and we have the options before us.

Hon. Minister, you need to restructure your debt monitoring unit in the Ministry of Finance. The only figure I have for the public debt in Trinidad is the one I checked myself in 2002, when your Prime Minister Patrick Manning asked me to audit the public finances. I have confidence because I checked it. And the reason is this. During the T&TEC hearing in which the hon. Minister of Finance was chairman, T&TEC's debt rose from \$1.5 billion to \$2.5 billion in an hour.

When the question arose as to what was this other—and then the General Manager says, “Oops, we forgot to tell you, we had an extra billion in debt”.

How much is Petrotrin’s debt? How much is T&TEC’s debt? How much is WASA’s debt? How much is CAL’s debt? How much is UDeCOTT’s? You get your debt monitoring unit. I would like to see a document in the next Parliament identifying every single item [*Desk thumping*] of debt in this country.

I understand Petrotrin’s debt is some \$14 billion that was downgraded by Moody’s. I have no confidence—[*Interruption*]—“doh worry”, I have some time. The fact is, Madam President, we need to get our debt stock in order, because if we do not, we are going to find ourselves experiencing a Greek tragedy, that tragedy that happened not to Odysseus and the Cyclops, but what happened to Greece a few months ago where Greece had so much debt on their books that they could not service it at all. So does Puerto Rico. We do not want to get there.

Hon. Minister, whenever any Minister comes to you to have any agency with respect to new laws, such as any recycling agency or any agency of State that you have, I have seen in this Parliament every Bill which comes before me, these agencies can borrow, but nowhere am I seeing a caveat which says, “Raise your own money, nah man; try and raise some money”.

Hon. Senator: Agreed.

Sen. Dr. D. Mahabir: You should raise some money: Environmental Management Agency, from the CEC’s; Securities and Exchange Commission, from levying on the firms they regulate. RIC does it with regulating—so that make sure these agencies that you want us to approve can also raise a certain amount of finances themselves. We cannot load the Government with agency after agency which does nothing for the population, but simply pilfer the resources which are now becoming scarcer.

When it comes to investments, you have seen in the past the model of using our own revenue. Look for the soft investments out there, the cheap investments; one, the IADB money to finish the highway; EDF; World Bank; Caribbean Development Bank. We have not been making use of all the soft money that is available to us. We need to keep up our public investments and once we keep up our public investments with soft money, we should be able to develop while we adjust.

Madam President, let me come up with two solutions aimed, not for the Ministers but for the public servants. The first is—and Sen. Baptiste-Primus and I fought many battles together, not in the trade union movement but in discussing the economy. I am saying that the time will come when we may very well find a zero per cent increase is the only option for the Government. I am saying that.

Hon. Senator: Zero is not a value.

Sen. D. Mahabir: And zero is not a value, and it is a good thing and a minus 1 per cent means that they let public servants go. You do not want that. What I would recommend is this: that if we ever find ourselves in such a difficult position that we cannot provide any wage increase, let us arrange with the public sector—because we want our public servants to be happy—could we link a bonus payment to them with the price of oil and gas, so if the price of oil rises from \$50 to \$60, every \$10 increase on the price of oil, we give you a 1 per cent increase in your salary as a bonus? It is called an oil-linked or commodity-linked payment. As my fortune as the Minister increases, your fortunate will increase.

Madam President: Senator, you have five more minutes.

Sen. D. Mahabir: Thank you very much, Madam President. Another five minutes. Let us make five minutes count. Five minutes or more will give you five more solutions. So said the GEICO, right?

So we do have these commodity-linked bonds. We can link public sector wages and salaries to the price of our commodities, and it can always be a bond payment.

6.00 p.m.

During the NAR period, they went about this thing the wrong way. They cut people's COLA unilaterally. You cannot do that. That is a contract. The Government, it took up to 2001 to settle those arrears. So let us look at the public sector wages bill very carefully and let us see, even in these difficult times, whether we are able to provide some benefits for them.

But in addition to that, I want to recommend a variant of Sen. Small's: a 5 per cent tax-free bonds. Every year, public servants obtain gratuity payments; every year the retirees will take those moneys and they will put it in Clico where they will lose it or they will put it in the bank where they will get less than 1 per cent. I would like the Minister of Finance to consider offering to these people as a start, a 5 per cent tax-free bond. So instead of taking your gratuity on which you will get zero per cent in the bank, let me give you a bond maturing in five years paying 5 per cent interest. You can cash it at the end of a five-year period, but in the meantime, I will supplement your income via a higher rate of interest than I will get in the bank and offer it. Maybe they will take it, maybe they would not, but offer it to them as an option.

Madam President, let us see what could be done for the people in these difficult times. We heard about the property tax. You know the problem with the property tax as it is? It is an annoying tax. To pay \$100, I will have to spend a whole day of my time. I do not know how many people have gone to the Tunapuna Corporation to pay their tax. You cannot find a park. Minister of Finance, consider please, to have this tax—I pay my WASA rate and everything—

I should pay it in the bank. Let us say the old people do not have online but as I pay WASA, I should go and pay my property tax and all I need to do is my assessment number, ZR2345, give it to the bank and let the bank send the money to you. In that way, Minister, you will collect 300 per cent. You know why? People would want to pay three years upfront and, in that way, implement it for the people.

Madam President, if I had more time, the Government would get more solutions but they “kinda” parsimonious. But final, final—let me tell the Minister one way in which he could give the old-age pensioners in this country \$20 million for Christmas without giving them a penny of his money. You know, the benefit of this Parliament is that we can get things done even by talk, we do not have the action. When NIB came before us, we simply told them about life certificates. Why do you require half a million people to report to you twice a year on life certificates? When I estimated how much that programme cost people, that was \$200 million. The allocation to Parliament is \$135 million.

Do you know what the solution was? Simply get the death certificates from the Ministry of Legal Affairs, compare it to your list of people who are collecting pension, strike off the dead, and pay the rest of the people their money. Right now, the private sector has followed, NIB has followed, Government pensioners are following, old-age pensioners still have to produce life certificates. Hon. Minister, as a Christmas gift, send a message to the Minister of Social Development and Family Services in charge of the old-age pensioners, tell them, “Let us do away with this life certificate thing”. It is 100,000 pensioners at \$200, \$20 million you will save them. It will make them very happy.

Madam President, in these difficult times, there is still a solution. The good thing is this: we have been here before, 1983 to 1993. Things could not have been

more difficult than than now. We have been able to survive. As the eminent West Indian economist said, the British West Indians can solve their problems if they set themselves to a will. Let there be a political will. Madam President, this crisis too shall pass. I thank you. [*Desk thumping*]

Sen. Dr. Lester Henry: Madam President, as many have done before, I congratulate you on your appointment and thank you for letting me join this debate at this late stage. After three days, I know debate fatigue is probably setting in, so I am on the home stretch. But I have a few things to say and you might find it interesting, so let me get to it.

Now, after listening to the Opposition comment on this budget, I mean, I felt like if I was in some kind of time warp or something. First of all, let me recognize Sen. Bharath because he is the only one from the other side that is here present in the Senate, the Upper House, from the last time. And look at that big smile on his face, he is so comfortable in Opposition. [*Laughter*]

Sen. Bharath: It is comforting to hear you. [*Laughter*]

Sen. Dr. L. Henry: He is so comfortable, he is back where he belongs, you know. I have never seen him so happy and very relaxed. [*Laughter*]

When I heard Sen. Mark at the beginning, I said, well, this is a man who is firmly rooted in 1985. [*Interruption*] 1985, 1985, I picked the year carefully. You know, that is when our downturn started, around 1985, 1986 and so on. But someone needs to whisper to Mr. Mark that the world has changed since then, so that kind of rhetoric is somewhat dated. [*Desk thumping*] The world has changed, the IMF has changed from that time too, the country has changed from that time and most importantly, the Government has changed. [*Desk thumping*]

So when I heard rhetoric about O'Halloran and Jean Miles and—I mean, it is mind-boggling. Tesoro, and I think he even mentioned Lockjoint too, one of his

favourite programmes.

Hon. Imbert: DC9.

Sen. Dr. L. Henry: Yeah, DC9 and—

Sen. Mark: Me? You were sleeping, boy, I did not say that. You were sleeping, boy, “I did not say them thing”

Sen. Dr. L. Henry: Well, either Lockjoint—or Vasant—one of them.

Sen. Mark: I never mentioned those things.

Sen. Dr. L. Henry: Yeah, in a previous incarnation, you mentioned Lockjoint.

Sen. Mark: Not within my contribution.

Sen. Dr. L. Henry: So, Sen. Bharath listed about 10—a list about 10 or 12 different things. Incidents or episodes of supposed corruption under the PNM, going back 40 years you know.

Sen. Bharath: That is how long it is going on.

Sen. Dr. L. Henry: No, you listed about 10 things. In one five-year span, you had this. [*Senator holds up a book*] They had to produce a whole book. [*Desk thumping*] And I heard this is only Volume 1. [*Laughter and interruption*] And apparently there are two other editions coming, and after the revelations in the Senate and the Lower House for the past week—

Hon. Imbert: “Is ah series. Is ah series.”

Sen. Dr. L. Henry: Yes.

Hon. Imbert: “Is ah series for TV.”

Sen. Bharath: Lester, you moved a long way from there. [*Laughter*]

Sen. Dr. L. Henry: Yeah, so look at this, a litany of woes, lies, deception, blunders and missteps, 117 pages, you know, just imagine that. So do not talk about corruption and the PNM. Over a 40-year period, you could name about two or three cases or four maybe and you stretch it. You even included things that I

know a little bit about. For example, I came to this House before, when I was sitting on that side and cleared up—

Sen. Bharath: Right here. Was it?

Sen. Dr. L. Henry: Yeah, you are not doing justice to that chair. [*Laughter*]

Hon. Senator: Do not be sidetracked.

Sen. Dr. L. Henry: Yeah. So, Sen. Bharath raised the issue once again about Jean Miles.

Sen. Bharath: Once again? “When that happened?”

Sen. Dr. L. Henry: Once again, yes. I was sitting on that side when someone on the Government side, back then, raised the issue, and I thought I had put it to rest at that time. When I was born in Gonzales, Belmont, quite a few years ago, there was a certain young lady who stood as my godmother and her name was Jean Miles. So she is very—well, someone who I know about. A good friend to both my mother and my father. So the story that had become urban legend about being in corruption and something to do with the PNM is just not true.

Sen. Bharath: She was not involved, she exposed the PNM.

Sen. Dr. L. Henry: No, absolute rubbish. [*Laughter*] Madam President, I stood on that side back then, in the last parliamentary session and produced the gas station report—the enquiry into the gas station racket, and no one in the PNM was implicated in that. But yet this legend, this nonsense, continues to be pervasive all over the place, especially with the UNC Members. There was no one in the PNM implicated in the gas station racket. It was the Factory Inspectorate who used to give licences for gas stations and the person who was running the Factory Inspectorate was the one taking the bribe. There was no one in the PNM implicated in that. So let that—go check yourself, get a copy of the gas station enquiry. Right? So, my godmother met her demise for different reasons, had

nothing to do with that—and I do not want to expose that, she was not to blame. Okay? It had nothing to do with the gas station racket so let us put that to rest once and for all. Okay, let me get to you now. “Ah just warming up.”

So, Madam President, you know what is the real problem with the Opposition? And it is so nice to call you that. The real problem with the Opposition with this budget is that they were outmanoeuvred once again. You see, they ran what you might call a scorched earth policy in the run-up to the election. They tried to spend everything in sight to leave the biggest mess possible for the PNM, were we to win the election which we did. So, in fact, I am hearing that they spent everything in every line item in the Ministries and some Ministers were seen looking under mattresses in the Ministry. If they see “ah” mattress, they did not pass it straight, they went to check there too to see if it had something to spend. So what I am saying, they ran this scorched earth policy and which we expected them to do—to spend, spend, spend, spend everything, and if they happen to win the election, they could cover it by some means and pretend that everything was okay under their watch. But we know nothing could be further from the truth.

So after five years of complete mismanagement and all other sorts of indiscretions catalogued here and more to come, they thought everything would fall apart once the new Minister took over; that he would have a hard time raising any money, he would have to come here and cut back on everything, right. So in other words, basically, they tried to hand our Minister a poison chalice, but he refused to smoke it and you got upset.

Hon. Imbert: I do not smoke.

Sen. Dr. L. Henry: All right. Good. So that was the strategy of the UNC Government. So that the PNM would become immediately unpopular with the presentation of their first budget. That is what you wanted; that was the intention;

that was what it was all about.

So, then you could come up another story and say, look, look, the PNM did this, the PNM—even when we lowered taxes, “they saying we raise it”. Yes, Sen. Solomon.

Sen. Solomon: Yes.

Sen. Dr. L. Henry: Yeah, well, you raise it, you lower it.

Madam President: Sen. Henry, just talk to me.

Sen. Dr. L. Henry: Okay, sorry. [*Laughter*] Yes, Madam President.

Madam President: Yes. You have limited time.

Sen. Dr. L. Henry: So, Madam President, this is what they expected, so they ended up in a situation where the PNM came and said, okay, this is what we are going to do. We are going to balance some austerity with some positive measures and be truthful to the country in terms of what is the state of the economy.

6.15 p.m.

And you know, honesty and truthfulness might be a little bit in short supply in certain areas, [*Laughter*] but we bit the bullet. The Minister was straightforward with the country and he said it like it is, right? So when you look back now, and see what they were about based on all of the information that was released in the Lower House and this House, what we have is a grand, big mess left behind by the People’s Partnership/UNC whatever you want call them, okay? Now, how did this come about? Remember when I used to stand on the other side, every single year, in fact, they accused me of saying the same thing all the time.

Sen. Solomon: Yeah, the same speech four years/five years running.

Sen. Dr. L. Henry: And you adopted most of it in your contribution. [*Laughter and interruption*] No, because I heard Sen. Bharath say something absolutely amazing in his contribution, revenue, for five years I was on that side, Madam

President, and asking them, where are your revenue measures? He copied it wholesale—[*Laughter*—serious, I used to—[*Interruption*]

Hon. Minister Dookeran, I said: hon. Minister where is your revenue measures in the budget? There is none, 2010, 2011, 2012, then he fell in love with foreign affairs and he left, and brought in a new Minister, Minister Howai; same old story. So what they did was campaign, living in a fantasy world, expanding spending without any kind of restraint, no plan to generate revenue of any kind even with projects. What new revenue projects did the UNC Government engage in, in five years; ask yourself?—no, they did nothing.

And I always used to tell them, something is always coming. When you asked the Minister of Energy and Energy Affairs under the UNC, well, we have a plan and in six months' time you will see something happening; always coming. They planned to balance the budget in 2016. We told the population through our Minister, we will balance the budget 2018 within our term, but their flight to fancy was: "Oh, well, you know, we will the next election and we will balance it then". You know, dishonesty, sorry. That may not be parliamentary, okay. I withdraw that. [*Laughter*] Yes, so they had basically some of the best oil prices ever faced by any Government in this country—was under the UNC for the past four and a half years.

Hon. Senators: "Dai' is not true. Dai' is not true."

Sen. Dr. L. Henry: Yes.

Sen. Solomon: One forty-eight under your Government.

Sen. Dr. L. Henry: One year—[*Interruption*]

Sen. Mark: But at least that was the highest.

Sen. Dr. L. Henry:—and there was tremendous budget savings and money deposited in the Central Bank. [*Crosstalk*] So what happened was that as oil

prices went higher, they spent more, and not only that, they spent more to match the increase in revenue; they went above that. So they insisted on running budget deficits even though we were having extraordinary cash flows. Right? The price of oil is \$44 not a hundred, like it was most of the times—[*Interruption*]

Sen. Solomon: “And yuh had the biggest deficit now?”

Sen. Dr. L. Henry:—okay? [*Interruption*] It makes sense, do you not—
[*Laughter and interruption*]

Sen. Dr. L. Henry: Okay, so last year when I told—[*Interruption*]

Madam President: Sen. Henry, while this is all very good natured, let us let you get through your contribution. Could I ask that the other Members listen in silence, all right? There is also a Standing Order about running commentary, but I have not reached that one yet; silence. Sen. Henry.

Sen. Dr. L. Henry: Yes, thank you, Madam President, for this protection—but, of course, this was their way of practising ostrich economics. You just bury your head in the sand and hope that you get revenue from somewhere; that was the UNC approach.

So what you had—when I told them last year that they were relying too heavily on the faith in oil prices being high, I said it right over there, budget contribution 2014/2015—what would happen if oil prices dropped suddenly, and we faced another type of crisis? And within weeks after saying that, oil prices started to drop. You could go back and check my *Hansard*. I said: what is going to happen when prices start to drop?—and from around November, well, it started to drop slightly before that, but the big drops came late last year. So I told them straight up, what is going to happen because you have made no alternative plan to raise revenue elsewhere. Right?

So what you had was that what I called “How to mismanage an economy

101” in my last budget contribution. Yes, they did everything basically wrong, no responsibility. In fact, the UNC wears their irresponsibility like a badge of honour. They are proud of it. “Well, we did not raise any tax. We did not do that. We did not do that”, but you are a Government, it is about taxation and spending. [*Desk thumping*] It is not one-sided and they go ahead and boast about all the revenue measures that they gave up. They gave up VAT on 7,000 items. They gave more incentives to the petroleum sector. We did this. Everything was always about giving up revenue.

So that is why it is like—they normalized this madness to the population. So now, we have a hard time explaining why it is necessary to have a property tax, which should be a no brainer, and also things that the population perhaps would be willing and ready to accept, now that they know things are not what they used to be. We may have a hard time with it, because they have conditioned people into thinking that you should go free, an imposition of any kind of taxation or any burden is not something that you should have to deal with. As my friend and colleague Sen. Mahabir said, you know, I was glad that he took that position that you need to implement these things as a responsible Minister of Finance or as a responsible Government. So encouraging the kind of wanton irresponsibility on the part of the UNC, is something we have never done, and do not intend to do.

So let me get into some specific issues before my time runs out. Normally, what you have is in terms of the most spectacular failure of the UNC Government, was their inability to generate any kind of economic growth, as many before me have said. You want to know how come a budget could move from \$47 billion, \$46 billion or somewhere thereabout, \$46 billion to \$62 billion, \$63 billion, and you could have no economic growth? As my former colleague in the Senate and now hon. Attorney General used to say, based on my comments to him: “even by

accident something should have happened, if you spend so many billions”. I mean, so it is a testimonial to the mismanagement of the UNC Government that we are in this position today. So you never took any responsibility. You never took any hard decisions over five years, five years; not one difficult decision. Right? Okay?

Now, I will get into some specific things that were mentioned in terms of some of the contributions from the other side. They talked about good macro-economic indicators, these indicators were relatively good in 2010, and some of them remained at that level. So, for example, the Opposition now is talking about alarming people, and we came here and frightened people about this and that. May I remind them of June 2010? The first resolution that was moved in the Senate, was by none other than former Sen. Mary King. She put a Motion on the Senate floor to come and say how bad the economic situation in Trinidad and Tobago was, that was the motivation for the Motion.

Hon. Imbert: What date was that?

Sen. Dr. L. Henry: That was in June 2010.

Hon. Imbert: She was a Government Minister?

Sen. Dr. L. Henry: Yes, right. So she put this Motion and it went through the cycle, and she ended up in the embarrassing position as saying: “well, you know, we are really not that bad”. It is on the *Hansard*. You could check it. The first debate in the State was Mary King’s Motion on the state of the economy. I am sure—well, none of you were here on that side. So I am sure many could remember it. So, many people were led to believe in 2010 as they say, the sky was falling, but yet our macro indicators were extremely good.

When I heard Sen. Mahabir talk about the Heritage and Stabilisation Fund, that is the period just before when most of the money went in there under the same PNM; over \$3 billion. Before 2002 or so, there was hardly anything in the Heritage

and Stabilisation Fund. It might have been set up before, but there was really nothing in there. The transformation of the gas that he also mentioned to where the gas revenue accrued to us in 2002, did not come from the sky. It came from PNM policy that began in the early 1990s; that is policy.

I like to tell my students at UWI do not say God is a Trini. That is one of the things I hate to hear them say more than anything else, because it takes away from the people who did the hard work and the thinking, to develop proper policies for this country. It is not by accident, and it also encourages them to be lazy and think something will happen. So do not say that. Economic development, economic growth, improvements in the standard of living come from people doing actual work.

So there are a couple of specific things I want to mention before my time runs out—some issues with the unemployment rate, two other macro-economic variables I want to touch on and inflation. The unemployment rate, of course, is very low and probably around 3.7 per cent officially, but what that masks is a lot of make-work, a lot of hidden unemployment and especially in the last year or two, a lot of disguised unemployment. For some of you who may not know what disguised unemployment is, it is when you have 200 persons doing the work that could be done by about 10 persons. If we look at what has happened under the last Government, there were all sorts of make-work, makeshift, disguised, hidden unemployment created in the system, where friends and families were hired, willy-nilly all over the place. Some of them without—under qualified, no qualifications, some of them even disqualified people, and you had the whole issue with all the false papers. I myself exposed one or two right here in this Senate during that time.

[MR. VICE-PRESIDENT *in the Chair*]

They came in and lambasted us in 2010 saying: “Oh, places like WASA, look at PNM people, PNM nest, have X amount, 4,300 workers.” Sen. Emmanuel George was Minister of Public Utilities at the time, stood right here, gave us a hard time; PNM nest, look at what—could you imagine what is the payroll number in WASA?—4,300, something like that.

6.30 p.m.

Mr. Vice-President, you know, under their Government they borrowed US \$50 million, about roughly \$300 million, to decrease the number of people employed at WASA, supposedly streamlining, making it more efficient. They gave VSEP to about 1,000 people, so that number was supposed to go down to 3,300. You know, at the end of July whatever, what is the number of people employed at WASA? Mr. Vice-President, 4,300.

Hon. Imbert: It went up.

Sen. Dr. L. Henry: Yeah. After they sent home 1,000 people, mamaguy everybody and say they had a VSEP at WASA, they hired back almost 1,000 people and they call them “contingent employees”, so they were not counted as full-time workers, they are not. In the run-up to the election, I think June to September, early September, they hired about 300 people again, and most of them came from one specific location, but I would not call the location.

So, Mr. Vice-President, when the UNC talked about water for all, I do not think is H₂O they were talking about, it had to be something else, because till today, do you see anybody giving up their water tank? No, in fact, you are buying more. As the dry season approaches—and we have this extended dry season all now, as all of you know—there are some things that could have been put in place to help with this situation. I was informed that the Standing Committee on Energy, under the same PNM in 2009, recognized the effects of global warming may cause

us to have some rough dry seasons and had set up a plan to build desalination plants, including one in the Cove. They scrapped all of it. That was just one. It was about five or six plants. So, given what is going at WASA and it is just one example, and some of my other colleagues have quoted aspects of the waste and management at WASA.

So if you added up, just on a couple of days alone, let us say the Beetham Wastewater Treatment Plant that was mentioned by Sen. Cummings, \$400 million in excess; \$100 million on the cancellation of the contract with the Israelis who were supposed to put in the water metering programme—so that is about \$500 million—you could have had at least a couple of desalination plants built with that money alone that was frittered away.

The next issue also mentioned—I see my time is coming close—a couple of my other pet peeves, Mr. Vice-President, I always talk about the status of what is going on with our CSO. Well, you heard our Ministers talk about what we plan to do in terms of correcting that mess, but up to this day, the UNC Government still has left the CSO in a complete mess. They hurriedly rushed to put the employees in a new building on Frederick Street to claim, well okay because the IMF gave them a roasting last year and, of course, you know, the Moody's report also mentioned the unavailability of reliable statistics.

So they rushed to put the CSO back together after it was broken apart in pieces—people working from home and all sorts of drama—rushed to put them in—and the building, just like the Couva Hospital, is completely unready for proper occupation. It is unfurnished. There is a whole big mess going on there where there are a set of boxes. People are walking on the pavement and looking in and laughing at the employees. The building itself has a question mark over it as to whether it has a proper OSHA certificate or equally important a proper fire

certificate. And they are asking employees to go back there and work full time like if everything is normal.

In my last few minutes, I want to touch on the issue of CAL, another areas of gross mismanagement under the UNC in the past five years. In the beginning, in early 2010, sorry, later on in 2010 early 2011, we warned the Government about getting involved with that Air Jamaica deal. We told them that there was an escape clause that could be taken by April of 2011, get out of it quickly. We see what has happened; absolute disaster costing Trinidad and Tobago taxpayers hundreds of millions of dollars. I could go into more details but some other time.

The second thing, the London route, we had warned them about going back into something that is going to cost the country a lot of unnecessary millions of dollars. Now, it is quite possible, I have heard arguments that the London route could work, but I am not convinced, but when you go into the details of how they went about doing it, it was just a no brainer, it just could not work. So we end up losing hundreds of millions of dollars on that London route, and since last year they were in denial again saying that: “Oh, no, no, we are not going to stop the London route.”

Last week, Dilollo, sends out a circular: “Oh, London route comes to an end”.

Hon. Senator: Who?

Sen. Dr. L. Henry: Dilollo, the CEO. And then we are hearing stories again coming out about wet leasing planes—one in the *Newsday* about the wet lease on 737 from a company in Miami costing millions and millions of dollars again. They plan, from what I understand, to wet lease another plane for Christmas, 737 again, guess where? Out of Miami again, Eastern Airlines or something, I think is the name of the company. [*Crosstalk*] Yes, they have a new one, apparently run by

some Canadian. So they are planning to do that again, put us further into the hole.

So what I am saying is these are just some of the examples of the waste and mismanagement that happened and that is what put us in a hole that is so big that even after a month in Government, we are still hearing more stories coming out about money owed here and money owed there, and they have the audacity to come and talk about corruption in 1962. I mean, you know, it is a free country, you could say whatever you want but let us live in the real world and live in the present, and the mess that was created by the UNC will live long in our memories.

I remember a deceased colleague of mine at the university walking past him in Barbados about two years ago—no probably three—and he said 30 years. I said: “Carol Keller, what are you talking about?” He said 30 years. It would take you and your PNM colleagues 30 years to clean up the mess that they made in three years. But with some skilful work and the usual commitment of the PNM to the development of this country, we will cut that short. [*Desk thumping*] We will not give you the pleasure of destroying Trinidad and Tobago for 30 years. I will stop here because of my time, but I would have more to say in the months ahead. Thank you. [*Desk thumping*]

Mr. Vice-President: Thank you, Sen. Dr. Henry, for your contribution. Hon. Minister of Finance. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President, Deputy President—[*Crosstalk*] What is the correct terminology?

Hon. Senators: Mr. Vice-President.

Hon. C. Imbert: Thank you very much, Mr. Vice-President. I think I better start with the reading of a newspaper article, and the person who is the subject of this article is an expert unlike the article read out by Sen. Solomon. [*Laughter*] They have some fellas, they never run a parlour in their life, but somehow they want to

make recommendations on macroeconomics but be that as it may, there is an article here that I think is very relevant, but before I get into that, I wish to congratulate every single speaker on the PNM side. [*Desk thumping*] Despite their youth, I was impressed. [*Desk thumping*] I have been in this Parliament for 24 years, and I was amazed at the ability of these young people on this side [*Desk thumping*] to rise to the occasion and to really make very stirring and powerful, meaningful, valuable contributions.

I also wish to thank every member of the Independent Bench [*Desk thumping*] for all of their very helpful suggestions and comments. I shall now refer to the Opposition Bench, and this is where the article is relevant. The article was published in the *Trinidad Guardian* on October 11, 2015 and it is entitled “Election Tabanca”, and it goes this way. It is a gathering at the Barataria Mental Health and Wellness Centre Eastern Main Road [*Desk thumping*] and:

“Dr. Varma Deyalsingh”—an expert who is—“secretary of the Psychiatric Association, said a general election can leave people struggling with depression or ‘election tabanca.’”

Now, these are not my words, Mr. Vice-President, these are the words of a professional psychiatrist, and he goes on to point out that:

“After a crushing defeat at the polls, several members of the former government and thousands of party supporters have to struggle with a range of emotions, running the gamut from a sense of loss, disbelief, anger, disappointment and depression.”

He goes on to point out that there are several stages, and it starts off with disbelief and denial and it then goes to anger.

“Anger sets in after the denial phase...”

And it is necessary for those who are affected by this problem to recognize the

range of emotions that can be involved:

“...such as the fear among those involved in corruption and nepotism.” He said, this is Dr. Deyalsingh:

“He said people who had gotten jobs ‘through their contacts’ may feel fearful of losing...while others who openly backed the losing team may be fearful of...victimisation.

...these people may suffer from anxiety, some may want to migrate”—some may want to—“turn...and support the winning side.”

Some people would say it was a mistake, it was not true:

“...these people would be confused, thinking”—their election defeat—“was not real”—and might be willing—“to mount legal challenges...”

Depression then sets in as the final phase.

[MADAM PRESIDENT *in the Chair*]

So, Madam President, I get the impression that the six Opposition Senators did not get the memo, you lost, [*Desk thumping*] and hon. Senators opposite you need to get over it. That rhetoric will not cut it anymore. That is precisely why you lost the election. [*Desk thumping*]

I remember a famous statement by Barack Obama when he was vilified throughout the 2008 elections—it is not the 2012, it is the 2008. They say he is a terrorist. They say he was not born in the United States, they wanted to see his birth certificate. They say he was against religion, all sorts of things. I remember after Barack Obama won that election convincingly, he said the point they missed is the public did not buy it, and I think that was a profound statement. All of that rhetoric that I heard from the other side, the public did not buy it, so get over it.

6.45 p.m.

Now, Madam President, let me deal with some of the comments that were

made that—as I said, I really appreciate the contributions of the Independent Bench, and let me go with some of the comments that were made, and I will start with Sen. Shrikissoon, who expressed some concern about the fact that in seeking to close the fiscal gap in 2016, the Government is using the proceeds from the sale of assets, and dividends from State enterprises, and so on, repayment of past lending, one off extraordinary items. I think Sen. Shrikissoon specifically mentioned the Phoenix Park IPO, if my memory is correct, and he expressed a concern and he was of the view that those funds should really not be used for recurrent expenditure and that, you know, money had been lent or borrowed, as the case may be, and that perhaps these funds could be used to repay, pay down debt, or to be used for capital expenditure, and so on. I wish we could do that, we just cannot, and the fact of the matter is that there is a \$20 billion gap between recurrent revenue and expenditure.

We are faced with a \$5 billion wage bill, a gift gifted to us by the former administration. These are facts, and, you know, people do not like to deal with facts, and that is why I started off with this thing from the psychiatrist. You have to deal with reality. This is the reality of Trinidad and Tobago today. We have been gifted a \$5 billion bill that has made a serious hit on our ability to spend in 2016, but we have no choice, these are collective agreements entered into by a legitimate Government, all done properly, and so on. So, as a responsible Government we respect the continuity of Government and we will be making these payments. They have been catered for in the estimates of expenditure. In fact, if you look at the one for the police, that is the most interesting one, the increase in personnel expenditure for the police service is \$1 billion, just for the police alone. And that is just one item, one Head out of about 55 Heads inside of there.

So these are facts. So we have to deal with that, we have to get out of the

way. Hopefully, in 2017 we would not have these issues. There are collective agreements that are still outstanding, but we are hopeful that as we go into 2017 we would not be carrying a \$5 billion load from arrears arising from settlement of wage agreements. We hope that the number would be considerably reduced. The other fact that we are faced with is that because the previous Government, the previous PNM Government, had built up surpluses over a period of time, the country was able to weather the storm after the global financial crisis of 2008, and the collapse of oil prices, and was able to use its surpluses to run the country, and it is a fact that in May of 2010 there was a positive cash balance in Trinidad and Tobago. Madam President, the cash balance was \$6.5 billion positive.

It is a fact, so that the incoming PP administration in 2010 was given a positive cash balance of \$6.5 billion, all of which they spent and then ran up the overdraft to \$8.7 billion by September 15, because when we came in we had no new projects, we have not awarded any contracts of any significance, we have no new expenditure. So in September all we were doing was paying bills that the other side had left for us, and also paying wages and salaries. So you had a situation where the cash balance hit \$8.761 billion in September 2015, 98 per cent of the legal limit, and the legal limit, the overdraft for the Central Bank is calculated as a percentage, it is 15 per cent of the expenditure for that fiscal year.

So you multiply the expenditure of—it was at the time \$61 billion or \$62 billion, you multiply that by 15 per cent and you get your overdraft limit of just over \$9 billion, and the overdraft limit had hit \$8.8 billion, Madam President, enough money to run this country just for a couple of days. That is the gift they gave to us, so we had to hustle and go and complete a loan which they had arranged, because they knew what was going on. They knew exactly what they were doing to this country, so they had arranged a \$1 billion loan for budgetary

support. It is not a good thing, because when it was presented to me I said, you know, is this going to add to our debt? The answer, of course, is, yes, because the other side knew that we were running on fumes, as I have said in the budget, that we just had a couple more days left in terms of our cash balance, in terms of cash available to run this country.

So they had arranged that \$1 billion loan which I had to access, otherwise if I had not put that \$1 billion into the Consolidated Fund, Madam President, this country would have crashed in September 2015. Those are facts, and Members opposite, on the Front Bench opposite, could run from that, but these are the facts. Madam President, Sen. Bharath in his contribution managed to confuse the current account and the cash balance, so I asked some of the technocrats to just examine the comments made, and this is what Sen. Bharath had to say:

“The Minister of Finance has made much of the cash balances of this country. I had a cursory look at the current account balance which”—according to Sen. Bharath—“is the cash balance held at the Central Bank of Trinidad and Tobago in 2008.”

And then he went on to make some examination of what had taken place some seven years ago. These are the facts:

The current account balance of the balance of payments—which is the item referred to by Sen. Bharath, because he referred to a page in the *Review of the Economy*—and the cash balances at the Central Bank are two separate concepts. Sen. Bharath’s reference to the current account of the balance of payments is taken from Table 9 in the *Review of the Economy 2011*. It indicates that the current account was in positive balance in 2008.

—and then it goes on to speak about what happened in 2009, and so on. Pointing out that even in 2009 the current account generated a positive balance.

However, cash balances of the Government is a completely different concept. They are brought to account by the Treasury Division and not the Central Bank as stated by Sen. Bharath. The cash balances are held in the Central Bank and they represent, on a cumulative basis, the positive or negative differences between government revenue and government expenditure.

Now, anybody who has a modicum of understanding of rudimentary economics would understand, Madam President, the difference between revenue and expenditure. So, the cash balance in the Central Bank is simply the difference between revenue and expenditure, and you have an overdraft so you are allowed to go beyond your revenue to the extent of the overdraft, and that is what they were doing. They had run the overdraft up to almost \$9 billion.

The current account of the balance of payments represents the net transaction in goods and services as between Trinidad and Tobago and the rest of the world.

Well, everybody should know that. That is what our current account of balance of payments is, the goods that we import and the goods that we sell. That is how you get the current account of the balance of payments.

This is the last statement given to me by the technocrats:

The equating of the current accounts of the balance of payments with the cash balances in the Central Bank represents a serious technical basic deficiency in understanding the macroeconomic fundamentals of the country.

I had to read it. [*Desk thumping*] I had to read it, because, Madam President, I have participated in this debate in the other place; I have participated; I have listened to contributions in this place and I am amazed at what has been revealed as

what was happening in this country over the last five years. It seems they did not have even a basic understanding of how to run a country.

Madam President, how could you run up the overdraft and leave two days cash left in the Treasury to run the country? [*Desk thumping*] How could you do a thing like that? Irresponsible, reckless, but let me go back now to the important comments that came from the Independent Bench. As I said, Sen. Shrikissoon, we had no choice. You see what they do? You see the kind of situation they left us in?—through you, Madam President. “Wey yuh go do?” We would have not been able to pay public servants salaries if we did not take these proceeds, and this is the same thing going forward into 2016. I do not want to do it. I do not want to take the proceeds from the Phoenix Park IPO and use it for recurrent. I do not want to take the past lending for Trinidad generation and use it for recurrent, but I have no choice, otherwise we will just have to shut this country down.

And that is why we are hopeful that with the Revenue Authority—all the experts have told us, Madam President, that revenue collection is very inefficient in this country—and we are very hopeful, and it is borne out by all of the studies that have been done on this project over the last 15 years, we are very hopeful that as we develop the Revenue Authority and we integrate Customs, Board of Inland Revenue, VAT office, and all of the agencies that collect revenue, and we integrate them in terms of communication and information-sharing and streamlining for efficiently, Madam President, I am confident that we will—the estimates range from between five and eight billion dollars in terms of uncollected revenue outside there in Trinidad and Tobago—five to eight billion dollars. Madam President, if you had seen the Pricewaterhouse pre-budget memorandum, they actually did their own estimates and they actually came up with close to \$8 billion in uncollected revenue outside there, because of corruption, because of archaic systems, because

of lack of information-sharing, because of antiquated approaches to revenue collection in this country. So that one of the things that we will have to do is to improve our revenue collection.

Madam President, let me move on now to—and I will come to the recommendations made by Sen. Mahabir in due course; let me do it at the end because I am doing it in sequence, if you do not mind. Sen. Edwards had asked—I am paraphrasing—would a young person who inherited a multimillion-dollar property with a small income also get exemption from property tax. Now, what I was talking about is somebody on a fixed income, a pensioner, a retiree who is actually living in the house. So, if somebody gets a property as a gift then the property has income-generating potential. They could rent the house, for example, and the rental income from that house would be far more, you know, could be a hundred times what the property tax could possibly be. So, this benefit is really intended to help those who really need it, elderly people, pensioners, no source of income except old age pension, and maybe NIS, if they ever had it, and so on, and give them relief. It is not intended to assist somebody who got a gift of a property and suddenly, you know, has acquired a very valuable asset. But we will be fleshing out this policy in due course and looking at all the various scenarios in terms of where we could give relief to persons who might be hardest hit by any increase, if that does occur, in land and building taxes, and so on.

Well, I do not think I have to answer anything that Sen. Solomon said. [Crosstalk] Madam President, Sen. Small made the point that there is no mention of natural gas reserves in the budget. There is a good reason for that, we just got the Ryder Scott Report, we are looking at it. We did not want to make any premature statements on it, but I would think in a week or so the results of that

report, you know, would be available for public consumption. We did not want to be premature, so that is the reason.

7.00 p.m.

With respect to transfer pricing, I did not go into detail because I could have decided to speak for three hours, I chose to speak for two hours. There were some things I decided to go into great detail on and others not, but transfer pricing is a major policy initiative of this Government. I have some familiarity with it, and in 2016 we will be implementing transfer pricing rules in Trinidad and Tobago, so that we could start to deal with this problem once and for all.

Madam President, as Sen. Small is aware, this is how multinationals are able to avoid paying tax, by using transfer pricing, where they charge expenditure that is incurred elsewhere at the head office or in subsidiary companies. So what they do is that when they come to do their tax return, they tell you that their head office is costing them “X” billion dollars or whatever it is, and they charge that as an expense in Trinidad and Tobago. Because they charge it to the Trinidad and Tobago arm of the company, and it thereby reduces their tax liability. But there are at least 100 countries in the world that have implemented transfer pricing regulations to go behind this scheme—I have to call it—and to audit the actual cost of these so-called services. That is basically all it is, it is an audit of these costs that they are charging as expenditure in Trinidad and Tobago. We will be doing this, and it is not confined to the oil and gas industry. It is all international companies that have a presence in this country.

With respect to trying to get more from the value chain in natural gas, there is actually a statement made in the budget statement on page 19. It is also in the manifesto, and we do intend to modify—I will just read:

“...the methodology for natural gas and product pricing, the adoption of

transfer pricing principles and fair and transparent taxation regimes.”—and we are going to review the natural gas value chain and where necessary implement appropriate measures.

I have listened to what you had to say about the Government getting greater equity stake in LNG, and it is something that is certainly worthy of consideration. We will be looking at that. But what we want to do is not only that, we want to try and get maximum revenues, because as you said they sell cargoes. So by the time a cargo arrives at its final destination, it has been sold five times at different prices, but the tax revenue coming back to Trinidad and Tobago would not be on the final price. We are well aware. These are contracts that have been put in place years ago, and it is something that we have under the microscope at this point in time, and we will be looking to see what can be done. So I just wanted to give you that assurance.

Pensions for legislators—well you know my view on that. *[Laughter]* Through you, Madam President, I know Sen. Small’s view, and Sen. Small knows my view. So I can assure you I will be as passionate as you will be on getting proper pensions for legislators *[Desk thumping]* and implementing the recommendations, for persons who are Opposition Senators, Independent Senators, Government Senators without portfolio, even in the other place, people who are backbenchers and so on. All elected Members are in the system automatically. The problem was Senators who were not Ministers. That was the problem and there has been a recommendation for a very long time that they be allowed to join the pension plan. I am as passionate as you are on this thing, so have no fear. *[Interruption]*

Sen. Dr. Mahabir: Madam President, will the Minister give way?

Hon. C. Imbert: Sure.

Sen. Dr. Mahabir: I understand, hon. Minister, that you are passionate, but I would like this passion to be translated into action. Is it that this matter is going to be part of the Government's legislative agenda for the current session of Parliament? One line to change.

Hon. C. Imbert: I am afraid, that is like the Ryder Scott Report; I cannot give you that information at this point in time.

Sen. Dr. Mahabir: Passion is of no use.

Hon. C. Imbert: No, it is of a lot of use; you do not worry. It will have a lot of use; have no fear.

Sen. Roach who is no longer with us today, had spoken to me and had made a recommendation with respect to the Green Fund, that charitable bodies should be exempt. I am certainly going to have a good look at that, and see what is the effect of this change on charitable bodies, the change to the Green Fund.

Other Senators made many different recommendations, and within the time available to me, I must apologize if I do not deal in detail with every single recommendation. I would like to go now to Sen. Dr. Mahabir. He asked some questions that I was a bit surprised at: What has caused the persistent budget deficits in Trinidad and Tobago over the last several years? Spending more than you earn. You are asking answers, Sen. Dr. Mahabir; that is all that has happened. When the expenditure went from \$46 billion to \$63 billion, it went beyond the country's capability to collect revenue. From the time it crossed the 50, as you correctly said, it went beyond, but the Government continued to spend as if money grew on trees. So that is the answer.

With respect to the Heritage Fund, it is a very interesting suggestion. I had contemplated putting a comment on the Heritage Fund in the manifesto actually, prior to this, and I decided against it because the Heritage and Stabilisation Fund is

a very emotional and very sensitive subject. I thank Sen. Dr. Mahabir for bringing it up, because there were recommendations that we should separate the fund into a heritage fund, which you would not touch, and a stabilization fund that you use when you have short falls in revenue. That was a recommendation. You are now saying use the principal in the fund to generate income, and use the income to help you with budget deficits.

I think it is something that we as a country need to talk about, because no government has ever touched that fund, and from the time you talk about that, you get about 10 editorials in the newspaper and people start to get jumpy. But I think it is time we start looking at whether we want to leave this fund as it is, which is untouched, you just leave it there and just let it grow, or do we start to separate it into two funds, a heritage and a stabilization fund, or do we start to look at a mechanism where we could use some or all of the income that is earned in a year—so it means you are not touching the principal—to help with budgetary shortfalls. That is a discussion that we need to have; as a country try and get some public consensus on it, as there is the need to do that with the fuel subsidy; there is a need to do that with GATE.

As I said, there were so many suggestions made by the hon. Independent Senators. I know that Sen. Ramkissoon had some views on GATE and, again, we are going to have a national discussion on this, because I am picking up there is a persistent view among the majority of the population, that we have to start to direct the fund to those who really need GATE. The GATE assistance is for those who really. There are all sorts of different mechanisms.

I heard the mechanism that was proposed about linking it to merit per academic performance, in terms of making students understand that this is not just a gift you could just fritter away, you could just move from programme to

programme. That is one of the things that has happened with the GATE programme, people move from programme to programme. They move in and out, in and out; drop out, change the subject, change their major, change their minor and just move around, just go around, move around, move around, and really that is not what was intended.

What we were trying to do was to build a base of highly educated people in this country; develop the skill sets of this country, and really the objective is that the people must graduate and they must graduate in something meaningful. So that the suggestions of Sen. Ramkissoon together with—I was in a meeting with the Joint Trade Union Movement, and the TTUTA rep said to me across the table—and I am not telling tales out of school—that he was of the view that it was time to introduce a means test in GATE. That was the TTUTA rep telling me that across the table; so it is time to have discussions on these things. It is time we need to talk about this and come up with a practical solution to how we fund higher education in this country, whether we should fund the fuel subsidy.

And on the fuel subsidy, Madam President, I read that the taxi drivers between Port of Spain and San Fernando have raised the fare from \$15 to \$18. I just looked at that and worked it out in my head. I said that is a 20 per cent increase, but fuel went up by 15 per cent. What is that? Then I worked out how much fuel there will be consumed per passenger between Port of Spain and San Fernando, and then what is the impact of the increase in fuel, super gas. Per passenger it is less than \$1. I came up with 70 cents or something like that. So if the impact is 50 to 70 cents, let us say 50 cents, because on the most rudimentary calculation, 50 cents per passenger is what the difference is, but you increase the price by \$3. What is going on? I will not even use the doubles example, because the contribution of fuel to doubles is about 3 per cent. So the effect of the increase

in fuel and doubles is five cents but—again, we need to talk as a country about this fuel subsidy thing and talk about the impact it may or may not have on the economy.

So that when we as a Government say we are going to have consultations, we mean it. We are very, very serious. To deal with the problems in the oil sector, we are going to calling. In November I will be issuing a call for submissions from the oil and gas sector, from upstream, midstream, downstream, the service sector, everybody, “tout bagai”, the petroleum economists like Sen. Small, everybody. A public call for submissions and a targeted call to the companies involved. Let us talk about what we could do to get oil production back up, what we could do to get gas production back up, what we could do about stranded gas, about the deep-water areas, about secondary recovery, about small fields. What is the correct level for the supplementary petroleum tax? Is SPT now a disincentive? These are things we need to talk about, because we are committed.

One of the reasons why we are on this side, is that while they probably did not buy the rhetoric from them, they bought in to what we were saying, and we intend to make our best effort to fulfil the commitments and the promises we have made to the population. [*Desk thumping*]

When I was doing this budget, I was challenged, because I have a \$20 billion gap in the budget. But I remembered that I wrote the manifesto and I said to myself, “We made promises in that manifesto”. And we do not want to be like the other Government who said the thing about the pension was a misprint. [*Desk thumping*] I did not want to fall into that trap, so I went through the 14 promises we had made, that we said we would do in the first 12 months, and I said, “What can we do now?” I made the appropriate consultations with the powers that be and we sat down and worked out a list.

We said all right, we could increase the personal allowance; we could increase the cap on the pensions; we could increase OJT. So I went through; we did about six or seven of the manifesto pledges that we had pledged to do in the first 12 months. I said let us do them immediately. Some of the other things are going to take longer. Some of them are more complex and so on, but I felt that it would be unconscionable for this PNM Government, having earned the goodwill of the population, based on our political campaign, based on our manifesto and based on the confidence that the public has reposed in us, I felt it would be unconscionable of us to renege on our manifesto promises.

So we have already committed to fulfil a number of our manifesto promises within the first three months, not within the first 12 months, and nothing in this budget or the manifesto is a misprint. We intend to honour our promises. [*Desk thumping*]

All I would say, all I have picked up from the population is that there is tremendous goodwill outside there, there is a genuine desire to work together as a country to solve the problems that we have.

I get all sorts of suggestions. I got suggestions on the Heritage Fund. I thank you for that Sen. Dr. Mahabir. You have opened the door to have a dialogue on it. I did not bring it up, but you brought it up, so I thank you for that. Let us talk about it. We need to talk together as a country. The idea of cutting expenditure to \$50 billion, they would have to kill me first, because the retrenchment that would flow from that, the reduction in goods and services and support to the poor, you would have to kill me first before we do that.

Sen. Dr. Mahabir: Will the Minister gave way?

Hon. C. Imbert: How much time do I have, Madam President?

Sen. Dr. Mahabir: I do not want the Minister to commit suicide.

Hon. C. Imbert: I am not saying I am not going to give way.

Madam President: You actually have 10 minutes.

Hon. C. Imbert: Nice, no problem.

7.15 p.m.

Sen. Dr. Mahabir: All I am saying, hon. Minister, is this. There is a harsh reality and unless you raise the revenue which is uncertain, there will be a necessity. Is it that you have a plan to cut expenditure gradually? There is a gradual cutting as opposed to a drastic cutting and that is simply—I do not want you to do anything drastic with yourself, but really is it that you have a plan on how to ensure that this country can get down to a level where it can balance its budget at a more realistic level?

Hon. C. Imbert: Okay. Let me just repeat. This Minister of Finance is not going to crash this economy. It is not going to happen. And if we cut our expenditure levels down to \$50 billion, we will experience immediate negative growth and all sorts of unintended social consequences. Madam President, through you, as Sen. Mahabir correctly said, there is a lot—I think he said that I have an eye for spotting corruption, waste and mismanagement?

Sen. Dr. Mahabir: Yes.

Hon. C. Imbert: Yeah. And we have spotted a lot of corruption, waste and mismanagement and we can save quite a lot of money. But let us say we save \$3 billion, we still have an unfunded deficit that will be significant. But the point I am making, this country has a lot going for it. We have a resilient population, Madam President, we have come through worse than this on several occasions before.

And the point I was making is that, I am certain that if we all put our collective heads together we can deal with the revenue problem that we have at this point in

time. And the focus of this Government while cutting out waste and mismanagement which must be done, and also bringing those who have stolen to book—do not think I did not hear you Sen. Small when you said they have to make a jail. We know that, but I think the time has come to stop talking about these things and to start showing positive action with respect to prosecuting the persons who have raped the Treasury. We have to do it. So it is time to stop talking about “how much they tief” and start actually bringing them into the courthouse so they could explain what they did and why they did. [*Desk thumping*] So, I did not want to go down that road when Sen. Small said they have to make a jail. I totally agree. But it is time to actually get them into the jail and stop talking about, you know, all of the things because I think the population is overloaded with information now on the scandalous going-ons of the last five years and I think now is time for action. But I think what we need to do is build our revenue base, and I think you can do it if we all work together.

We can reform the revenue collection agencies in this country. We can look at innovative ways of generating revenue. We can work on this very difficult task of diversification. It is hard. It is not an easy thing to do. We have a risk averse private sector in this country; they are risk averse. They prefer to import and put a mark-up and sell. That is the tradition in Trinidad and Tobago. So therefore we have to give them the environment that they need so that they become confident enough to invest in the productive sector. So that is a dialogue that we have to have with the manufacturing sector and the Chambers of Commerce and so on. What do they want the Government to do to give them the necessary comfort level so they would start to invest significantly in the productive sector? But I think we can do it. I honestly believe that this Government can do it. And we do intend to consult widely with everybody. You do not have to be a PNM to be part of our

consultation. We are going to talk to everybody. [*Desk thumping*] We are going to talk to everybody. And we want everybody to get involved. Those who do not want to get involved, I am afraid you will get left behind because this is going to be a collective effort to rescue this country from the situation that it is in, and I am sure that if we all work together we can do it together. I beg to move. [*Desk thumping*]

Question put and agreed to.

Hon. C. Imbert: Madam President, in accordance with Standing Order 57(2), I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Bill accordingly read a second time.

Question put and agreed to: That the Bill be read a third time and passed.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, before I move the adjournment of this Senate, I crave your indulgence to thank the hon. Minister of Finance for gracing us with his presence here in the Upper House. [*Desk thumping*] I want to thank all Senators for their sterling contributions to this budget debate—the Government, the Independent and the Opposition, and I think we have started off on the right foot.

So, Madam President, again I want to thank you for your debut performance here in this honourable Chamber. Madam President, I now beg to move that this Senate do now adjourn to a date to be fixed.

Madam President: Hon. Senators, before I put the question for the adjournment to the Senate, I too wish to thank all Senators, all Members who participated in this

debate. I thank you once again for the kind words you have offered to me and I too thank everyone for participating in the debate.

Because, Senators, it was a budget debate and because we have had some 17 Senators making their maiden contributions, meaning that they were speaking in Parliament for the very first time, as the Presiding Officer I did allow a little leeway in terms of strict compliance with the Standing Orders. However, as we settle in and we look forward and we look towards our future sittings, I would be encouraging Members more strictly to adhere not only to the text in the Standing Order, but to the spirit underlying those Standing Orders. The importance, Senators, of upholding the conventions in this Senate and to being exemplars to the listening and viewing public cannot be overstated. Therefore, it is my responsibility to ensure that as a body we uphold, we neither disappoint nor frustrate, the expectations of those who are looking up to us. If and when I crack the whip, it will be for no other purpose but to ensure that we stay on track.

I just want to also extend our collective gratitude to the Clerk of the House and to the parliamentary staff [*Desk thumping*] who have made these sittings so successful and who have ensured our comfort in every way.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.23 p.m.