

SENATE*Tuesday, May 15, 2018*

The Senate met at 10.00 a.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Madam President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Dennis Moses, Sen. Wade Mark, Sen. Saddam Hosein and Sen. Jennifer Raffoul, all of whom are out of the country.

REVOCAATION OF APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from Her Excellency the President, Paula-Mae Weekes:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. ELI ZAKOUR

WHEREAS by Instrument dated 11th May, 2018, I appointed you to act as a temporary Senator, with effect from 11th May, 2018 and continuing during the absence from Trinidad and Tobago of Senator Gerald Ramdeen.

In exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, and acting in accordance with the advice of the Leader of the Opposition, I, PAULA-MAE WEEKES, President as aforesaid, do

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hereby revoke, with immediate effect, your appointment to act as a temporary Senator.

Given under my Hand and the Seal of the
President of the Republic of Trinidad
and Tobago at the Office of the
President, St. Ann's, this 15th day of
May, 2018."

SENATORS' APPOINTMENT

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Paula-Mae Weekes
President.

TO: MR. GARVIN SIMONETTE

WHEREAS Senator the Hon. Dennis Moses is incapable of performing his duties as a Senator by reason of absence from Trinidad and Tobago:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(a) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, GARVIN SIMONETTE, to be temporarily a member of the Senate, with effect from 15th May, 2018 and continuing during the absence out of the country of Senator the Hon. Dennis Moses.

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Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 14th day of May, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Paula-Mae Weekes
President.

TO: MS. JEARLEAN JOHN

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

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in
exercise of the power vested in me by section 44(1)(a) and section 44(4)(b) of the
Constitution of the Republic of Trinidad and Tobago, acting in accordance with
the advice of the Leader of the Opposition, do hereby appoint you, JEARLEAN
JOHN to be temporarily a member of the Senate, with effect from 15th May, 2018
and continuing during the absence from Trinidad and Tobago of Senator Wade
Mark.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 14th day of May, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Paula-Mae Weekes
President.

TO: MR. ELI ZAKOUR

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

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Leader of the Opposition, do hereby appoint you, ELI ZAKOUR to be temporarily a member of the Senate, with effect from 15th May, 2018 and continuing during the absence from Trinidad and Tobago of Senator Saddam Hosein.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 14th day of May, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. SEAN SOBERS

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

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Leader of the Opposition, do hereby appoint you, SEAN SOBERS to be temporarily a member of the Senate, with effect from 15th May, 2018 and continuing during the absence from Trinidad and Tobago of Senator Gerald Ramdeen.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 14th day of May, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,
President of the Republic of Trinidad and
Tobago and Commander-in-Chief of the
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. RONALD GAHERIS DUKE

WHEREAS Senator Jennifer Raffoul is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

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NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(c) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, RONALD GAHERIS DUKE, to be temporarily a member of the Senate, with effect from 15th May, 2018 and continuing during the absence from Trinidad and Tobago of the said Senator Jennifer Raffoul.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 14th day of May, 2018."

OATH OF ALLEGIANCE

The following Senators took and subscribed the Oath of Allegiance as required by law:

Garvin Simonette, Jearlean John, Eli Zakour, Sean Sobers and Ronald Gaheris Duke.

PAPER LAID

Consolidated Audited Financial Statements of First Citizens Holdings Limited for the financial year ended September 30, 2017. [*The Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]

URGENT QUESTIONS

UTT's Academic Staff

(Impact of Termination Letters)

Sen. Khadijah Ameen: Madam President, question to the Minister of Education: In light of reports that termination letters have been served to 30 members of the academic staff of UTT, can the Minister indicate the impact this action will have on the institution and the delivery of the academic programmes?

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The Minister of Education (Hon. Anthony Garcia): Thank you very much, Madam President. The University of Trinidad and Tobago is involved in teaching as well as research, so that the computation of individual workloads has to take into account both teaching and the research output.

After a thorough analysis of the staffing at UTT and the workload of lecturers, those who have been scheduled for termination are surplus to the requirements of the University to provide the same level and quality of service and programmes that currently obtain. Therefore, the termination of those persons will have no impact on the institution's ability to deliver its academic programmes. Thank you.

Sen. Ameen: Thank you. Madam President, in addition to these 30, there is reported to be more than 100 other persons who are supposed to be dismissed. Can you say whether the Government intends to continue dismissal at UTT?

Madam President: Sen. Ameen, I would not allow that question. Next question.

Sen. Ameen: Madam President, I just want to draw the Minister's attention to a specific situation and I ask his answer. A lecturer who is teaching a course, who has been dismissed, what would happen with that course? There are a number of persons, academic—[*Interruption*]

Madam President: I think you have asked the question. Minister.

Sen. Ameen: He did not look like he was understanding.

Hon. A. Garcia: Thank you very much. Madam President, I do not micromanage the University of Trinidad and Tobago. The University of Trinidad and Tobago is governed by a board and the board is responsible for the work of

management of the University. And, therefore, that question will be better asked of the board or of the management of the University of Trinidad and Tobago. Thank you very much.

Madam President: Next question, Sen. Obika.

Point Fortin Hospital

(Non-payment of Construction Workers)

Sen. Taharqa Obika: Thank you, Madam President. To the Minister of Health: Having regard to the protest action taken by workers on the construction site of the new Point Fortin Hospital, owing to the non-payment of wages, what measures are being taken by the Ministry to immediately address this issue?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you very much, Madam President. The issue that Senator has raised rests squarely with the main contractor at Point Fortin Hospital, which is VarMed, and I have spoken to VarMed this morning to have that issue resolved in the shortest possible time. It is an issue that the main contractor, VarMed, has to attend to. Thank you very much.

Sen. Obika: Thank you, Madam President. Could the Minister give an indication as to any possible timeline?

Hon. T. Deyalsingh: I have asked VarMed to have this solved in the shortest possible time.

Sen. Obika: Could the Minister indicate if this issue arose as a result of lack of funds from the Government?

Hon. T. Deyalsingh: It arose because of a dispute between one subcontractor called Innovo and a subcontractor he employed called Lalchan Deosaran. It has nothing to do with lack of funding but had to do with a dispute between Innovo and his subcontractor, Lalchan Deosaran. It had nothing to do with funding.

ORAL ANSWERS TO QUESTIONS

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, I am pleased to announce that the Government will be answering question Nos. 107, 122 and 130 and we ask for a deferral of two weeks for question No. 121.

The following question stood on the Order Paper in the name of Sen. Wade Mark:

Tobago Businesses

(Request for Financial Support)

121. Could the hon. Prime Minister state:

What assistance is being provided to Tobago businesses, having regard to the state of the Tobago economy and their request for financial support of approximately \$750 million?

Question, by leave, deferred.

High Infant Mortality Rate

(Measures to Reduce Incidence of)

107. Sen. Khadijah Ameen on behalf of Sen. Wade Mark asked the hon. Minister of Health:

Given recent reports on Trinidad and Tobago's high infant mortality rate when compared to international standards, can the Minister indicate what measures are being taken to reduce the high incidence of infant mortality?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you again very much, Madam President. According to published data from the Central Statistical Office, the infant mortality rate has declined significantly from 24.2 per 1,000 live births in 2002 to 12.7 per 1,000 live births in 2012, thus representing a decrease of 47.5 per cent.

Further, in a 2018 UNICEF Report, the infant mortality rate for Trinidad and Tobago was estimated at 12.6 per 1,000 live births. According to the *World Factbook*, the 2017 estimates for infant mortality rates in other developing and developed countries are as follows: Jamaica, 12.70; St Lucia, 10.9; Barbados, 10.2; The British Virgin Islands, 12.1; Thailand, 9.2; Canada, 4.5; and Switzerland, 3.6.

In light of the above, Trinidad and Tobago's infant mortality rates and ranking is not significantly higher than regional and even developed countries as it is close to single digits.

The following measures have been undertaken and ongoing by the Ministry of Health to substantially reduce the current rate to single digits in keeping with the target outlined under the Sustainable Development Goals:

1. Major infrastructure upgrades and new projects include:
 - the upgrade of the Neonatal Unit at Port of Spain General Hospital during 2016 and 2017;
 - opening of the new wing and temporary labour ward at the San Fernando General Hospital inclusive of six new neonatal intensive care beds in 2017;
 - upgrade of capacity at the Neonatal Care Unit at the Scarborough General Hospital in 2017;
 - the commencement of construction of the new maternity ward at the San Fernando General Hospital in 2018; and
 - the establishment of a Neonatal Unit at the Sangre Grande Hospital to be fully operationalized by 2018.
2. The purchase of transport incubators in 2017 to improve the care of babies during transfers.

3. The use of infant anatomic models in 2018 as part of a USAID programme to train and re-educate health care workers on resuscitation of the newborn.
4. The recent update and use of maternal and neonatal clinical guidelines to reduce the potential health risks of mortality and morbidity to an unborn child and to improve the outcome of mother and baby.

Some of the key guidelines include:

- i. the diabetes and hypertension in pregnancy guidelines to prevent to reduce loss of mother and baby;
- ii. the shoulder dystocia guideline to prevent trauma and birth injury to babies;
- iii. the haemorrhage guidelines to reduce loss of mother and baby;
- iv. strengthening of the adverse events/near mis-analysis and reporting in order to improve clinical practices and outcomes;
- v. the introduction of a perinatal information system at all RHAs including Tobago in November 2015;
- vi. the use of standardized definitions and reporting templates for all public and private maternity units in 2017;
- vii. strengthening of the health education and dissemination of information on social media platforms on the potential risk of going into pregnancy with obesity, diabetes, hypertensive conditions and other health issues;
- viii. training of staff on the updated standardized protocols and emergency care and resuscitation; and
- ix. the use of domiciliary teams and primary health care professionals at all RHAs in 2018 to visit mothers in the first few critical days of birth

to ensure there are no complications such as jaundice, poor feeding and sepsis.

Madam President, I thank you.

Sen. Ameen: Madam President, my supplemental question to the Minister of Health. In attempting to achieve these SDGs, does the Government, during any time in the balance of its terms, have plans for use of the Couva children's hospital to achieve this goal?

Hon. T. Deyalsingh: Madam President, it is hypocritical to ask about the achievement of SDGs, when those in power, between 2010 and 2015 did nothing to achieve the MDGs, the Millennium Development Goals, which spoke to our infant mortality rates by 2015. We are paying attention to all of these things. You cannot solve all the issues in one facility. Because the children's hospital, which you built in Couva, did not have a neonatal intensive care unit. Do you know that? They built a \$1.6 billion, 80-bed children's hospital and did not put in that facility a neonatal intensive care unit. What a tragedy. That is why, when oil was US \$100 you could not do it. We are now upgrading the Port of Spain Maternity Hospital with one of the most modern NICUs in the Caribbean. For the first time we are putting a NICU in Sangre Grande. Why did you not do that? Why did you—
[Interruption]

Sen. Ameen: Are you going to answer the question?

Hon. T. Deyalsingh: Why did you not fix the NICU in San Fernando?

Sen. Ameen: Are you going to answer the question?

Hon. T. Deyalsingh: Why did you not fix the NICU in Tobago when oil was a US \$100 a barrel?

Madam President: Minister, I think you have answered the question.

Hon. T. Deyalsingh: Thank you very much, Madam President.

Madam President: Another supplementary question?

Sen. Ameen: Madam President, I would like the Minister to state categorically whether the facility at Couva is going to be used, inclusive of all the others, which I appreciate? You spoke about Port of Spain, San Fernando, and so on. So the question, Minister: Do you intend to include the Couva children's hospital, as well as all the others you mentioned?

Hon. T. Deyalsingh: Madam President, you cannot use the Couva children's hospital to treat newborns, because you did not put in a neonatal intensive care unit. That is why you cannot use it. You built an 80-bed—*[Interruption]*

Madam President: Minister, I think you have made that point.

Hon. T. Deyalsingh: Thank you.

Sen. Ameen: You have made the point.

Madam President: Sen. Ameen, do you have a further supplementary question on this? No? Next question.

Sen. Ameen: “All yuh will pay fuh dat.”

Madam President: Sen. Ameen, time is moving on. Next question, please.

Sen. Ameen: Thank you, Madam, I want to ask for Question No. 122, which was posed by Sen. Wade Mark, to be deferred until he returns.

The following question stood on the Order Paper in the name of Sen. Wade Mark:

North Grove Development

(Details of)

122. Could the hon. Minister of Housing and Urban Development:

Having regard to the provisions of section 6 of the Town and Country Planning Act Chap. 35:01 and HDC's proposed North Grove Development in St. Augustine, can the Minister inform the Senate whether:

- i. a recent/updated survey of that area has been carried out and when;
- ii. the survey and its corresponding report with proposals for additions to the plan have been submitted to Parliament; and
- iii. the proposed Development has been approved by Parliament?

Question, by leave, deferred.

CL Financial Assets

(Beneficial Owner Restrictions)

130. Sen. Taharqa Obika asked the hon. Minister of Finance:

With respect to the planned sale of some of the assets of CL Financial via a National Investment Fund arrangement, can the Minister indicate whether there will be beneficial owner restrictions as regards share ownership?

The Acting Prime Minister, Minister of Finance and Acting Minister of Housing and Urban Development (Hon. Colm Imbert): Madam President, the Government has not yet finalized the allocation methodology for the units or shares in the initial public offering for the National Investment Fund. However, standard procedures, including the allocation methodology will be utilized to ensure that the IPO distribution is not abused. Restriction of beneficial ownership is thus under active consideration.

Sen. Obika: Thank you, Madam President. Given that the hon. Acting Prime Minister indicated that next month is the date for the roll out of the NIF, could you give some assurances that you would return to the Parliament before then, regarding restriction of beneficial ownership?

Madam President: That question does not arise. Next question, Sen. Obika.

Sen. Obika: Could the hon. Minister give any assurances that he will give restrictions on beneficial ownership?

Madam President: That question also does not arise. Next question, Sen. Obika.

**FINANCE (SUPPLEMENTATION AND VARIATION OF
APPROPRIATION) (FINANCIAL YEAR 2018) BILL, 2018**

Order for second reading read.

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West):

Thank you, Madam President. I beg to move: That a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017, be now read a second time.

Madam President, the mid-year review programme before you is two-pronged in its approach. Firstly, to consolidate the country's fiscal position, and secondly to provide the impetus for growth through policy and fiscal measures that are so critical in these economic circumstances, while concomitantly encapsulating Government's broad economic fundamentals.

It would be remiss of me, Madam President, not to remind this Senate that the financial year 2018 budget was framed against continuing declining revenues, as well as significant fiscal and external imbalances, caused in part by the collapse of world commodity prices, which began in 2014, and which this administration met when it assumed office in 2015.

10.30 a.m.

Madam President, our budgeted revenue for 2018 is predicated on an oil price of US \$52 and a gas price of US \$2.75 per MMBtu. It should be noted that our assumed oil price at that time, was below the International Monetary Fund's forecast of \$56.20 per barrel for 2018, and lower than the current oil price forecast made by the World Bank, the United States Energy Information Administration and the International Energy Agency. There has been renewed optimism in the oil

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Sen. The Hon. A. West (cont'd)

markets, as OPEC rolled over its production cuts until the end of 2018, and this has offered some relief to our own revenues.

Madam President, a deepening economic crisis in Venezuela, and the approaching deadline for the United States' decision on the Iran Nuclear Deal, combined to push the West Texas Intermediate, above US \$70, for the first time in years. This occurred on May 08, 2018, which was just last week. Henry Hub gas prices are also trending moderately upwards, averaging in the October 2017 to March 2018 period, at approximately \$3 per MMBtu, and over the near term, prices should prevail. This too, is above the 2018 budget estimate. However, due to the volatile nature of the market and competitive forces at play, we will simply have to wait and see how these prices move in the short to medium term.

We in the Ministry of Finance, will continue to be vigilant in monitoring the effect of the changes in commodity prices on our revenues, and will adapt our macroeconomic fundamentals, to be aligned accordingly.

Additionally, Madam President, the Ministry of Finance is determined that the oil and gas price assumptions and other assumptions, which form the basis for the 2018 Budget, should remain as is, for the time being.

Madam President, commodity prices are exogenous in nature—that means outside of our control—but have profound effects on all our economic sectors, that is, the real fiscal monetary and external sectors. The adverse movements of these prices in 2014, have had a consequential effect since then on our balance of payments, our domestic fiscal position, and because Government expenditure is significant as a multiplier effect in the economy, the GDP is also impacted.

Madam President, the almost 75 per cent decline in crude oil prices, from

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Sen. The Hon. A. West (cont'd)

what obtained in 2014 at almost US \$108 a barrel, to US \$26 a barrel in 2016, led to a decline in petroleum revenues by almost \$20 billion, to less than \$1 billion in financial year 2016, which was further exacerbated by a parallel decline in production levels.

However, the outlook is favourable, and given the recent market trends, the US States Energy Information Administration of May 08, 2018, has projected an average oil price of US \$65.58. So, while it is unlikely that revenues will return to the historic highs of 2011 to 2014, it does represent the positive revenue projection that will enable a point of fiscal balance.

Madam President, it is this administration's prudent and diligent management of the fiscal deficits, foreign exchange, inflation and interest rates, which bear testimony in maintaining economic stability in these very challenging economic times. These conditions are also necessary, to ensure that unemployment remains within reasonable levels. In fact, the third quarter of 2017, recorded an unemployment level of 5.3 per cent. This is no small feat, given the situation we inherited in 2015.

Madam President, between 2013 and 2016, economic growth was less than desirable and wavered between 1 per cent and minus 6 per cent. Further, because of the better than expected increases in natural gas production, in the second half of 2017, the GDP figures for 2017 are being revised upwards, and we expect that instead of negative growth of minus 2.6 per cent in 2017, the actual growth figure will be closer to minus 1 per cent.

Madam President, our thrust in reversing declining gas production levels and other factors, have been successful, and we expect GDP forecasts of 2 per cent in

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2018, 2.2 per cent in 2019, rising to 2.5 per cent in 2020. And my colleague, the Leader of Government Business, will give us more information as to what steps we have taken in the area to deal with declining gas production.

Madam President, in the external sector, according to data from the Central Bank, our net official reserve stood at \$11.5 billion as at December 2014. Of external reserves, at March 2018, remain healthy at US \$9 billion or roughly eight months of import cover, which is on par with countries like Kuwait, India and Jordan. In addition to our external reserves, another important buffer to the volatility from external factors, is our Heritage and Stabilisation Fund.

Madam President, the Heritage and Stabilisation Fund was created by an Act of Parliament in 2007, and provides—among other things—that savings and investments from surplus revenues be used where necessary, to cushion the impact and/or sustain public expenditure capacity during periods of revenue downturn. The last time an injection was made into the Fund, was financial year 2013, at which time the Fund stood at US \$5.15 billion.

Subsequent to the collapse of global commodity prices in 2014, withdrawals were made in financial year 2016, of an amount of US \$375 million, and in financial year 2017, of an amount of US \$252.2 million. Notwithstanding these withdrawals, the value of the Fund stood at \$5.88 billion as at April 30, 2018, which is an increase over what it was in 2015, and represents Government's prudent management of this Fund.

Madam President, generally speaking, economies adjust by using external resources borrowed from multilateral institutions such as the World Bank and the IMF. However, this country is adjusting by utilizing its own reserves, both

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domestic and external. I would like to emphasize that at its last visit, Standard & Poor's did not down-grade Trinidad and Tobago. In fact, Trinidad remains a BBB+ , which is an investment grade credit rating. [*Desk thumping*] Standard & Poor's did however, adjust the outlook from stable to negative.

But to that, I would add that we had very recently, last week, received a report from Moody's and they have confirmed—maintained the position that we had last year, which is Ba1 and stable, and this is based on more current information. [*Desk thumping*]

Madam President, mindful of these rating, we continue to be prudent with our management of the economic affairs of this country. As an energy commodity exporter, this country has had to overcome the challenges that began in 2014, when the commodity prices collapsed. This impacted all oil and gas exporters, not just Trinidad and Tobago, and would have adverse impacts on revenues, reserves and taxes payable by these energy based companies.

Since that time, Madam President, we have been managing the economy and we have begun to realize the benefits of that prudent management.

Madam President, the mid-year review programme envelops two exercises: Variation and Supplementation. While we forge ahead with our expenditure programme, it is necessary at this stage, to consolidate our fiscal position. Government expenditure for the year as a whole, has been revised downwards by \$1.622 billion or 3.3 per cent, to \$48.879 billion from \$50.501 billion.

We have examined our fiscal arrangements and now seek an additional \$213 million for the following Items:

One: the Tobago House of Assembly is receiving \$20 million, to fund and

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expand the Agricultural Access Roads Programmes. And my colleague to my right, will give you more detail on that, as we proceed during the course of the debate.

The Ministry of the Attorney General and Legal Affairs is receiving \$30million, to meet the cost of legal and other fees, arising from matters raised in the Commission of Enquiry into CL Financial and Colonial Life Insurance Trinidad Company Limited.

Three: the Ministry of Community Development, Culture and the Arts is receiving \$2 million to enable the National Commission for Self Help to assist individuals in Tobago whose homes have been affected by flooding and other damages.

Four: the Ministry of Agriculture, Land and Fisheries is receiving \$38million, of which \$31 million will fund the cost of the subsidy due to farmers under the Agriculture Incentive Programme, and \$7 million will meet the cost of claims submitted by farmers for the loss of crops, as a result of excessive rainfall and consequential flooding during the month of October 2017.

The Ministry of Social Development and Family Services is being provided with the sum of \$23 million, to meet expenditure for Senior Citizens' Grant, to September 30, 2018.

And finally, the Ministry of Energy and Energy Industries is receiving the sum of \$100 million, to fund the cost of the petroleum subsidy liability, to companies engaged in the sale and distribution of petroleum products.

Madam President, in addition, we are seeking to vary expenditure of \$796.3 million, to expenditure Items which need additional funding. I wish to give a

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review of the key projects that will underpin the economic framework.

First, and very dear to my heart, the Trinidad and Tobago Revenue Authority. Madam President, like the property tax regime, we have made progress in finalizing the structure of the Trinidad and Tobago Revenue Authority, which is absolutely essential—to stop the billion-dollar leakage of tax revenue and tax avoidance that is prevalent in Trinidad and Tobago today.

I wish to put hon. Members on notice that we will be bringing the required legislation for the Revenue Authority, for the consideration of this honourable House in the very near future. And that after seeking advice from eminent senior counsel, we are of the view that the legislation is best-passed with a special majority—requiring your support, of course. It is thus our intention to send the Revenue Authority Bill to a Joint Select Committee of Parliament, and we look forward to the comments, contributions and recommendations of the Independent Bench and the Opposition, on this committee.

This major institutional reform would underpin our efforts to stem the revenue collection leakages, now inherent at the levels of the Board of Inland Revenue and the Customs and Excise Division. And also, to strengthen our compliance risk management methodologies.

Madam President, on March 16, 2018, my colleague in the House of Representatives, shared the Tax Administration Diagnostic Assessment Tool—otherwise known as TADAT—performance report on Trinidad and Tobago, which was not very complimentary about our local tax authority. The recommendations from this report are guiding our tax reform and modernization agenda, with its emphasis on improving business processes and automation. These skills will be

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enhanced as the staff transitions to the TTRA, which is now embracing best practice standards in domestic tax administration. This would improve efficiency and domestic tax mobilization. We will witness the full benefits of this reform, in the next fiscal year, in the context of the functioning of the Trinidad and Tobago Revenue Authority.

Madam President, the Property Tax (Amdt.) Bill, 2018, and the Valuation of Land (Amdt.) Bill, 2018, which were recently passed by this House, are intended to clarify certain positions and correct anomalies which exist in the two pieces of legislation. The moratorium with respect to the payment of property tax will be extended at this time, to September 2017, and property taxes will become due and payable on or before September of each year. There will be no retroactive application of the property tax. [*Desk thumping*]

The Government of the Republic of Trinidad and Tobago is committed to protecting the country's revenue base from leakages resulting from transfer pricing. During the remainder of fiscal year 2018, the Government will continue its efforts to implement a transfer pricing regime, the objective of which is to strengthen the legal and regulatory framework and capacity of the tax authority, in dealing with the issue of transfer pricing manipulations by related parties and multinational companies. Solidifying its commitment, Trinidad and Tobago recently became the 108th country to join the Base Erosion and Profit Sharing inclusive framework, BEPS, by agreeing inter alia to, one: implement measures aimed at preventing tax avoidance, resulting from the artificial shifting of profits to low tax jurisdictions. Two: to remove harmful provisions in the domestic tax regime. And three: to implement country by country reporting rules for transfer

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pricing, and to exchange reports with other countries.

We are in discussions with the World Bank group, to secure technical assistance in introducing a transfer pricing regime based upon the principles embodied in the OECD's transfer pricing guidelines for multi-national enterprises and tax administrations. Subject to the approval of Cabinet, the collaboration with the World Bank will commence with an international tax needs assessment, subsequent to which, work will begin on establishing the policy and legislative framework that will underpin the transfer pricing regime.

The Joint Select Committee has engaged the services of an expert consultant, Governance Associates, to assist with its deliberation of the Bill as it commences on a clause by clause review of the Gambling (Gaming and Betting) Control Bill, and we expect that by June 30, 2018, the review of the Gambling (Gaming and Betting) Control Bill will be finished to allow for the passage of the governing legislation.

Foreign Exchange, Madam President. The Government has recognized the challenges that the small and medium sized sectors face, in procuring much needed foreign currency that is critical for their operations. The US \$100 million Eximbank foreign exchange facility, is now operational—[*Desk thumping*]*—*and with the grant—[*Crosstalk*]*—*and as I said earlier, Madam President, small and medium sectors are the ones we focused on.

Sen. Obika: That is not true.

Sen. Gopee-Scoon: You want it not to be true.

Sen. Baptiste-Primus: Do not be distracted.

Sen. The Hon. A. West: No, I am not. It is now operational—the grant to

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Eximbank of a licence by the Central Bank, to trade in foreign exchange. Eligible, established and fledgling small and medium sized manufacturers will now be able to access the facility, to finance material inputs for their export operations.

Madam President, the mid-year review provides an opportunity for consolidation of our fiscal position, while monitoring a robust and prudent macro-economic and development agenda. We have begun the process and are on the track to a steady and sustainable growth path. We continue to monitor and examine the important variables that affect our prescribed policies. In the medium term, we are adjusting the economy to lower levels of revenue and expenditure, and aim to derive greater efficiency from growth stimulated capital projects. We remain committed and results-oriented, and continue to “walk the walk” as we seek to empower the lives of every citizen of our nation.

Madam President, I thank you and I beg to move.

Question proposed.

Sen. Taharqa Obika: [*Desk thumping*] Thank you, Madam President. And it is—the moment has not passed on me, the privilege to go first, and I thank the hon. Kamla Persad-Bissessar SC, Leader of the Opposition, Leader of the United National Congress, for giving me this opportunity—and, of course, the next Prime Minister of Trinidad and Tobago. “You could beat de desk for that”. [*Laughter*] Good.

So, what is important is, we are here after two years and eight months of the Dr. Rowley-led, PNM Government. And, instead of direction for the economy, instead of prescriptions for the non-energy sector, what we have been made to face from Thursday to now, are ramblings of a Minister of Finance about success—really and

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truly—which have been negated by his own Minister in the Ministry, who basically stated, that those shocks in the energy sector are exogenous to Trinidad and Tobago, meaning we have no control over it. So it is, we have now gone—waiting on oil; the saviour, to rescue this incomparable, incompetent, Keith Rowley-led, PNM Government. [*Desk thumping*]

Now, what exactly would be the foundation of this analysis? Let us look at the outline. The Trinidad and Tobago economy, as the Leader of the Opposition has stated, has been brutalized and battered by this administration. The economy has crashed; that is clear, health care has crashed, education sector—well, they have closed the gate. Crime is out of control and our roads are in a state of disrepair.

Now, this talk of turnaround is a mamaguy. It is a mamaguy, and it is pressing to change from this tightening of your belt for the past two years and eight months, as they rush to 2020 for the general election to face the populace. They have no care for Tobago, despite the cries of Members opposite. The ferry situation is one blatant example of that. The deception on the energy sector is clear. This Government has tried to claim the praise for the sunshine, saying, they “can see clearly now”, when we all know that the TROC—the Angelin, the Juniper platforms, were as a direct result of the hard work and the foresight of the People’s Partnership government, under the leadership of the hon. Kamla Persad-Bissessar. [*Desk thumping*]

It is hypocritical for Members opposite, to claim praise for the sunshine, but blaming the decisions of the Minister of Energy at that time, to allow accelerated debt recovery. You cannot “have your cake and eat it”. It is because of these

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incentives to the energy sector—the upstream players, that we have now, an end to the gas curtailment, at least in the medium term.

Now, the impact on the negative ratings—if you look at the Moody's prescription. So in 2017, Moody's had downgraded the economy, from Baa3 to B1, which basically meant that the speculative elements are subject to substantial credit risk, all right.

Now, if we take that into perspective, the Government did not like that rating—they went for Fitch, they also looked at the Standard & Poor's rating—but when they realized, here is what: the ratings are not going in our favour, we have done nothing beyond what was done prior, to end the gas curtailment issues. And they are citing that, because of impending gas curtailment in the future, they are looking at—and we are looking at a negative—a change from stable to negative from Standard & Poor's—they now blame themselves. So, after two years and seven months of blaming Kamla, they have now turned to blame themselves—the first in point, being the Minister of Energy and Energy Industries. If that is not incompetence, Madam President, I do not know what is.

Now also, we look at the NIS—the National Insurance Fund, as a saving grace. This Government is looking at the operationalization of that, to reduce the deficit, but that is a one-time payment. Yes, you may get some returns from the management of the fund, going forward, but the loss of the capital—of the assets, is a one-time inflow. The business model for Trinidad and Tobago—what we were expecting, Madam President, was some level of enlightenment as to, what would be the business model for this country, going forward. But, really and truly, we could not have expected much, when the head of the advisory board resigned—Dr.

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Terrence Farrell, when the person who took his place, Dr. Marlene Attzs—who was the head of the Department of Economics at the University of the West Indies—gave them a D on the economy. After D, is a failing grade, as far as the grading system goes at the UWI. And every single economist on the planet, has basically said, they are at sea and they need to reorient the economy. The only persons who seem to feel that, all is well on the non-energy sector, are, “Prime Minister ‘one’, and Prime Minister ‘two’”.

Now, that alone is a definition of madness. But, I want to turn to one article, all right, and it is the expressions of a UWI economist—a young guy, Dr. Vaalmikki Arjoon. It appeared in the *Sunday Express* of the 13th of May. And he is stating that:

“this growth will be meaningless unless it translates into increased value added, productivity and a better quality of life.”

So they came and said that, they “can see clearly now”, the rain has ended, the sunshine is here, but what exactly are you doing with the money?

Now, I will go into that as I develop my presentation. But, we are here talking about a variation of \$796 million, moved out of the IDF, to various Heads, all for Recurrent Expenditure. Madam President, that is irresponsibility at the highest level. Because, how can it be that we are acknowledging that we need to reorient this economy, we need to have a sound business model for our non-energy sector as we go forward, and the main vehicle by which our country can reorient the economy, is the Infrastructure Development Fund—you are taking almost a billion dollars out of it and reorienting it into expenses that are recurrent.

Now, so that is another point—and continuous borrowing for Recurrent

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Expenditure, with no vision, no plan, no idea as to what is required to change the economy—but, how can we have expected anything else, when they have fired the entire Economic Development Advisory Board.

11.00 a.m.

Now, Madam President, I wish to begin with a powerful ancient proverb, “Do not look where you fell, but where you slipped”. And the people of this country are well aware for the reason for the fall, for the crash of this economy, because that began on September 07, 2015, when the Dr. Rowley-led PNM Government came into power. [*Desk thumping*]

Now, they have pulled up hard on the handbrakes of the economy. Their deliberate policy of starving the country, and creating, to take a page out of the Leader of the Opposition, creating the perception that things were bad, withhold expenditure on social services, cut employment—suffer the people—then closer to elections, they are going to bring out the butter. After you are sucking salt for two and a half years, they are going to be bringing out the butter to wipe on your face and hoping you will forget the years of hardship they put on you. The people of Trinidad and Tobago will not fall for that. [*Desk thumping*]

Now, even, Madam President, PNM stalwarts, would not bring themselves within a 10-foot pole of this Dr. Rowley-led PNM. And I am sure, I have been hearing, that there are a few “Manningnites”, who are apposite, who have to keep a low profile, keep quiet, until they can extract the PNM of this incompetent Prime Minister one and Prime Minister two.

Madam President: No. Sen. Obika, I am allowing you to carry on with your contribution. I have allowed you—you are using certain language, I am leaving it

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alone, but that one, please apologize and withdraw. Okay?

Sen. T. Obika: Apologize. The incompetence of the Government—and I withdraw—is apparent, it is clear and it is incomparable. [*Desk thumping*]

Now, Madam President, we have lost 20,000 jobs since this Government came into power. All right. We have lost 20,000. There is a war on senior citizens as they have removed the GATE programme from their ability to access education. There is a war on senior citizens in health care as they cannot get CDAP drugs when they go. There is a war on our children, as they have taken the laptops out of the children's school bags in this new dispensation. The future is no longer in the children's school bags, and you would hear more of that from persons as we continue. And this Government has sought it fit to punish the population with taxes. Taxes is in the DNA of this Dr. Rowley-led PNM Government, and at the end of all of that, they have crashed the economy.

Now, I want to turn to educating the population as to what we mean by deception. After nearly three years in office, the deception is real. We must remember that the increase in expenditure started under the previous PNM Government, where it rose from \$15 billion in 2002 to \$45 billion in 2009, and I am sure the Leader of the Opposition would have reminded the nation of that on last week Thursday. This represented a \$30 billion or near 300 per cent increase over that period. In our period prior, it rose from \$45 billion to \$62 billion. That is a 36 per cent increase.

So now, after the Government prior, having gotten the population accustomed to rampant spending for nine years, you cannot expect to pull so hard up on the handbrakes of the economy. So you had to reorient persons. We had to

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now bring in programmes that will focus the economy on a new business model; diversification of the entire economy was the agenda.

Now, looking at the record of spending, as at December 31, 2017, over \$120 billion has been spent, over \$120 billion. When you look at the planned spending for 2018, it should reach \$160 billion. In fact, Madam President, in the first two years of this Government, they have spent more than the first two years of our time in office from 2011 and 2012. They have spent \$111.46 billion, when the Partnership in its first two years spent \$110.19 billion. So they have spent over \$1 billion more.

Now, furthermore, the significant foreign reserves have been depleted. We are hearing now of eight months import cover, that is news, because last week it would have been nine months according to the Minister of Finance. But the Minister in the Ministry of Finance has indicated that it has gone down to eight months, unless that was an error.

So, the Heritage and Stabilisation Fund, which this Government received untouched, untouched Madam President, they have raided it twice, and they are saying they met a Treasury that was empty. US \$5 billion, when converted to TT, is not the definition of “empty” in any Treasury in this country. [*Desk thumping*]

Now, I want to turn to the overdraft facility, Madam President. So, let us establish a fact. This is a fact that must be established. From 2011 to 2017, those fiscal years, the worst that the overdraft facility at the Central Bank has been maxed out was in financial year 2016 to 2017—that is the second year of this current Government—where the overdraft reached \$10.57 billion, over \$3.5 billion over the limit, given the prescribed formula at that time, which was 15 per cent.

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Now—so this is the deception of the PNM under this Dr. Rowley.

For example, when you look at the presentation of the Minister of Finance, stating that they have maxed out the overdraft, maxed out the overdraft, when they got it, the overdraft would have been under a billion dollars in terms of being maxed out. But they at the time of him saying that, had carried it to over \$3.5 billion. So, I mean, if you want to be responsible, you must give the population the facts. These are the facts. This Government has been the most reckless with the overdraft facility at the Central Bank.

So every Monday morning, instead of thinking of new ways to grow the economy, the Minister of Finance is running to the Central Bank to borrow money, not to buy school books, not to buy CDAP drugs, not to give senior citizens over 50 years, who are not so senior really, access to the GATE programme. Not to do that. What they are doing is, they are going to the overdraft to pay for castles, golf course grooming, legal fees for party hacks in corporations, and the over 25 trips of the Prime Minister. They have not generated a single stream of alternative revenue. [*Desk thumping*] All they have done is borrow and spend. Tax, borrow and spend.

Now, evidence that the economy was on a solid footing is clear. All one has to do is turn to the Central Bank *Economic Bulletin*, and you can see clearly, Madam President, in 2015, when the PNM under Dr. Rowley got the reins of the economy, there was 1.5 per cent economic growth.

Now, if that is the case, and you have over US \$5 billion in a Heritage and Stabilisation Fund, really and truly, Madam President, you had an economy that you could have worked with, but what they did was they tightened, they cut jobs

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and they presented the economy to be such a dark state that eventually, what they said became a self-fulfilling prophesy. So that is why the economy crashed under this Government. So now, two years and eight months later, they are still looking for people to blame. They are still looking for people to blame after saying that the Treasury was bankrupt, despite going and dipping into the Treasury, dipping into the Heritage and Stabilisation Fund to cover expenditure. [*Crosstalk*]

So, Madam President, I see the Minister of Energy and Energy Industries is venturing into the realm of finance, but when a politician tells people the Treasury is empty, what they are saying is that there is no money from which to spend. [*Crosstalk*] So, I do not want the Minister of Energy and Energy Industries in his contribution after to mislead the population by saying that there is fundamental difference between having US \$5 billion in a Heritage and Stabilisation Fund and having an overdraft facility at the Central Bank, which really and truly is basically, you have some funds, about \$25 billion, and you borrow against those funds at the Central Bank. If you go beyond that—you cannot go beyond that, more than 15 per cent of estimated expenditure. This is not an economics class, but I can assist you in that regard. [*Crosstalk and desk thumping*]

Now, budget deficits. [*Crosstalk*] Let us turn to the budget deficits. So, we all know that this Minister of Finance has missed the mark on two occasions. In fiscal 2016, the deficit was projected to be \$7.36 billion, but the deficit in actual fact was \$12.63 billion. In fiscal 2017, the anticipated deficit was \$5.6 billion, but the deficit became \$7.1 billion. The projected deficit for 2018 is \$10.13 billion. We shall see where that goes, but we know that oil has come as a saviour.

So they are hoping that things would be better. We are citizens, we are

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patriots. We all hope that things get better. The only thing is that we would hope that they would listen to their advisors and actually do something to contribute to the better state of the economy because should the crisis in the Middle East become averted—should the Kingdom of Saudi Arabia decide to pump more oil on the market to attract market share, because maybe Iran is allowed to now venture into the open market without sanctions—the price of oil may plummet. The reality is we have no control. The price may as well rise to \$100 a barrel. We have no control over that situation. So, really and truly, what is required is for us to take concerted efforts to focus on the non-energy sector.

So, these budget deficits run contrary to the campaign rhetoric which was shouted across the length and breadth of Trinidad and Tobago from platform, pillar to post, about balancing the budget. We all know that that was not in the capacity of the Minister of Finance.

Now, where has the money gone? The people of Trinidad and Tobago are no longer asking this question: Where has the money gone? They are angry because they are seeing where the money is being spent on vanity projects, on castles, on paintings, golf courses and stadia that really cannot be a priority over health care, education of citizens, public transport, roads and the inter-island ferry. One is afraid to go to Tobago. Even in Grenada, they are boasting of a boost in tourist arrivals from Trinidad for the Easter period, because those persons are now afraid to go to Tobago lest they be marooned in Crown Point or Scarborough.

So the Government under Dr. Rowley is only concerned with paying rents for buildings of friends and family, like One Alexandra and a building in Fyzabad. We already know the road situation is deplorable, Madam President, and the

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people are abused to the extent that Government MPs could say they do not respond to protests, as occurred in the constituency of La Brea. I would not say which MP made those statements. So, there is key neglect in the industrial areas.

Spending over \$200 million in a failed company, Massy Communications, is symptomatic of lack of care for the people. That could have gone to giving each child in secondary school a laptop, and as we are planning to do when we return to office, give each child in primary school a tablet [*Desk thumping*] and that tablet is not medicine. We are talking about technology here. So there is no care for the children. Their priority, Madam President, is not the children of Trinidad and Tobago. We have seen what they have done with the children's hospital, ridiculing it. Even the Minister of Health is on *Hansard* on the 6th of March, 2018, in responding to a supplemental question here in the Senate, that the Couva children's hospital is a vanity project. That is the Minister of Health who came here and shouted from pillar to post today. We would correct the record on that pronouncement by that Minister soon.

They have no vision, Madam President. They have no care for the children. We have children, we can see the need for the funds. If they are saying, okay, this is not a life-threatening illness, so we are not assisting them. These children are the future of our nation; they should be priority. Why not make adjustments to the Children's Life Fund so you can allow those children access because, really and truly, you can only pity them and their case is a just one. Their cause is just. So this is what we are witnessing in Trinidad and Tobago, vanity projects upon vanity projects.

And I turn to the public debt situation. The Minister of Finance, in his

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presentation on Thursday, wished for a significant increase in the gross domestic product which would allow for the debt to GDP to fall. That is okay. We all wish for that increase. We all wish for that, because that really and truly would improve our credit rating. However, we are only in a position, on this side, to wish until we come into office. They are in the position to do, and their continuous wishing that oil will save them is at the heart and the root of the problem, and the weakness to challenge the issues that surround this economy and that confront the non-energy sector.

So, Madam President, the Central Bank *Economic Bulletin* states that the total public sector debt amounted to \$120.9 billion in December 2017. If you net that of open-market operations, which basically would be debt for sterilization purposes of the economy, the public sector debt increased to \$96.2 billion or 61.6 per cent of GDP, up from \$93.8 billion in September 2017. We understand what happened there, the Government required some extra borrowing. However, once you go beyond that 60 per cent, which even the Minister of Finance, the hon. Acting Prime Minister, has acknowledged is a threshold that we wish not to go beyond, you find that there are some negative and long-term challenges that can affect the economy. If there is any immediate negative shock to the economy, that can significantly impact on our debt to GDP levels and also our ability to service debt.

So what is the impact on the overall economy? In the results of negative shocks, bankruptcy can occur, economic collapse and all the attendant ills that are associated and, of course, the dreaded return to the IMF. So these high debt levels could result in a situation that we all are familiar with in economics, called debt

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overhang. It basically means that the requirement to service your debt is so much that you are hamstrung and you are actually using funds that are required for stabilizing and growing the economy to just paying your debtors.

Now, the excess liquidity in the commercial banking sector averaged \$2.8 billion daily over July to December 2017, compared to \$3.4 billion daily in the first half of 2017. So that means the liquidity fell. So, there is another scenario that we are facing here in that the Government is now dipping heavily, Madam President, into the local commercial banking sector—and I prepared this note, so I need to read this verbatim with your permission, so that I read it correctly. So the low net domestic fiscal injections reflected Government's borrowing from the banking sector during the period. To facilitate public and private and transactions in the financial system, Central Bank allowed roughly \$3.9 billion of maturing open-market securities back to the system from July to December. Therefore, the Government, by borrowing from the commercial banking sector has caused a decline in liquidity for which the Central Bank had to take corrective measures. All right.

Now, there are many terms that are used that can describe this. One is crowding out of the private sector, but I am not sure the level of analysis of our economy is so real time that we can ascertain that. It may take some more, probably a couple years, before we get the data points that could ascertain whether or not there was crowding out. I stand to be corrected by Dr. Mahabir or any other person who is involved in finance to say that if we have real-time access to data.

So given the fall off in liquidity levels in the second half to 2017, interbank borrowing picked up. So they are basically trying to make up for the shortfall,

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because they do not have significant stock of liquidity, they have to now come at each other regularly to make up that difference. The quarterly sectoral disaggregation of business lending in the last quarter of 2017 underscored the subdued nature of activity in the construction sector as lending to construction companies fell.

So there is a whole issue with that, but what we were hoping with this mid-year review, Madam President, was to hear that under the Ministry of Housing and Urban Development, as the hon. Prime Minister has taken up this portfolio, we were hoping to see that some attention would be made to that sector, because we are very well aware that injections via a Government housing programme heating up, heats up the construction sector, which has some attendant benefits for the economy. It may not be the non-energy boom that we want, but it would at least help to stabilize the—help persons in their pockets where they feel it the most, and help to arrest some of the joblessness that we are facing in the country.

So lending to the manufacturing sector fell off by 7.4 per cent. Without adjustment for the reclassification, lending to construction companies declined by 31.9 per cent. Now, the banking sector as well will be hamstrung, and there would be more or less deciding where they lend, and lending to contractors and developers has become such a difficult arena that developers are now turning to rent-to-own which may seem to be a creative fix but, really and truly, it may not be sufficient to ramp up the home construction and to address the housing shortage that we have in Trinidad and Tobago.

Now, taxation obsession. The Minister of Finance recently boasted of his boosted credentials in taxation on his twitter feed, Madam President, but he

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seemed to “miss the mark” on the Value Added Tax, as the Auditor General’s Report shows that for fiscal 2017, they fell short of VAT estimates by \$3.56 billion as they estimated to collect \$10.17 billion and only collected \$6.61 billion. So this shows a failed—this is the Auditor General’s Report of 30 April, 2018, page 51—policy as the taxes on Goods and Services stood at 8.3, 7.4 and \$8.9 billion from 2013 to 2015, but they fell below that at \$6.61 billion in 2017. So the introduction of VAT on approximately 7,000 basic items failed to generate additional revenue for the State, but rather resulted in further hardships on the population and lower VAT revenue. I repeat that again, Madam President. This Government has failed with its VAT programme by increasing hardships on many citizens with the reintroduction of VAT on 7,000 food items and has also reduced income for the State. So what was the point of that? You could have kept the original regime which had the 7,000 exempt food items.

Now, this is a clear demonstration, Madam President, of the incompetence, despite the claim of boosted tax credentials. So, it shows that textbook and reality are not always in harmony. So, in fact, this measure contributed to the feeling of hardship and austerity by the people of Trinidad and Tobago and resulted in depressed consumer spending and the eventual crash of the economy. So it is elementary economics that if you raise taxes, if you increase the cost of doing business, if you invite the risk of reduced expenditure by economic participants and, therefore, a reduction in tax income by the State is imminent. So the Minister has failed regarding taxes. There was one tax that he succeeded in, but I will explain where the failure still lies regarding the supporting non-energy sector, and that tax has to be the increase in business levy and the Green Fund. I would speak

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specifically to the business levy.

So, Madam President, there is also some misleading data and there is some fighting with some economists that we have witnessed, and it reminds me of a saying, when you cannot get your way, you make a way. But that saying is normally intended for different scenarios but, in this scenario, it rings through to the Minister of Finance and the Dr. Rowley-led PNM Government as they cannot get any economist on planet Earth to agree with them [*Desk thumping*] and their statistics, so they create their own statistics.

So the last time real GDP was at current levels, Madam President, was 10 years ago, roughly a decade. Some economists argue that, really and truly, we may not see much improvement given the absence of plans to arrest the situation. So we are facing an economy that has regressed by over a decade. Thankfully, the population has not increased by a significant amount. It is basically stagnant, increasing by roughly about 50,000 persons.

All economists—the IMF, Standard & Poor's, Moodys, Dr. Marlene Attzs, Vaalmikki Arjoon, Mariano Browne, the University of the West Indies, Indera Sagewan-Alli, Mala Dookeran, et cetera, et cetera—are saying that the economy is weak. So that is a clear assertion. We understand that, but what they are also saying is that it is not showing signs of growth. We know that there is microscopic growth plan, not the 2 per cent growth that the hon. Minister of Finance would have us believe. However, in the words of one of those economists, Indera Sagewan-Alli, show me your sources. Show us your sources. [*Desk thumping*] Show the people of the Trinidad and Tobago where you got your data from.

There is another commentator who made a statement about letting the

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Minister of Finance continue to speak. He used a synonym of speak and I would not use that word, because he was quoting the late Dr. Eric Williams, you know. So, show me your facts. Where did you get—I would have believed, Madam President, that the hon. Minister in the Ministry of Finance, would have come to this House and explained in detail, what is the source and the composition of this growth? Which sectors will it come from? So, for example, if someone is to invest—they have some idle capital, \$30 million, \$50 million, and they wish to invest in manufacturing—they can find themselves in the appropriate sector, because the Government would have indicated these are the areas of growth by this amount, in these narrow sectors. [*Crosstalk*] So the Government has failed to declare. They are saying that they are going to be transparent and they are working with the IMF on fiscal transparency. Where is the transparency in the growth projections? There is none.

So, Madam President, I turn to the business levy and the Green Fund. Furthermore, the additional revenue from the business levy in 2016 was \$223 million. We recall that they increased the business levy as a percentage of your bottom line—the payment is at the bottom line, but the calculation is a percentage of your total sales, your top line—but they should have used this, Madam President, to support business activity. If you have increased business levy—you have the tyre tax, you have the removal of the fuel subsidy—so companies have to pay more for their fleet of vehicles and so on, even if it is two, it is a fleet. You have increased corporation tax from 25 per cent when we left office to 30 per cent. Now, they did some changes with 25 per cent above a million and that was semantics. The real aim was to get it to 30 per cent. So, in our time, your total

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effective tax rate would have been below 30 per cent—25 per cent plus the business levy and Green Fund which would come out of your bottom line—now, you are finding you can face as high as 45 per cent tax rate which, of course, depends on your margin of profits. If your net profit is about 7 per cent to 9 per cent of your top-line figure, you may find that you may be facing, Madam President, almost 45 per cent.

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

Sen. T. Obika: Thank you very much, Madam President. So you have companies now who are facing such a harsh tax environment, they are struggling to keep their workers intact, they are struggling to keep afloat and, at the same time, you make more money from them from the business levy, and you do not decide—\$223 million in 2016—to allow them access. You could have a Government-backed loan for companies who are involved in the sectors that have been identified for growth.

So let us say, for example, you identified manufacturing of agro-based peppers or manufacturing of jams and jellies as a potential growth area in the economy where we have some competitive advantage, you can say, okay, if you set up a factory in these areas, we will back your loan to the value of \$20 million, which may be 80 per cent of the facility you might get from the bank. These are practical solutions businessmen were hoping would come from the Government. But have no fear—to the business community, to the TTMA, the manufactures of this country—when we return to office these are the incentives. We will incentivize business, not necessarily subsidize, but we will incentivize business activity. [*Desk thumping*]

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So there has been an onslaught on business. We have persons to come who will speak on that, but there is an increase in crime, lack of freedom of movement. The ferry to Tobago is one key issue. The investment climate is down. Madam President, I grieve for the Ministry of Trade and Industry. She is from my community, Point Fortin. I grieve for the hon. Minister of Trade and Industry, because the Minister of Finance gives the Minister of Trade and Industry no fiscal strength to give life to the industrial e TecK parks that are all across the country.
[*Crosstalk*]

Sen. Gopee-Scoon: “Do not grieve for me nah.”

Sen. T. Obika: The energy sector outlook. [*Laughter*] I have already said that in T&T the upstream production was buoyed by the Juniper fields new natural gas output. The non-energy sector contracted by 1.9 per cent, its slowest since fourth quarter 2015, but in the wind up, in the initial presentation, the Minister of Finance boasted that the non-energy sector is growing, is booming. Which booming? It has declined. So, really and truly, we need to be honest. We need to be factual with these figures. All right.

So the Government must thank, unreservedly, the leadership of Kamla Persad-Bissessar for bringing to light, [*Desk thumping*] ending the gas curtailment crisis. They must thank the United National Congress; they must thank us on this side for ending that gas curtailment crisis which they are benefiting from today.

11.30 a.m.

Now, Madam President, economic growth, we know that the economic growth is down. We hope that all will be well as we go forward, but there is another issue of youth employment. Youth unemployment has skyrocketed.

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People 15 to 19, 20 to 24 and 25 to 29 years, unemployment still at 19.8, 10.3 and 7.3 per cent, respectively, in quarter one, 2017, but in quarter two, 2015, stood at 14.3 per cent, 10.3 per cent and 4.4 per cent. This Government is suffering the youth. We even have a case of over 200 young doctors unemployed. That is unconscionable, Madam President. [*Desk thumping*] Now, regarding diversification, once we return to office we will pursue a path of demand-led related diversification. [*Crosstalk*] You “doh” know what that is. Demand-led related diversification. We will pursue in the development of growth poles across the country. The East-West Corridor will be a pole. In Point Fortin the e Teck Park, which they have left empty, will be populated by businesses [*Desk thumping*] that are contributing to the gross domestic product of this country.

When we return to office, Madam President, we will erase the five years of neglect and the five years of absence of vision of this Dr. Rowley-led PNM. The National Insurance Fund, I remind you, is a one-time transfer. What is your solution for the revenue shortfall in this country? Oil cannot be the saviour, we must find direction, and the Government must come back to the population with a plan that makes sense, if not call elections, because we are ready to govern this country. Thank you very much, Madam President. [*Desk thumping*]

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

Sen. Taurel Shrikissoon: Thank you, Madam President, for allowing me to— [*Interruption*] Probably they are looking for a Chris Gayle. [*Laughter*] Thank you, Madam President, for allowing me this opportunity to contribute to this Bill before us today, and I really want to thank my colleagues on the Independent Bench for allowing me to commence this debate, or to open this contribution on behalf of our

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Bench, and it is indeed a privilege for me to be able to contribute to the national development of Trinidad and Tobago. I trust that during my contribution the response of my colleague, Sen. Gopee-Scoon, would be different to Sen. Obika's in the last two minutes of his contribution and that I will be able to capture your attention and hold it a little bit more. [*Laughter*]

So as we begin today, I would like to really focus on what is going on in Trinidad and Tobago, and in the recent past we have noticed, and all our citizenry would have been aware of the tough economic times facing Trinidad and Tobago. And why did these tough economic times and this hardship upon our citizenry occur, and it was as a result of persistent and continuous budget deficits for the last 10 years, a level of expenditure that could not be sustained, an element of waste and mismanagement of resources across regimes, declining production volumes and falling commodity prices, and I think all of these, put together, contributed to where Trinidad and Tobago is at this point in time. However, we always look to God and we always know that there is hope once we trust in God, and Deuteronomy 31:6 says:

“Be strong and courageous. Do not be afraid...for the LORD your God goes with you; he will never leave you nor forsake you.”

And I do believe that God is watching over Trinidad and Tobago. [*Desk thumping*]

Having listened to the Minister of Finance and the Minister in the Ministry of Finance, both in the other place and this morning, if the outlook for the future of Trinidad and Tobago is any indication of what—or if the recent performance of the Trinidad and Tobago economy is any indication of an outlook for the Trinidad and Tobago economy, then I remain optimistic about our direction and the future of

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where we are going. [*Desk thumping*] 2014 was probably the last year we saw an increase in GDP, and from then to now it has been a slippery slope, and if at the end of this year there is some element of a slowing down of a decline or no growth, meaning a turn, or some element of positive GDP growth, then, by all means, I will welcome that. So in recognizing that we are probably at the midterm of the Government, I thought it necessary to at least reflect on their performance or the Government's performance in the recent past. Sen. the Hon. Allyson West this morning indicated that because of the better-than-expected increases in natural gas production in the second half of 2017, the GDP figures for 2017 are being revised upwards, and we expect that instead of negative growth of minus 2.6 per cent in 2017, the actual growth will be closer to minus 1 per cent. And that I commend the Government for, especially now giving a positive outlook for years to come.

I have no way of really measuring or determining the vigour of the statistic, but I am accepting the statistic and remain optimistic that it will materialize. The Government must be commended for their efforts in managing the Trinidad and Tobago's economy amidst a declining revenue position and tight cash flow management. They must be commended for a smaller-than-projected deficit for the first half of 2018, remembering that in 2017, at the end of fiscal 2016/2017, we recorded one of the largest deficits ever in the history of our country. So if at mid-year we are saying, listen, it could be smaller in this year than anticipated, then I welcome that. Government must be commended for defending the value of the currency, because if that runs away the cost of living in this country will just skyrocket. [*Desk thumping*] The Government must be commended for the increase in revenue earned from both the energy and non-energy sector. [*Desk*

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thumping] And from the business perspective the funding of \$100 million to the Eximbank in support of local manufacturers, that is welcomed. The *Economic Bulletin* of Central Bank, issue of March 2018, also declares that a lower level of inflation was recorded.

There is growth in the private sector credit among commercial banks, and a smaller year-on-year deficit on the current account for the first three months of fiscal 2017/2018. In light of those statistics, I would like to commend the Government for their management of the way in which they have handled thus far. [*Desk thumping*] And if this indication is that there is light at the end of the tunnel, I would like to say, we are only at the beginning of the tunnel, and, therefore, if it presents a light, in order to see that light, to get to that place we must manage well here. The tough decisions are still to be taken, and that will allow us to get to where we would like to go. So that as I have presented that in context, I would like to get into the Bill a little bit more, and the fiscal package of 2017/2018 and the performance over the last six months. If we look at the revenue position of the budget, the revenue position indicated that Government anticipated about \$38.4 billion in tax and non-tax revenue. That would leave us just about \$19 billion at the half-year approach. Government has indicated that they have collected close to \$19.5 billion, which is just over the halfway threshold as projected.

However, in terms of the economy we have also seen, with respect to the revenue position, that taxes from oil companies have also increased. There is an increase in corporation tax from the petrochemical sector and corporation tax of non-energy companies has also increased, and the Minister in the other place indicated a total net collections in all sectors up, year-on-year, by \$1.3 billion. So

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that there was a favourable drive or collection in terms of revenue. But how is it that we can have a favourable collection in revenue and greater-than-anticipated revenue collections in certain areas and the anticipated revenue is just about the halfway mark? If revenue projections were materializing as projected then we should have been over the halfway mark, but we are just about halfway, although there were favourable revenue collections in other areas, and in my mind that is because the revenue projected from other areas did not materialize. Areas such as the property tax, \$250 million; royalties and taxes from Petrotrin, and even revenue from the gaming sector, legislation which is yet to be passed. So as we increase our revenue collection from areas that we did not anticipate, we also lost revenue or are losing revenue in areas that we were not able to collect from. And, therefore, while we celebrate and acknowledge improved performances in other areas, we must be mindful of the areas that we did not collect and not anticipate a smaller deficit, because some sectors outperformed others while not taking into account we did not collect from certain areas.

With respect to expenditure, budget expenditure was approximately \$50.5 billion. We have learnt that there is a conscious effort on part of the Government to reduce expenditure to just about \$48.88 billion. So, therefore, we are seeing a reduction in expenditure, and I commend the Government for at least looking at expenditure and looking at ways to find a way, or to find ways which we could reduce the expenditure. However, like revenue, we must be mindful that a significant part of the Public Sector Investment Programme has not begun, and there is probably about \$3 billion to \$4 billion in that programme yet to kick in, and we are just about three or four months from the end of the financial year.

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Further, we have recognized that because of the increase in oil and gas, or the commodity prices, unforeseen expenditure, such as the increase in the fuel subsidy will also come into effect, which could be in the vicinity of \$1 billion, and, therefore, unforeseen expenditure will also play a role in how significant, or will impact on the deficit position at the end of the year. So while we cut in some areas, we need to plan for unpredicted expenditure.

The budget deficit and financing, this is of concern to me. When the budget was presented, we came up with a deficit of about \$4.76 billion after revenue and capital revenue. Page 32 of the budget statement states, and the hon. Minister presenting here at that time in the other place says:

“Madam Speaker, with domestic financing of \$4.5 billion, an additional fiscal shortage is therefore required to be financed.”

That is saying to me that the deficit was to be funded from domestic financing, because it is in the budget statement, page 32. But on page 5 of the hon. Minister in the other place, his response there, or his presentation there says:

“A fiscal deficit of \$4.76 billion or 3.0 percent of GDP was projected to be financed through net external borrowing of \$3.69 billion and net domestic borrowing of \$1.07 billion.”

So we are seeing here a difference now in how the budget deficit will be financed. In the first case it was saying domestic, now at the mid-year we are saying external and domestic. So the Government has presented an inconsistent position in my mind—a variation, I should say, not inconsistent—a variation in the way in which they would choose to finance this deficit.

I am saying, be very mindful, be very mindful of going to the external

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markets to raise funding—be very mindful. And why I am saying this, because over the past three years we have seen a 66 per cent increase in the external debt position, taking it up to \$3.5 billion, and the claim or the interest, the expense associated with it also increasing by a similar proportion, 65 per cent. So if you go to the external market our external obligation increases, our interest expense increases and our claim to foreign exchange also increases, our foreign exchange reserves. And so if we continue to go to the external market these statistics or these measures, or these nominal amounts will increase and will run away from us, because we are at a place of tight foreign exchange reserves, very tight. So why are we rushing to the external market? And so I issue a word of caution as to the use of external financing increasing the debt profile of Trinidad and Tobago, especially against the backdrop that the first three months of 2017/2018 significant external loans were contracted by the Government, and I quote from Central Bank reports again, March 2018:

“External debt increased to US \$3,501.1 million in December 2017 from US\$3,468.9 million primarily due to a disbursement of US \$55.0 million”—and they have identified the projects. It says:

“Additionally, during the three-month period under review, the Government contracted a loan from the Export-Import Bank of China, estimated at US \$22.6 million...”

So what we are seeing here is that external debt is being driven up, and now we are saying at the mid-year review part of the deficit will also be financed using external financing, and I have some issue with that. But the question is also, why rush to external when there is domestic borrowing available? And as Sen. Obika

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correctly said, and he quoted from the March 2018 *Economic Bulletin*, the level of borrowing from the Government on the domestic sector actually affected the liquidity position of commercial banks, and Central Bank—and to use the exact phrase:

“Central Bank shored up liquidity in the financial system by allowing...open market securities to re-enter the financial system.”

So the borrowing by the Government on the domestic market created a liquidity situation amongst the commercial banks and Central Bank had to intervene.

So while we are optimistic about the outlook of Trinidad and Tobago, an increase in external debt can be more expensive due to the recent downgrades of the last three years. It will lead to an increased claim on foreign exchange. It will lead to an increase in the interest expense associated in foreign exchange, and domestic borrowing, we now have to be careful because it is now affecting liquidity. And putting Trinidad and Tobago in that place is saying, if it is any time we need to be cautious it is now, because the cost of external borrowing is increasing and domestic borrowing is crowding out investment and creating liquidity problems. So we need to be very mindful.

I touched on foreign reserves just a bit earlier on in my contribution and I would like to say, Madam President, that in the mid-year review the hon. Minister in the other place did indicate that there was a recovery of foreign exchange in the period March to April 2018, indicating some element of strength. I appreciate the way in which it was constructed, but I would like to present this in way in which I see it based on the facts of Central Bank. April 2017 to April 2018 there was a reduction in the foreign exchange reserves at Central Bank from \$9.1 billion to

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\$8.1 billion; that cannot be a strength. The next point is, over the period March to April 2018, the reserves at Central Bank fell, and in March, \$7.988 billion, and just came up in April. It is the first time ever since 2008 that our foreign exchange reserves had entered the \$7 billion mark; it was above, and therefore I do not really see a recovery of March 2018 to April 2018 as a strength for the foreign exchange reserve position. It has deteriorated and we need to be cognizant of that, and more so it is very evident in the falling import cover. As Sen. Obika said, 10.25 in 2015, 9.5 in 2016, nine months in 2018, and I heard eight months this morning, I am unsure. So we are seeing a fall in import cover, and if we are seeing a fall in import cover, it is saying that our foreign reserve position is weakening.

So while I did commend the Government for being able to hold or to defend the currency, because it is in my view that is one of their policies that they are rigidly sticking to, and I could understand why. I am unsure of how sustainable that strategy is and for how long we would be able to do it. Also in budget 2018 when it was presented there was a new royalty regime that was proposed to be applied to the top line of energy companies. In my mind, and I am sure my colleague on my right, Sen. Small, may touch on it in his contribution, but that was a form of earning additional foreign exchange for the country, because I believe it would be paid in US dollars. And I thought that this mid-year review would have been a nice place to give us some element of an update on the performance of that tax so as to know whether or not our US, or our foreign currency position would positively be impacted by that measure.

Madam President, with respect to the commodity prices we have recognized here that over the past couple of months that we are seeing an upswing in

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commodity prices, both in oil and gas. I am concerned a little bit about the commodity price that our budget was based on and the commodity price being reflected here. I noted in the Government's mid-year review, and the hon. Minister when he presented in the other place, he said that, actually, the average price of oil for the last six months would have been around \$59, thereabout, for the last two quarters. If we look at the Heritage and Stabilisation Fund law, it is saying here, section 13 of that says:

“Where petroleum revenues collected in each quarter of any financial year— (a) exceed the estimated petroleum revenues for that quarter of the financial year by more than ten per cent, the currency of the United States of America equivalent of the excess revenue shall be withdrawn from the Consolidated Fund and deposited to the Fund in accordance with section 14(1);”

What is my point here, \$52 was the budget, \$59 was the average price for two quarters; in my mind, and I could be wrong, and I standing to be corrected, but in my mind that increase in commodity price is greater than 10 per cent of the budgeted value. And, therefore, if there is an increase, in my mind there should have been some element of indication to make a deposit into the HSF. If I am wrong I stand to be corrected, but no matter how small it is, according to the law, in my mind, if I am correct, it should have been done, and I ask for a little clarity with respect to that.

I also know that not all of the revenue may have been collected because of the state of Petrotrin not being able to pay its royalties on taxes, but if that is the case we have to be very mindful that Petrotrin—if that is the case—and I am not

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making a pronouncement, I am just raising a point that if Petrotrin is unable to pay its dues for royalties on revenue from oil and gas and it is depriving the HSF, it is something that we need to really consider or reconsider. It is an important point. Sen. Obika in his contribution also touched on the Exchequer Account. Madam President, this is absolutely critical at this point in time. According to the Auditor General's Report of 2017, the Exchequer Account has an overdraft of \$36.5 billion. That is the account of the Government. That is the account that Government expenditure is being funded out of, and at the end of 2017 it is \$36.5 billion. How can we manage an economy when the overdraft is increasing, has touched a level that this country has never seen before and represents almost one year of tax and non-tax revenue? That is to say if we are to clear this, it will take all the money earned from tax and non-tax revenue for one entire fiscal year to be cleared, and that is of concern. We are allowing this Exchequer Account to just run away from us each year as it increases and we carry on as though everything is well; it is not well.

Further, Madam President, and Sen. Obika was also right when he quoted the overdraft facility of the Central Bank, that too had a maximum of \$10 billion in overdraft which is really the net effect after the Exchequer Account is collateralized with the other funds in that account, and it is negative again, negative \$10 billion. Sen. Obika, and I support this point where he said, and I am quoting the Auditor General's Report here:

Projected revenue of 2017—not 2018—2017 was \$38 billion. Project capital receipts, 8.74.

So you had a total projected revenue of \$46.8. The Central Bank Act allows for 15

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per cent at that time to be used as an overdraft; 15 per cent of 46.8 is \$7 billion, but the Auditor General is recording an overdraft of \$10 billion. We are in violation of our own law with respect to the overdraft at Central Bank, \$10 billion when it should really be \$7 billion. And if it is that it was at \$10 billion in 2017, and in 2018 we are in deficit position and the estimated revenue is \$45 billion—20 per cent now because the rate has been changed, it is \$9 billion, but, again, at the end of 2017 it was 10. I do not have the data and I ask, what is the net balance at the overdraft facility of the Central Bank? Are we in keeping with the law that is before us? That was heavily debated here.

With respect to net public sector debt, we have seen, or we are seeing net public sector debt also running away from us. We could use the measure that net public sector to GDP is coming down because GDP is increasing, but Government does not get direct revenue from GDP. Government gets taxation revenue from GDP, and therefore to use it as a measure to bring it down is not really a comforting one because it does not affect your cash flow position. It does not affect your ability to repay debt, and it does not affect the way in which interest payments on debt is incurred; it does not. So using that is just a statistic to justify a position in our mind when our cash flow position is not allowing us to sustain the level of debt and service the level of debt.

And if you look at the Auditor General's Report in 2017 again, you will recognize here that the charges against the tax and non-tax revenue against debt service, which is debt, principal prepayment, interest payment and sinking fund reached to a maximum of 30 per cent in 2017. So 30 per cent of our tax and non-tax revenue is going towards debt service, and here it is we are going to increase

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debt again. So more of our revenue, as long as our revenue—or should our revenue remain around \$45 billion—or should it remain around \$38 billion, I should say, tax and non-tax revenue, then a greater proportion of that money is going towards debt. We are actually digging a hole and we need to be able to get to that place where we start to climb out of it rather than add to it or deepen the hole.

The Clico and its debt repayment plan, this was very comprehensively addressed again by the Minister when he laid his mid-year review. But I want to advise on a word of caution here, the Minister was very articulate in how he was going to collect this money and estimated about \$10 billion by June 2018. But I want to remind this honourable House that revenue from the sale of Clico assets was accounted for or budgeted for in 2017, and I can quote from the statement here. He said here, and this is the budget statement 2017:

“Total revenue in 2017...”

This is budget statement 2018 with the Minister just reflecting on 2017’s performance.

“Total Revenue in 2017 was...roughly \$10 billion lower than envisaged largely because of the shortfall in the above mentioned areas.”

And he was speaking to the Clico debt. So it is that we anticipated revenue in 2017; it did not occur so we borrowed, and now we are saying in 2018 we are anticipating revenue again. Should the revenue materialize, there should be a conscious effort on the part of the Government to use that revenue derived from the sale of assets to service the debt that was incurred to improve the revenue position of 2017. If it is that all of it is being used for the 2018 budget support,

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then our debt position remains unaddressed and we have worsened our debt position and claim to interest payments, because after the sale of Clico assets I am unsure of when next such a capital receipt of revenue can come about as a result of a sale of assets. That may be the largest capital receipt that we may ever be able to get for a long time. I stand corrected if I am wrong, but I do not know of any other.

So, Madam President, I have touched on some variables with respect to the budget, budget performance and economic indicators, and for the next couple of minutes of my contribution I would just like to look at the variations and the supplemental requests for funding from the various Ministries. I will just like to comment briefly on it, and I am sure the hon. Ministers would be in a very good position to respond to my concerns.

With respect to the Judiciary we are seeing here a variation, or an increase, I should say, in a request for funding for contract employment for the Judiciary, Trinidad, and under the Children's Court. The increase from the Judiciary being 15 per cent of contract employment and 175 per cent increase for contract employment under the Children's Court, and these are meant for positions to facilitate the payment of salaries to contract officers at the end of fiscal year and the fill vacant positions which were filled or to provide funding for positions filled in 2018. So we are seeing at the Judiciary a 15 per cent increase and 175 per cent increase for funding meant for contract employment.

If we go to the Service Commissions under General Administration, contract employment again, a 50 per cent increase is being sought, \$905 million, for, again, positions there.

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And if we go to the Tax Appeal Board we would realize under contract employment, 150 per cent increase for funding for salaries based on contract employment. What is my point?

12.00 noon

Of three Heads here, presented in this Bill today, we are seeing an increase in funding being requested for contract employment. The Government is aware that wages and salaries constitute a significant expense of annual Recurrent Expenditure, and there must be a conscious effort to manage that variable. But what we are seeing here is an increase in funding for the same expense now under contract employment. So while the Government is saying we have been able to maintain wages and salaries at one figure, the figure for contract employment, which is really wages and salaries if you think about it, is increasing, and we are seeing it here in three Heads. So overall salaries, wages and salaries of the Government, when you include contract positions, is on the increase, and it is a position that we must address.

With respect to the Office of the Prime Minister, we are seeing here an increase in funding requested for a NIPDEC loan, principal repayment—and that is important—principal repayment, NIPDEC loan, and interest payments on the NIPDEC loan. The increase is 120 per cent, moving from \$6 million to \$14 million. How is it that as we manage an economy and we have a debt profile, that we can miss a principal repayment in calculating our debt repayment position? Everybody must know what debt they owe, and therefore everyone must know when principal payments are due. How is it that we can present a position of a principal repayment not budgeted for? That in my mind is not making sense.

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This brings me back—and let me just touch the other point which is Ministry of Housing and Urban Development—the same thing occurred with Ministry of Housing and Urban Development—UDeCOTT principal payment on \$223 million fixed rate loan, an increase of \$11,200,000. What is going on here, when you have principal payments not being accounted for in budget statements, and then in variations we are saying principal payments coming up?

Now, everyone will remember—and if it is one thing this Senator has been asking for since I got here in 2015, is a debt management strategy for Trinidad and Tobago. The hon. Minister of Finance gave that undertaking that he would provide it to us when we debated the increases in credit limits. To date it has not been provided, so we do not know what the overall debt position of Trinidad and Tobago is. We do not know what the overall position is in terms of net public sector debt, contingent liabilities. The state enterprises debt on their own balance sheets not accounted for by contingent liabilities, and government to government arrangements. We do not know. In my mind, I am going to make a statement here that Government themselves do not know, because if you had known you would have provided it to me after two and a half years. If it is you knew then you would not have a situation where principal payments are falling due and you are unaware, and now coming for a variation. In my mind something is wrong. Something is wrong.

Even if I am wrong, I stand to be corrected, but I would really like to see the debt management strategy for the increasing debt profile that the Government is laying on Trinidad and Tobago. That is a simple request. I am not shooting down your strategy, and I am not saying I am not supporting you. I have one simple

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request: the debt management strategy for Trinidad and Tobago for the next five years, showing us how it is going to be amortized as well. Simple, that is my request.

With respect to the Ministry of Public Utilities, it is getting the largest chunk of variations of all presented. This is in the form of street lighting, refunds to WASA and refunds to T&TEC. Again, with all due respect, hon. Minister, I know you are here, and this has no personal issues, I am just raising a concern, and I am sure you will be able to address it, because we always have constructive conversations. With respect to street lighting, a move from \$50 million to a \$111 million, a variation of 125 per cent. With respect to the refunds to WASA, \$160 million to \$220 million, a variation of 38 per cent. The one that bothers me the most is the refunds to T&TEC, \$30 million to \$78 million, an increase of \$48 million. Why is that bothering me? That is bothering me because it is said here in the budget statement that T&TEC has to reimburse these funds as a result of the subsidy provided to citizens, because of the rebate given to customers with bills of \$300 or less.

If you allow me to do the budget math, it is saying here that 120,000 households will benefit from this grant. That was in the budget statement, 120,000 households by \$300, because that is the limit, by six billing cycles for the year, because it is every two months, it comes up to \$216 million dollars, a 25 per cent rebate, \$54 million. If the rebate at 120,000 households for \$300 per house is \$54 million, then how are we getting to 78? I am unsure of that, so I ask for some element of clarification.

In the interest of time, I am just going to touch on agriculture for one second.

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I am sure the hon. Minister, Sen. Clarence Rambharat would be able to help me here. It is just a management issue I would like to raise here. We are seeing an agricultural incentive programme move from \$12 million to \$43 million, a \$31 million increase, 260 per cent, and that was meant for subsidies for farmers. But if you look at the performance of the agricultural sector, negative 2.1 per cent in 2013, 3.2 in 2014, year on year increases, 15.1 negative in 2016, and negative 2.8 in 2017. My question is, and it is purely from a management perspective: Why is it that we are increasing subsidies to farmers in an environment that is not producing an output associated with it? If we are subsidizing activity, it should be geared towards turning or changing the production volumes in that Ministry and bringing it up. Are we investing in areas that are not bringing a return that we would like? And that is a concern of mine.

So with the last couple of minutes I have, Madam President, because I know it is just about six minutes I would have left, I would just like to recap on what I have said before. There was one important point that I would like to address, and it is the Infrastructure Development Fund, just before I summarize.

In 2016 and 2017 we saw a depletion of the Infrastructure Development Fund, according to the Auditor General's Report, from \$1 billion to \$330 million.

Madam President: Sen. Shrikissoon, you have five minutes left.

Sen. T. Shrikissoon: Thank you, Madam President. From \$1 billion to \$330 million, so we saw a decrease in the value of the Infrastructure Development Fund to the tune of \$700 million. Here it is in this variation Bill, in order to finance other areas of the budget, we are now taking \$796 million that was previously allocated to the IDF, for budget support. Now, when funds go into the IDF it is

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meant for capital projects, and now we are saying, with a couple months to go to the end of the financial year, we are withdrawing funding out of this fund for the purpose of budget support.

Trinidad and Tobago is at a time where we need to stimulate economic activity, and withdrawing funds from the Infrastructure Development Fund will not materialize in increased economic activity, and when it goes to budget support it just become diluted or lost into the economy. Why is it for two successive years we are taking \$1.4 billion out of the Infrastructure Development Fund, and I am unsure of what it was used for in 2017, but in 2018 for budget support? I do not think that when funds go into the Infrastructure Development Fund, it was meant for a withdrawal later on for budget support. It was meant for capital projects. And then what specific capital projects are not being addressed given that this increased funding is coming out of that fund? Which projects are not being undertaken? And that is not given, so I ask for that question to be answered.

So, Madam President, in wrapping up. I am delighted to see that there is the possibility of an improved economic performance, via GDP, for Trinidad and Tobago. If nothing else gives me an element of hope, that does and I commend you for that. But with respect to the fiscal account of Trinidad and Tobago, the fiscal health of Trinidad and Tobago, I am concerned. Why am I concerned? Because I have shown that we can experience an increase in revenue from areas not anticipated; however, we may have a problem of areas of revenue that we projected, not materializing.

With respect to expenditure, I have also said that while we curtail expenditure, there are areas of expenditure unforeseen that will pop up. With

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respect to the deficit, I am a little bit confused as to the real funding requirement of how the deficit will be financed, because we saw inconsistent positions, or varied positions I should say—I made the same error—in the budget statement and the mid-year review. With respect to the net public sector debt, it is running away from us, and so we need to be mindful of how we borrow externally, because the interest rates would be up, and how we borrow domestically, because it is crowding out liquidity in our system. That is a key point.

I have shown that with respect to the Auditor General's Report, a significant portion of our tax and non-tax revenue, up to 30 per cent in 2017, was used for debt repayment and debt servicing.

With respect to the foreign exchange, our foreign exchange reserves are declining, no matter how you say it, and it will place pressure on our economy. With respect to the HSF, I have asked for some element of clarity as to whether or not the law would have required us to make some element of deposits. With respect to the Exchequer Account, that has totally ran away from us, and no one seems to want to address it or bring this down. So much so the overdraft facility at Central Bank may be at levels very close to the limits and, as in 2017, over the legal threshold.

With respect to our debt position, I have asked that the funds derived from the sale of assets from Clico also be used to bring the debt levels down, and not primarily for budget support. I have raised a significant concern with respect to the provision of funding for budget support coming from the Infrastructure Development Fund meant for capital projects. I really am concerned about that.

So, Madam President, as I conclude, I commended the Government for your

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approach and I understand your cautious approach, and I thank you for your approach because it is leading to some element of recovery of GDP, but the fiscal health of Trinidad and Tobago is in trouble. Therefore, a fiscal consolidation programme is required to restore health to the balances of Trinidad and Tobago. While you could be the recipient, or GDP could be increasing, fiscal balances at Trinidad and Tobago are required, and while I ask for a debt management strategy to be laid or to at least be made available to us to show how debt would be serviced, I ask also to show me how the fiscal balances of Trinidad and Tobago will be restored.

I thank you, Madam President.

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):

Thank you, Madam President, I think everybody would agree that that is a real economist, and Sen. Shrikissoon I want to thank you for your excellent remarks. For Sen. Obika, I will have to go to the Internet and seek out what his degree is, because I really did not get an indication of whether you are an economist, finance person, what are your specialties. [*Interruption*] He is telling me both, but I would have to listen on for years to come to be reassured of that.

Sen. Shrikissoon, thank you very much for your excellent contribution, giving credit to the Government for work that it is doing, being positive and giving the assurance to the population that we are on the right track. You have raised some reasonable concerns, and I am sure that they will be addressed by the finance specialists, and my colleagues as well with regard to their various Ministries. Madam President, I thank you for the opportunity to contribute to this Finance (Supplementation and Variation of Appropriation) (Financial Year 2018) Bill,

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2018. Again, I always thank my colleagues, the Minister of Finance who spoke to the matter and gave quite an inspiring presentation in the lower House, and of course the Minister in the Ministry of Finance who added to it, and again brought us, again, very insightful thoughts, and showed how we are on a very measured approach to economic recovery.

It is no secret that in 2015, no matter how you have tried to hide it Sen. Obika, the country did inherit a depreciated economy, if you want to call it that, which was reflective of wanton wastage, poor management and irresponsible expenditure. There is no doubt about it, for those reasons, and there are other reasons as well, this is why the economy has suffered, especially when we came to office 2015, 2016, 2017, and we are now seeing a turnaround, and we are very, very happy that the Minister was able to prevent this turnaround from the previous tide of economic malaise and stagnation and deception. We are moving forward on this side with optimism and with confidence, and I am very pleased that the very worthy Independent Senator was able to share that with us.

I want to just reflect a little bit on what the Minister of Finance said. We will all remind the population that GDP is up 9 per cent to \$168 billion in 2018; that debt is down. Net public sector debt to GDP ratio is now 55 per cent, compared to 62 per cent in 2017. That the deficit is shrinking. That the fiscal deficit for 2018 is now projected to be \$4.2 billion, down \$500 million. That prices are holding. That headline inflation fell to 1.3 per cent by the end of 2017, which is the lowest in many years. That employment is stable. Yes, there have been some jobs lost, but it is still relatively stable with an unemployment rate of 5 per cent, and that our US reserves are stable. Net official reserves is currently at

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US \$8.11 billion, or nine months—I will correct the Minister—of import cover, and the Heritage and Stabilisation Fund is growing. It is over US \$200 million higher than it was in September 2015, and this is despite the extraction of, I think, US \$600 million by us in 2016.

Again, I just want to affirm that there was no downgrade—no downgrade. Standard & Poor's affirmed our BBB+ rating, and this is the first time in three years that we not been down downgraded.

Madam President, I am delighted to speak about the Ministry of Trade and Industry, and our contribution to this rebound or reversal, and positive reversal, in the economic trends of this country.

Sen. Obika, you came to us—and I am not sure you are going to be able to retain your position in your batting order, because you really offered no hope to this population at all. To my mind you were very negative. All you spoke about was the fact that the economy crashed, and you spoke about some growth poles. Senator, you should never mention that around here.

Madam President: Minister, talk to me please.

Sen. The Hon. P. Gopee-Scoon: The only growth pole that you focused on was Chaguanas and central, nowhere else. There was no growth in Point Fortin. You did nothing for the people of Point Fortin, and you will never be able to win that seat so you better not go up. [*Desk thumping and laughter*] You did nothing for the East-West Corridor; nothing for Tobago, and we know where you are with Tobago now, despite the presence of Sen. Jearlean John here today. We know what is happening with you in Tobago. There are no possibilities for you there at all.

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But the point about it is, you cannot be so negative, especially when your government did nothing about diversification. You came here talking about diversification in the last sentences of your contribution. All you spoke about were these growth poles. Diversification? You were a colour blind government, because you only spoke about this blue economy. You gave yourself some kind of gift. They gave themselves an award about blue economy. You spoke about the blue, the silver economy, the green economy, but at the end of the day you have nothing to show. So it just tells us that you were colour blind and you did not know what you were doing. [*Interruption*] You had no success in the area of diversification. No, again, you just relied on \$108 per barrel oil.

Madam President: Members. Sen. Ameen, I am sure you will make use of your opportunity when you have to present, okay. Minister, continue please.

Sen. The Hon. P. Gopee-Scoon: So diversification was not on your agenda. And the criticism which you levied on the hon. Minister of Finance, great and successful as he is, I can tell you was unjustified. He had a 55-minute presentation speak about the positive nature of the economy and the turnaround. You obviously did not listen to the rest of the Ministers; so that if you had, you would have been properly elucidated about what is going on in the Ministries, and the work that this Government is doing.

So I am going to speak about trade. I invite you to listen to my colleagues this afternoon, when you will learn something, and you will discover the trend on which we are, and you would understand why we certainly will win the next election, and we will retain our position on this side. [*Desk thumping*] So I invite you to listen and to learn.

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Madam President, let me go into diversification, it is a pet subject. Historically, it is this Government that has always diversified this economy. If you go back to 100 years ago, we were an agricultural economy, and then of course you had the commercialization of oil, then we went into the monetization of gas, then we went into the development of the petrochemical sector, and then we went into the development of the manufacturing sector. So that in a sense, this is not only an energy economy. It is a well-diversified economy with a predominance of activity in the energy sector and in the industrial sector and in the manufacturing sector. We are well on our way to shoring up revenues on the non-energy side, to ensure that the economy is on a path that is more resistant to shock, in particular, energy shocks, and of course saving ourselves from the fact that we are still price takers and we continue to be affected by that.

As I speak about the non-energy sector, there are some economists who have been speaking about the consistent decline in revenues on the non-energy sector, and they are comparing where we were in 2015 to where we are now. I want to say that part of that significant gap which we are seeing in the revenues is because of the exit of ArcelorMittal. But if you look further into the food and beverage sector, the manufacturing sector in particular, you would see that despite the low demand in the Trinidad economy that the revenue streams are stable and, in fact, there is a slight increase, if you go into the numbers. When we go to the budgeting later this year, we will speak to the numbers, and that there is a slight increase, and I will speak to where this is coming from.

So, despite the low demand locally, which I would have spoken about, there is great hope for this sector, and the Ministry has been focusing on the

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manufacturing sector. Of course, we look to the closure of the work of the liquidator with ArcelorMittal and, indeed, we are quite hopeful of the replacement of another light industry which would certainly shore up the figures on the non-energy side.

With regard to the manufacturing sector, I want to say that the relationship between the manufacturers and the Government is a very, very healthy one. We continue to work well with the manufacturing sector. I looked at the comments which were produced by the TTMA on the mid-year review, and they did speak about the impact of the turnaround on the local market. They spoke about the fact that the local market continues to be soft and sluggish, but they did in fact congratulate the Government. If I can quote Mr. Christopher Alcazar in the release on the mid-year review:

“We are very pleased to hear the positive news from the Minister of Finance and congratulate him on the results, as well as congratulate him on taking important positive steps towards creating the optimum business environment in which we can thrive, therefore, driving exports and employment upwards.”

Then he went on to speak about the two important steps which were recently discussed, namely, the Eximbank facility to ensure manufacturers can access US dollars, and secondly he announced that in the coming weeks there would be the launch of the incremental export increase incentive, and so we can look forward to that. So very, very positive news.

But I want to tell you that the Ministry of Trade and Industry has been focusing on its trade missions, and in the last six months there would have been

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trade missions to Costa Rica, to Panama, to Cuba, in late November to Guyana and also to Jamaica. Some of them I was able to do and some of them were headed by the Permanent Secretary in the Ministry of Trade and Industry.

I want to take a little time to tell you about the Cuba market which we have been working on, and the successes which we are having. I will tell you something, Madam President, that the registration process in a lot of the Latin American countries and the Spanish speaking countries is a little bit bureaucratic. So that the registration process is quite cumbersome, and thankfully our Trade Facilitation Office in Cuba has been working diligently and we are seeing the results. So they have now declared several manufacturers in Trinidad and Tobago potential supplier status. So that is Vemco, KC Candy, SM Jaleel, Associated Brands, ANSA Coatings, Blue Waters, Tricon, Hadco, Trinidad Tissues. All of those companies are now fully registered and will expect to receive orders and begin exporting to Cuba. That is despite the fact that one in particular, Sacha Cosmetics, is already exporting to Cuba. But Carib Beer, for instance, I can tell you Cuba's own local production of beers does not satisfy the demand there. You are talking about 11 million people and four million to five million tourists. So Carib Beer is high on the agenda.

Trinidad Tissues is already well entrenched in the market, with their Nueve Blanco product. Carib Glass has already started exporting bottles to Cuba Ron. ANSA Coatings will also begin exports shortly. There is a possible opening into the Cuba rum market as well. So despite the fact that we are already well entrenched in terms of the orange and the traditional bitters, which is in all of their duty free stores and many stores within Cuba, there is the strong possibility for

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Angostura of exporting Trinidad and Tobago's rum into Cuba as well. Vemco again, KC Candy—I called them out—Phoenix Park Gas and National Petroleum are now also fully registered so that we expect to be exporting many of our products from NP to Cuba as well.

So that we look forward—especially now that Caribbean Airlines is well entrenched—to the opening up of that market. I am really very pleased with the work of our Trade Facilitation Office there. This is an exciting market, and I can see keen growth coming from this area.

With regard to Panama, I would tell you that I would have gone to Panama and Costa Rica, and I will tell you why. Again, because of the bureaucratic arrangements, because of the fact that we are accustomed to signing agreements and not implementing, I went along primarily to do the political footwork. So I can tell you that I would have met with my counterparts both in Panama and in Costa Rica, and now there is a determined effort to implement the agreements which we have, and to ensure that our products are getting to those markets.

I can tell you that it was a small contingent of manufacturers. I feel that manufacturers are a little bit shy of venturing out of the Caribbean region, which they have become so accustomed to, but there were excellent B-to-B meetings, business-to-business meetings on the both sides, and all of these manufacturers have come away very, very positive indeed.

So with regard to Jamaica, we had a very successful meeting with Jamaica as well. The Permanent Secretary was there, and I can tell you that many of the businesses that went along, I think 19 businesses, actually got increased orders. Of course through all of the meetings held, they were able to settle on a couple of

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matters which were of concern to the Jamaican manufacturers. It is that Jamaica is now to supply us with inputs into our manufacturing sector, and so I can see that the relationship is one which will augur well for both countries, Jamaica and Trinidad and Tobago.

12.30 p.m.

With regard to market access, the work of exporTT continues to be of considerable benefit, and particularly for the small and medium-sized manufacturers. And so that there continues to be a significant amount of capacity building and training for exporters.

We have launched the export competitiveness project, and we are working directly with several companies and getting them out there into markets. I am talking about companies which perhaps have never exported. So that eight companies, for instance, have been identified for certification in international standards. There were 17 exporter training programmes conducted. We actually helped about 18 companies, and they are now new exporters.

We are also working with Tobago to boost their export development as well. There is an export strategy with exporTT, and with the manufacturers in Tobago, there are 13 firms that have been identified, and there is targeted training with them.

We continue as well to work on our trade facilitation through our WTO agreement and, of course, the Ministry continues this work with policy development as well.

I want to speak a little bit about a new policy that was launched which is the National Quality Policy, and the importance of this, long term as it is, because it

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takes us well into 2030, and it enhances the work of the Bureau of Standards, and it is there to improve our competitiveness. What we want to make sure with our manufacturers is that we are able to produce globally competitive products that are of an international standard, and that can be differentiated on the basis of quality and value, and not only on the basis of price. So this National Quality Policy ensures that Trinidad and Tobago becomes fully compliant with international norms and practices.

When you ask our manufacturers and several of our businesses: What are the issues? What prevents you from increasing your exports, or even venturing into exporting into markets beyond the region? And they will tell you, they are the challenges of stringent quality that is the norm with the international market. And it is that this National Quality Policy will, in fact, address all of these challenges, and increase the competitiveness of our products and, of course, their ability to participate in the international value chain.

It will also ensure that the—it will also help to develop and to enforce our technical regulations and practices which support the production and creation of high quality goods and services. And a peeve of mine, and I am sure many people, would be our labs, the poor state of our labs, especially our medical labs. I can tell you that of all our medical labs that exist in Trinidad and Tobago, only possibly two of them are accredited. So it is of a concern to the population, and I am soon to bring it, now that we have passed this national policy note. It has been approved by Cabinet, and we are on our way to implementing, one of my first notes will surround the accreditation of labs, medical labs and other labs which have to do with the manufacturing processes and so on.

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So as I said, this is a very, very, very important project, and we look forward to the full implementation and to ensure, again, that our consumers are protected and that the population is protected as well, but most importantly we want to see our local products on the global market as well. We are looking at high quality products as well, and for Trinidad to be known and to be branded as producers of high quality products.

And with all of that in mind, I want to say that the Ministry has engaged the services of ECLAC, and by the end of this fiscal period we will, in fact, have a new trade policy. We have begun work with them, and this is the direction that we must go to. If we are to focus on non-energy revenues, it is that the Ministry of Trade and Industry has a fundamental role to play, and therefore, we must echo back and examine our trade policy, and it is with this regard, that we will by the next budget produce our new trade policy.

I can tell you that there are a number of issues and projects that are in the Ministry of Trade and Industry and in all of the agencies under us. Funding is an issue, we cannot rely totally on the Government to supply funding for all of the projects that we want to do to be able to improve our competitiveness and to get our trade facilitation going.

And so therefore, and, I want to commend the professional staff within the Ministry of Trade and Industry for the donor week which they just had. What they did is they brought in seven international donors and listed for them all of the projects that we are working on throughout the Ministry of Trade and Industry including some big, some small, so that we can look at donor funding for several of them, and I will list some of them.

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For instance, export promotion of SMEs in Tobago; an exporter's guide book; fit for Europe phase two; cocoa processing facility and a microbiological laboratory; registration of a geographical education in cocoa; value chain investment programme, and an annual national trade show; the artiste development programme; a number of development programmes and quality projects. And I am very pleased that we have been able to do this, to host this Aid for Trade Donor week at which these 24 projects were presented.

The question is: What else are we doing for this—in particular for these small and medium-size manufacturers? And this is in addition to the number of incentives that already exist, and the fact that our manufacturers can, in fact, bring in, despite our challenges, we continue to ensure that all of these incentives remain, that all our manufacturers can bring in their raw materials duty free, and all of their machinery and equipment duty free as well.

But in addition to that and in addition to the new facility which was launched by the Minister of Finance which is the US \$100 million foreign exchange facility to assist export-oriented manufacturers, and I want to emphasize that this is not only about big business as Sen. Obika raised; it is not only about big business. The Minister of Finance was very careful to say that even though there are manufacturers small, medium, he said fledgling that do meet the criteria of 30 per cent exports, they will, in fact, be assisted. But we have to ensure that there is legitimacy to their requests, and it is that Eximbank is charged with that assessment. But they are not going to be left out because this Government is focusing on small and medium-sized manufacturers. We are encouraging people to turn to manufacturing, yeah, as a business model, as an alternative business

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model.

But in addition to that, we look forward in just a short time, the Ministry of Finance will, in fact, implement its project which it announced, the facility which will allow start-ups across a wide range of sectors, ICTs, manufacturing and agro-processing as well, \$100,000 per person facility, and that is going to be launched pretty soon. But it is the grant fund facility which we launched in November last year which has attracted quite a bit of business, quite a bit of activity.

So, the facility which was launched is to focus on the printing and publishing, beauty and personal care products, cocoa processing including the manufacture of chocolate, food and beverage manufacturing. In short order, it is manufacturing and agro-processing. And I want to say that the response to this grant funding facility has been quite healthy. It is a fund where \$250,000 is available per manufacturer, per agro-processor, and it is for the purchase of machinery and equipment.

Now, whilst we have had a number—whilst we have had a lot of interest, we have only granted two conditional—we have only approved two conditional grants, and I am going to speak to those when we come to the population with it. One of them in particular is an agro-processing facility, and it is a chocolate manufacturer. And at the time when we had, in fact, given the grant, I will give more details on that.

But again, we invite and we are going to, in fact, market, continue to market and to communicate these facilities that are available to businesses large, small and medium. So we are going to be embarking on marketing and communicating all of these facilities that are available. Also, the research and development facility

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which was launched by exporTT as well.

The Ministry also launched a national consumer policy perhaps just about two months ago, and that policy is to focus on the regulation and the further empowerment of consumers in their interest. And it is about, generally, at the end of day, we want the policy to, the success of it to favour the consumer, their rights and their interests and, of course, coming out of that we hope to have a new, harmonized and effective consumer protection legislation. We want to ensure that our consumers are more informed, more empowered, and we are also going to put in place very effective institutional arrangements to address consumer issues.

The new policy speaks to the establishment of a tribunal which is to provide efficient and inexpensive and binding modalities for settling consumer disputes. We are in the implementation stage of this consumer policy which is to benefit the people of Trinidad and Tobago, to ensure that their rights and so on, their consumer rights and interests are well served.

We have also launched an e-commerce policy. And you may say that—and I will tell you something, we are doing a lot of work in terms of policy, because you cannot—it is not an overnight success. You cannot hope to have overnight success in terms of non-energy revenues and so on, unless you first attend to your policy, and you implement and you fix the environment; that is the way you start.

So, I can tell you safely that there would have no interest by any other Government, no serious interest, if you did not start in the way we have started, ensuring that the environment is enhanced. So that, the e-commerce policy which our Cabinet has approved and we are currently finalizing the implementation plan, really serves to ensure that we have a very holistic e-commerce ecosystem that

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benefits consumers, but more importantly, it is going to benefit businesses especially small and micro businesses, medium-sized businesses as well. And it means that they are able to achieve global reach for their product very easily by exhibiting their goods on the Internet, by conducting sales on the Internet, and this is how those small—this is another way in which those small manufacturers can, in fact, grow.

Another important role and another important function that we have been focusing on in the Ministry of Trade and Industry is the provision of economic spaces, and none of which and, in fact, I had said at the budget period, none of that was done by the last Government. The last Government provided no new economic spaces at all for businesses to strive in this country.

And I want to say that we continue to work on the Tamana InTech Park, late as it is, we are very focused in ensuring that this park is, in fact, filled. They are employing a number of strategies to do so, but I am quite excited to speak a little bit about the new agro-processing and light industrial park which was launched by this Government only last week. We had the sod turning ceremony in Moruga. This is a project which is being managed by UDeCOTT with construction being undertaken by Roscan Limited. This project will be delivered in 2019, perhaps by April 2019, March/April 2019. We are very excited about the establishment of this facility which is to boost agro-processing and light industrial manufacturing, light manufacturing, in a very rural area in Trinidad and Tobago, and this is something Moruga perhaps has never seen.

So the reason why we took a decision to actually build some shelves initially, will be so together with our marketing campaign, by the time these

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shelves are ready, by the time the park is, in fact, ready, we can have activity going there. We are very focused on the kinds of products that we can see being utilized in this agro-processing centre, and later on when we—and we have been talking about the Moruga fishing facility, when this is, in fact, announced, and it is going to be very soon, when the construction of this commences, it is that, again, these two facilities would obtain nicely and it is that produce from the Moruga fishing facility will, in fact, be processed or can be processed at the Moruga agro-processing and light industrial park. So therein lies the nexus and the connectivity which in the work that we are doing with the Moruga fishing facility, and also the Moruga light manufacturing park and the agro-processing park.

Cabinet also agreed to the Phoenix Park Industrial Estate, and I spoke about that a little bit, and I want to say that we are well on our way to ensuring that this gets off the ground very quickly. And what we want out of this Phoenix Park Industrial Estate is, in fact, a state-of-the-art industrial estate. It is 133 acres, and we expect to have about 50 to 60 businesses there, a range of businesses that we expect in the area of high value manufacturing, light manufacturing, logistics and warehousing, emerging industries as well, and there is keen interest, Madam President. I can tell you, I am not at liberty to disclose the name as yet, that we are working with one major international firm who we expect to be our anchor tenant. And this tenant, once we are able to close on it will, in fact, occupy 10 acres out of this 133 acres. The prospects are great.

There is also keen interest shown by other manufacturers, international manufactures, and we expect to generate, when this park is fully complete, and again, because of its close proximity to the Port of Point Lisas, we expect to

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generate jobs in the order of thousands I would imagine. I can safely say 3,000 jobs at the time of full occupation of the park and, of course, in the construction stage as well considerable jobs. And, Madam President, I will speak to it when, in fact, we have closed and tied up all that we need to, just to begin the implementation or construction, sorry, of this park.

The Ministry as well is working together with the Ministry of Works and Transport to take over or to bring under the reigns of e TecK the Piarco AeroPark which is another 68 hectares of land that is earmarked or all kinds of activities: cargo activities, commercial activities, hospitality activities and so on. And whist it is that the Ministry of Works and Transport, through the Airports Authority has done some work on of the development of the park, we will now accelerate—

Madam President: Minister, you have five more minutes.

Sen. The Hon. P. Gopee-Scoon: Thank you. We will now accelerate—through e TecK we will accelerate the development of this 68 hectares of land as well in the east of Trinidad. So again, another economic space that is opening up for business activity both local and foreign.

New projects for this particular six months: The new projects that have come on-stream, the battery assembly plant which I know that they already have a container ready for export, and I think the launch is going to take place soon, but they are already in motion and they are producing batteries for export.

Also, the HADCO ice cream factory, we know that they have already have begun production and that is also geared for export. Their launch is to take place in June as well. We also in June we would witness the sod turning of a new hatchery which will produce a number of chicks, so that, again, will curb our

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import bill and, of course, improve our hatchery production, our hatchery and chicken production for export, not only for the local market, but also for export.

So in the area of diversification there are a number of areas that we are working on, certainly in the maritime sector, and the Standing Committee continues to meet. There is much work that has been done in the area of transshipment and coal stacking. The Cabinet has now approved a policy for transshipment and coal stacking, and the marketing of these services is now well on the way. InvesTT is getting involved in the marketing of these transshipment and coal stacking opportunities.

There are a number of other projects including the Tobago marina which an RFP has already gone out in the press. There has been much focus as well on the yachting policy, and we actually are now implementing our marketing and promotional plan. They have developed a safety programme to ensure the safety of cruisers. We have worked on the standing operating procedures for immigration officers. We have developed guidelines for the environmental practices for marinas and boat yards, and we are well on the way. In fact, this weekend we will support a yachting regatta. We have not seen regattas in this country for a long time, and the Ministry of Trade and Industry will be supporting the return yachting regattas to this country, that is in Tobago this weekend as well, the Tobago sailing—
[Crosstalk] Yeah. This weekend the Tobago sailing regatta.

The live music district. CreativeTT is creating a lot, a lot of interest, with its live music district. And this initiative, again, is intended to provide opportunities for local artistes, but it is also intended to grow the non-energy sector as well. It is a fundamental pillar in terms of growing our music industry. The idea is that we

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want to have music, focus on live music all year round and to develop a local music ecosystem.

Madam President, we would have held on Ariapita Avenue just three weeks ago, in collaboration with bpTT, the BP Renegades and the Port of Spain Corporation joined with us to produce an exciting and exhilarating concert that was enjoyed by thousands in the population; so, we continue our work there.

Also, in fashion with our fashion Value Chain Investment programme. The Bespoke Tailoring Programme; it is a huge success despite some of the negativity that is out there. It is a major success, 33 students are enrolled, some on an evening programme, some on full-time programme and the Ministry of Trade and Industry is working with the Ministry of Education and the Accreditation Council of Trinidad and Tobago and the National Training Agency as well with the aim of obtaining certificating and accreditation of this Bespoke Tailoring programme. Down the road there is a long view with regard to this tailoring programme. I see us developing a tailoring industry where we would, in fact, be exporting male garments out of Trinidad and Tobago.

Madam President, there is a lot more that I can say, particularly about our reforms, but we are very committed to reforming through the Single Electronic Window, and through, of course, the ease of doing business, and at all times improving our position on the Global Competitiveness Index. I thank you. [*Desk thumping*]

Madam President: Sen. John, I recognize—

Sen. John: Thank you.

Madam President: But, Sen. John, no. At this stage though, hon. Senators, we

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will suspend and we will return at 2.00 p.m.

12.52 p.m.: *Sitting suspended.*

2.00 p.m.: *Sitting resumed.*

Madam President: Sen. John.

Sen. Jearlean John: [*Desk thumping*] Thank you, Madam President, for the opportunity to join this debate. I mean, I have a full preparation, but given that the honourable which proceeded me made some remarks on which I have to set the record straight, it means my good friend across the aisle might get away from me asking about boat and road, and so on. Right. [*Laughter*] [*Interruption*] Thank you.

Anyway, Madam President, by listening to the contribution of the hon. Minister of Trade and Industry, I think the PNM continues to peddle a false narrative that the People's Partnership did nothing along the East-West Corridor, and this I think is an old trick, a dog whistle, even, just, not unlike the Calcutta ship, you know, where they are saying something without saying something. And, I think it is important in this House today, that one really expands on this, and let us see now who could go out on the corridor, or on the pavement after and who cannot, [*Laughter*] based on the work. All right? Because facts are really stubborn things, and the PNM is entitled to their own facts—their own opinion, but they are not entitled to their own facts.

Now, you see, Madam President, the hon. Minister spoke about policies, and she is right, because you start with a vision, it comes to policy, but then it is actioned. And, I think the issue that is facing the Government, is how do I trigger action? Because what the people are asking for, really, is action, and to date there

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have not been many speakers, but I have heard nothing about jobs. [*Desk thumping*] And really what is needed outside there, right now, just as the Reverend Martin Luther King had said, there should be the fierce urgency of now as it relates to the creation of jobs. [*Desk thumping*]

You know, it is good to talk about Revenue Authority and feel giddy about it and so on. But at the same time, that will not feed hungry belly. You understand? So, Madam President, and I am talking about this IDF and how it was used because I am seeing where under Head 18 about \$800 million is taken out and it is placed, it is spread over more or less salaries, et cetera. So, it is not placed in any revenue bearing activity. I mean, I am happy to know that public servants are paid. But, certainly, in correcting the record about work along the corridor, I can tell you that under my chairmanship UDeCOTT built eight police stations—they were delivered—and four more were in process, had been mobilized and well along their way, up to about 70 per cent complete. So, I want to know if Arima, where the first one was handed over, is not along the corridor. Is Piarco not along the corridor? [*Desk thumping*] Maloney, is that not along the corridor? Can you kindly tell me where is Mayaro Fire Station? Where is St. Joseph Police Station? Even ending up along the beginning of the corridor in Besson Street, where the current Government went and they cut ribbons.

And, that went on. I think there is a major sports facility up at the Eddie Hart grounds. With respect to the HDC, you had Bon Air, where 398 housing units were well on their way, probably about 60 per cent complete. You have in, not Maloney, in Barataria, 34 units being constructed. They would have been handed out by the Government. I know the Government tends to conflate what

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they have done and what we have done, because, to me, Government is a relay. All this argument about what was not completed and what “coulda” been complete, all that makes no sense, because it is a relay. I mean, after this Government is voted out in 2020, certainly there would be nothing to continue. [*Desk thumping*] We know that. There would be absolutely nothing to continue, because nothing has started because they are busy and stuck on policies.

Now, Madam President, if, as I said, there were about 1,250 housing units started in Trestrail Farm; Bon Air, 398. That is Arouca. That is along the corridor. In Beetham—I know they do not know where Beetham is, because no bigshot “eh” living there—we actually built two apartment buildings. As a matter of fact, I was there last week, and I will talk about that shortly. And I can tell you—and all of this is the IDF, Ma’am, just in case you are wondering what I am referring to. Under the IDF, we built two apartment buildings on the Beetham, and when I went, there was one built prior to, and three months after I was asked to come and look at it because we were about to allocate. And when we went, that building had been standing empty or sitting empty for three months, and you open the door and everything was intact in that building. So, you know, sometimes people go away with this impression, or they speak down to the people of Hell Yard, Beetham, but nothing was missing. Not a light bulb, not a switch, not even the plumbing was missing. You understand? [*Desk thumping*] As a matter of fact, to hand out the keys, the then Prime Minister Kamla Persad-Bissessar went and say, this is not Hell Yard, this is Hope Yard, because of the love that was felt in that community.

Madam President, as I said, it is untrue that nothing was done along the corridor. As a matter of fact, so much was done that 2,500 housing units were

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refurbished in a place called Beverly Hills. [*Desk thumping*] Now, my PNM friends will not know where Beverly Hills is, because it is in Laventille. You understand? We put solar lights up in Laventille. There was pigeon proofing, painting, roof repairs, roof replacement, sewerage, construction of sewer system, new garbage disposal systems, 9,714 units, all along the corridor were refurbished. Who refurbished them? The people of the corridor. That is why I can tell you— [*Interruption*—the point is, if it is we have to walk up that corridor now, PNM and somebody representing the UNC, I can tell you they do not want to see PNM people, because the people are looking for jobs. [*Desk thumping*] The people are not looking for old talk. They are looking for jobs, and all of these policies, all of these whatever arrangement in terms of stopping the leakages with the taxes, it must come back to what are the peopling looking for? J-O-B-S, jobs, that is what they are looking for. All right? So, it is totally untrue that nothing was done. We started an oncology centre. It is not the Opposition fault that it was not completed. There is a major sports facility also, up along the corridor. All of this infrastructure had been put in place.

Now, when I look at the document, this Variation of Appropriation Bill, I looked at it, I found it was short on economic fundamentals, management principles, and I think, maybe, it was only meant for short-term political objectives because, really, it was simple Arithmetic, you know. I am very surprised to hear the level of debate going on in this good Chamber, because it was just Arithmetic, where money was taken out from one area. And it surprises me that it is the IDF that this money has been taken out of because you can really roll this up into projects where the butcher, the baker, the candlestick maker can get some sort of

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opportunity. Because, as it stands now, there are absolutely no opportunities. Some of us need to leave this room and go out on the road there and we will understand what is going on.

So, most of this money seem to be paying outstanding salaries and some related cost. Now, I am happy that public servants who are owed their money are being paid. The Minister of Finance spoke about the economy is turning around and revenue collection, and several speakers indicated and referred to that. But, more than anything, Madam President, he felt so confident in his hypothesis that he said I can see clearly now the rain is gone, and “it’s gonna” be a bright, bright, sun shinny day. Now, if this claim that the revenue collection is up, and there has been an uptick in the price of oil, my question is: Where are the fundamentals? Where are the working papers? I mean, there is a big debate raging in the national community right now about who is aligned to who. But, I think every citizen of this country is guaranteed a right under the Constitution to ask a question. Where “yuh” working papers? How “yuh” come up with that? [*Desk thumping*] How did “yuh” come up with that? They are not wrong to ask these things because you cannot talk down an economy for almost three years; it bad, is a mess, they stole, and what have you, and suddenly one day you get up and get a dream, and you are saying, oh, everything is a bright, bright, sun shinny day. I cannot quite align my own thinking with that of the hon. Minister of Finance.

So, at this time in Trinidad and Tobago there is a universal agreement that things really have never been so bad. So, I think really it is only the Minister that is getting this euphoric feeling. The consensus is that people are suffering because who feels it knows it. So no amount of grandstanding, posturing and public

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relation stunts could convince the population that their belly full when indeed it is empty. So, this Government will tell you that they come from some village there in Tobago, and that their father is Tobago's best fisherman; they ketch a fish a mile wide, 80 feet in span. He had to tie it on the boat and swim back to land to get "he bredda" Eric to give it "ah" land. But what are we going to say about that? You know, it is words we "cyar" really use in this Chamber—[*Laughter*] You understand? But what do we say about that? But that really is what they are telling us in effect, you understand. So, they are our local economists with the Chamber of Commerce. And everybody too, a man saying, well, this really makes no sense. How could we have been talking down the economy? Because more than money, an economy—there needs to be confidence in an economy.

When you walk in with the IMF, going to a bank, or what have you, you have to go in like a big boy, and you have to talk up your economy. You "doh" talk it down, and then another morning you coming to say, well, things are wonderful and things have turned the corner. Because I can tell you that just across to the east of us, there is a—because, I want to backtrack. When it comes to policies, and laws, and plans, and division of the Government, people must be at the centre of it. You cannot just be doing policies because you feel like it. It has to be somewhere about the people, because it affects the people. You are not doing it in a vacuum.

So, I like to think about how things affect people. And as I go along, and basically last week I was in Beetham, in Hell Yard again, and there I met a lady I knew, Ms. Pinky Osmond, and she suffers from acute respiratory disorder. She is a grandmother. She looks after three children, and that is common in some of our

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communities. And she cannot see her way. She “ain’t” seeing clearly. She cannot see her way. So, you see, whatever is said, Madam President, you know, if it is not felt by the people outside in Beetham, it means nobody “eh” seeing clearly. If Pinky not seeing clearly, nobody is seeing clearly. It is simple as that [*Desk thumping*] because policies and good feelings is not about us in here, it must resonate with those. They must feel it, they must taste it, and they must touch it. But right now, I think our Government is playing “tampus”, as we say in Tobago, see, smell and never taste. You know about that? [*Laughter*] You understand. I not feeling good now. This lady Pinky cannot afford the medicine for her chronic heart problem, or purchase food, and she definitely cannot pay the \$500 with the HDC rent.

So, the conditions under which she lives, it is really bad. She happy too when the rain does not fall because when it rains, sewage, raw sewage comes up into her apartment. So, she really “doh” want to see so clearly to see what is happening in her apartment. The young man, I mean, you were there, Dominic Alcantara and Matthew Bonaire, and I am bringing their names into our Parliament because somehow we are delinked from the people. We are just doing this thing in a vacuum. [*Desk thumping*] We think we come here to talk sweet about economic principles, but the things, I am told, they must resonate with those people outside there on the pavement. The people passing to go to PTSC, and what did Dominic and Matthew say, young men in Hell Yard? Nobody ever asked for money, you know. “What dey asking for?” They are asking for jobs. They said if I get a job it will save my life. Because every day these young men wake up, they are at risk of losing their lives.

Then little Ms. Karishma Balsingh up Las Lomas No. 2, a scholarship winner from Las Lomas. She is our medical doctor. She cannot get a job. You are telling me, Madam President, this morning, there is our Minister of Health jumping up and down, talking about Couva children hospital. Something he “cyar” build, you know he “cyar” build that. “He cyar start one clinic, dat fella.” Jumping up and down, but Karishma, one of our brightest and our best, sit down in Las Lomas all now probably watching on TV. I hope she hear me calling her name and paying honour to her.

And then the last one I would call is Romany Singh, because policies impact people. [*Desk thumping*] It is not about us balancing your books and talking about how much has scraped away. So, now I am not going to do the IDF, I am just going to take this \$800 million and put it, you know, like pick-a-pan around 12 Ministries, and that is the end of it. Because people depend on us to create jobs. They depend on us when we come into this House to do something. So there is this Romany Singh of Caroni South Park Road. I remember meeting her, tears streaming down her face. She is there and her child is paraplegic, lying limp in her arms. She said they had taken away the \$500 grant. You see, that is what we do, policy. The policy is to take away the grant. We “doh” know who we impact. We are impacting Romany Singh. Then she said she misplaced her food card, and she was afraid to go and ask for the food card because she had heard on the news that they were saying, there were people who were in some kind of con job, or there was corruption in the food card.

Madam President, we really believe that somebody will lose their dignity to go and say, I “cyar” feed myself and I “cyar” feed meh family, and then is a con?

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Something “gonna” be wrong with that. You understand? Why are we doing this to people? We are scaring them, and these people are the most vulnerable in our community. So, it is not about how powerful you are, and you know, we feel like the Lord so we can give and we can take away because, you see, when we are taking away we are affecting people like Pinky who is there at Hell Yard, and who depends on us to do something. These decisions affect real people who generally feel very powerless, but they are hoping and praying, and that they have given some of us in this, whether it is this Chamber or the other place, their power of attorney to go and do something on their behalf.

Madam President, I know that no Government can take care of all of the needs of the people, but the people must feel a sense of reassurance that the Government policies are designed to ease something, to fix something, because we have a large percentage of the people who are very poor. Now, some are poor and some now are being driven into poverty, and we have totally dismantled the middle class. There are now engineers who are married to doctors who have gone back under their parents' house to live. Why? Because contracts are not being renewed. So, it cannot just be about Arithmetic. It has to be about how is this impacting the people? So, when a Minister can take perverse pleasure in administering tax after tax, after tax, and then giggle and brag and say, but they have not rioted as yet, you know something has to be wrong with that.

Madam President: Senator. Senator, please. In your references to Members of Parliament, you need to just take into account the Standing Orders. Okay.

Sen. J. John: I am guided. So, now for those who are inclined to take the Minister of Finance seriously, it was pointed out that the price of crude oil had

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risen to an almost three years high which was as a result of temporary factors, the delicate arrangement between Russia and OPEC. Then you have this deal which has unravelled with Iran, based on President Trump's unilateral decision to withdraw. The collapse of the oil industry in Venezuela is another factor and, of course, maybe a looming trade war between China and the US.

You see, Madam President, this economy was never a mess. It was never, never a mess. It was just a simplistic ploy executed to mess with our heads. [*Desk thumping*] The Government talked down the economy deliberately. They never took into consideration that even more than money, as I said before, we needed to have that confidence. And no serious practitioner talks down the economy. Now, you know, they are there running behind Standard & Poor's, if they say this or if they say that. But if it is that your outlook was stable and now is negative, I "ain't" see nothing that has been enhanced by that. [*Laughter*] I mean, I do not understand it. How could that be something positive that we are here bragging about it? So then one went to Moody's, and they went to Finch. So, Madam President, I think the Government is like Belmont Boys RC, try and try again boys, one day you will succeed. So next thing we go hear they are getting a credit rating from Eastern Credit Union. [*Laughter*] There might be the only place they would get what they are looking for. I do not understand it.

If it is this is an indication, because "dey does cuss everybody", excuse me, Madam President. Any commentator is subject to ridicule. But, if an international agency—and between Moody's and Standard & Poor's, they control 85 per cent, I think, of the credit rating market, Finch just have a little piece of it. So if there are big guns. These are really big guys. But, I mean, Madam President, our

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Government will box with the United Nations, so maybe they would do the same with Standard & Poor's, essentially. [*Desk thumping*] You understand. This is a fearless Government, you know. I love them for that.

So, if it is they are looking at the Standard & Poor's thing, and not taking it as a cautionary tale—what they are telling you, “pull up selector”, something is not going so well here. But, no, let us run to this one and run to that one. So, I am looking to see when they publish the credit rating from Eastern Credit Union, because what you witness really was amateur hour at the Apollo. Madam President, with all due respect. And then there was the Ministry of Energy and Energy Industries, or the Minister saying, well, yes, it is me. He is doing the mea culpa. He decided to fall on the sword. Your colleague—Madam President, the Minister of Energy and Energy Industries' colleagues probably love him for that; very gallant to have fallen on that sword. [*Interruption*] Yes, that is what he did. Facts mean nothing to this Government. They only changed their tune that moved it from, “We doh have money”, to, yes, the Treasury full now and overflowing, glory hallelujah. [*Desk thumping*] They only did that when the people decided to tell them party done. Most likely, Madam President, my colleagues on the other side, probably with the exception of the Minister of Local Government, must be “cyar” walk the road now. So, people tell them party done, and we are just waiting for you. The feeling is all pervasive, all pervasive, because the punishment was just too harsh. So, right now, I think what we have here is a dance macabre, never mind the kind of energy I am seeing from the opposite bench. They know just what I know, that the people are fed up. The people are sick, and the people are not going to tolerate this Government for one moment more than they have to.

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So, Madam President, the Minister of Finance has indicated that savings had been identified to meet the projected liabilities. But what savings? This is not savings. This is Arithmetic. Savings is when you have some projects and you would have done them, and through prudence you would have effected some real savings. This is not the case. It is just Arithmetic; where the money is, I am going to take it from here and put it there. And then, Madam President, what I saw in the write up is that the funds provided for capital projects under IDF will not be fully utilized. I find that is scary stuff. What is happening here? Why is it that the contracts have not been fully finalized as initially projected? We have about four more months before the end of this fiscal. Why is it—so that we can take up \$800 million. You know what that would mean to Pinky? Not to give her individually, but you will create jobs, and these young men all along that corridor where they say that the People's Partnership did nothing.

So, it had nothing to do with savings. I think the 12 Ministries got lucky, because the Government cannot mobilize their projects, and because you see, even when money has been allocated to this Government they still cannot mobilize a single project. So, after all, what has been proven to this county, it is not about dollars, [*Desk thumping*] it is about sense. It is not about dollars. That is what is being proven. It is about sense, common sense. You understand? Because all of this money is there, they cannot blame Kamla, or Jearlean—you know they like to call up my name also, Madam President. So, not one meaningful project since 2015. So, they used to accuse the People's Partnership of sod turning. Well, I invite my colleagues to turn some sod “nah”. Cut some ribbon. Get some pictures in the papers, so at least people will feel that there is some activity because people

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want hope, and they feel if you cut a ribbon, they go say, ah, something coming, and they could go and ask some big boy for something, of course.

Because the PNM snared at the former Government because of their policies, they had the vision, the policies, and then action. And what did they say? You see, people sometimes like to make false equivalence, so because to hide from the old lack of vision, that is what all this talk about corruption is, you know. That is to hide from the lack of action, the lack of work. They now, they have made a four letter word offensive. And I know I am new to this Senate, this is not the word we are talking about. The four letter word is work, W-O-R-K. They have made that word offensive. [*Laughter*] [*Desk thumping*] I have never seen that. So you must not work hard, because when you work hard, you must remember there is an outcome. There is an output. There is a consequence to work. And if there is no work you have nothing to show, and that is what is happening. There has been no work. “So, I doh want no ole talk about we doing, we policying and what have you?” There is just no work because after that there must be some kind of outcome. [*Interruption*] So, that is the point. That is the equation, Madam President.

So, they sold the country a Calcutta ship story of bigotry, a story that all of the work, and delivery of project, because it is all about stereotyping, you know. Because when you cannot compete you then try to break down. You know, disparage. [*Desk thumping*] “Leh we mash up de place.” [*Desk thumping*] That is what has happened here. So the new schools to ensure quality education for our children, it meant nothing. The hospitals to provide world-class health care, now I see they want to change the name, the Government, or they change the name and

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rebrand the children hospital. But, notwithstanding that, it remains what it is, and it was brought in on time and within budget. You understand. And another thing, I am sorry the hon. Minister of Health is not here. When a Government is in office, it is voted in to govern, and it governs according to its own vision. It does not govern according to anybody else's vision. We can just talk but whatever the Government vision is, it is their vision. We cannot do anything about it. But, certainly, you have to be mature enough to understand that; it is your vision.

So when you build a hospital there is something call a scope of works. A scope of works, because you would have examined, and you would say based on the needs of the people, my constituents, meaning all the people in the area, this is what I think the needs are, and you build a hospital. You purpose it according to that. If you find it "eh have this and it eh have that", and you in charge, then put it in. It is your right so to do. [*Desk thumping*] But "yuh cyar" be quarrelling and complaining, Madam President, that I did not put that. You understand. You do it, Madam President. You understand? "Doh" come and tell me what I did not do, and then all this thing they come here and talk about, well, you know, the hospital was to cause whatever. They just call anything. The glass was to cost \$10, and now it is \$5, through prudent management. All that has happened is a change in scope. You fool no one. That is a change in scope. Change in scope. [*Desk thumping*] "If rice eh gone down, and flour eh gone down, and cement eh gone down, is a change in scope." All right? There is no "brights" there to tell me that you do anything else, it just change the scope. And if you have not done that, "leh" me see the working papers, because it is just ole talk and noise in the environment that messes us up.

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So, modern police stations to ensure the nation's safety and security. Housing for persons for whom it has been a long time coming. So, when these IDF projects, that Head 18, is working efficiently, multiple, thousands and thousands of jobs are created. Oh yes, they may not be what you call these kinds of economic activity in that sense. It is economic activity, but it may not be revenue generating activity. But, that is important too. We have to do both of them. We have to be going after new ideas and so on. And, of course, I heard the Minister of Trade and Industry talking about a few in the private sector. But this is a very anaemic private sector. Anaemic! She could not even call—the hon. Minister of Trade and Industry could not even have called out how many jobs. You know why? Because these jobs are miniscule. They would not even—

Hon. Senator: They need support from the Government.

Sen. J. John: They need support from the Government. That is the point. They need support from the Government. Whatever it is, the Government probably need to find out what it is the private sector needs to stimulate them so they can do a “lil” better.

So, when we use that money from the IDF efficiently, everybody benefits. You understand? I will say the butcher, the baker, the candlestick maker, and I mean they are talking about, the Government that is, they are talking about roads, major infrastructure projects, but, you know, roads are important, yes, but we have to understand, in this hard guava season, when jobs are so scarce, you know when you do roads, roads are really machinery intensive. And basically, when the big contractors roll in, they roll in with everybody including their water fetcher. Everything comes from outside of the jurisdiction. So, we have to kind of balance

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it. We have look at what the big guys are going to come in with, and what we could do that the people of the community can get a little something inside of there. So, mobilization of construction activity creates jobs. It can create immediate jobs for the people of this country.

Madam President, as I traverse this country, people never ask for handouts. The just ask for jobs. Everywhere you go: Where can I get a job? So, right now the Government, this Government is solely and unashamedly dependent on the projects which had been started by the People's Partnership to pretend to Trinidad and Tobago that there is some semblance of activity within the sector, the construction sector.

I wish to reference three housing development projects situated in West Port of Spain, which had been started under the IDF, by a previous PNM Government, then the People's Partnership came in and completed. One, Chaconia Crescent in Diego Martin. That was completed. All the keys were handed out by the current Government and so on. Then we mobilized Vieux Fort. All these projects were projects which were on the ground. Victoria Keys; the Government Campus Plaza. You see the Government cutting ribbon. But when the People's Partnership went into Government that project was on the ground. We had to re-scope, re-tender, and so on. So, now you can move into Customs and Excise building, Board of Inland Revenue, Ministry of Legal Affairs. All of these projects had been started, or continued, by the People's Partnership. Nothing was left. [*Desk thumping*] When it is that the People's Partnership did not continue with Real Spring and Brian Lara, it was because there were some serious issues with these projects. There were question marks.

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The report had come back from the quantity surveyor that the contractor had been overpaid. I am very curious to know how it is those projects had been remobilized if the contractor had not repaid those money, but I suppose we will see. The Red House Project was mobilized under the People's Partnership, Stollmeyer's Castle, you understand, again that was about 70 per cent—had achieved 70 per cent completion. Even this Chamber, Madam President, that we are sitting in today, this building was repurposed by me, under the People's Partnership. So, I am asking, maybe you ought to say, thank you Jearlean, you understand.

So, the Minister—no, they do not say thanks—of Finance, with infrastructure, as I said in cutting these ribbons and so on. You know the Minister's choice of song, you know, he is beating his chest, but all these projects are the People's Partnership projects that he is talking about. Beating his chest, Madam President, and he is saying, I can see clearly now the rain has gone, and that is really an inappropriate song as far as I am concerned. I think given the fact that, you know, what is being put out to the public, projects have started or continued by the People's Partnership, the Minister really appropriately should be saying, I get by with a little help from my friend, Kamla, you understand.

You know they need to say thank you Kamla. [*Desk thumping*] I do not know, they need to say thank you Kamla, because were it not for her policies, you know, what would the current Government do? Because there they have almost a billion dollars in the IDF and I am sure it is more. I need to look at the arithmetic a little better. That they could have just taken and say, you know, look your salary

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here, there and everywhere. Not one project mobilized, not a job created. I mean, how can we just allow this opportunity to pass, that no jobs, we are talking about policies and we are talking about jobs. What would people eat, Madam President, out there?

So, I think we have to—I want to talk a little bit about diversification, but there is no diversification with this Government because there was a board which two members got wise very early and they left, and Dr. Farrell resigned in January and David Abdullah left and he said, turn off the light, for the last one who left the building. But I mean, we have little or no oil left under the ground. Venezuela with 300 barrels, they have the largest oil reserve. Venezuela—

Hon. Senator: Three hundred billion.

Sen. J. John: Three hundred billion. Yes, 300 billion. They are now in chaos. Their people are coming here in droves. Just recently, I think I read or saw where even a Consuela ended up in a police station to tell you they are overrunning the place. We do not want that to happen in Trinidad and Tobago. So, we really have to get serious about this diversification and “doh” say well, the People’s Partnership did not do it. Now is your turn, do it, you know, this kind of arguing about who has to do it.

Even in Saudi Arabia, Madam President, in 2016, they have 267 billion barrels of oil under the ground and in 2016 they came up with Vision 2030. Can you imagine if this Government had continued with Vision 2020, because 2020 is right there, or even take out the two and take the three, but the same way they dislike me, Madam President, they hitting Manning too, you know. I am proud to say he was my friend to his death, you understand. But Saudi Arabia said they do

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not care if the oil comes down to \$1 a barrel, it will not affect them by 2030. And you know who is doing that? I would call him a child. This Bin Salman, what is his name?—Mohammad Bin Salman.

Just recently he was in Hollywood actually going after these movies and so on. You know, they are very serious about ensuring that they diversify their economy and they are taking some very serious fundamental decisions in terms of having women driving and so on. They are changing—that is how you do policies. You do policies to impact something. You do not do policy because it is making you feel nice. You know people say I do policy. What “ah” policy for? It makes no sense. You have to do policy for something, to impact something. So when they say listen, in our sports stadium we are going to put toilets and bathroom for females there, that is to facilitate something. When they say we are going to have women driving, it is because they want people like me and my good friend here, for us to drive, to be independent. So there they are and they are saying by 2030 they are going to do it.

In Dubai, Sheikh Maktoum said, nobody knows who climb Mount Everest the second time, you understand, because that was his guiding principle. Lee Kuan Yew said, anything cannot go. There must be order. We cannot just be wavering around and saying, well this, we have no money today, things bad today, it is all gone and then tomorrow, “oops,” you know, I can see clearly now, because I do not know what we are seeing clearly now. So there in Saudi Arabia busy with their—what you call it, their diversification because nobody is waiting on Trinidad and Tobago.

You know we like to say we are special and we are unique, but everybody

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who goes to the market ahead of us is there—

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

Sen. J. John:—before us. You have North Korea now, all the smiling and grinning with Donald Trump, you think that is about nuclear and what have you. That is about diversification. Iran is trying to hold on to the deal that they have—well not with America anymore, with Europe. Why, what is that about? That is diversification. Everybody is going to the market with the same ideas and I mean, Madam President, for “Christ’s sake” we do not need another plan.

Madam President: Sen. John, please be careful of your language, okay.

Sen. J. John: I am a Christian. Sorry, Madam President. But I am simply saying, you know, it is just so heart-rending where everybody is just ahead of us and somehow we just cannot get it right. And I think we are wasting another opportunity to get this turnaround right and there are many people in the lineup who are going to get there ahead of us but, Madam President, I say that I know the dawn will soon be here and really and truly people of Trinidad and Tobago will really see a bright sunny day under a Government of the United National Congress come 2020. [*Desk thumping*] Thank you.

Sen. Dr. Dhanayshar Mahabir: [*Desk thumping*] Thank you very much, Madam President, for this opportunity. Madam President, having heard my colleagues in the profession, my former student, Sen. Obika, and my former student and colleague now, Sen. Shrikissoon, before me, there is very little left for me to say and I plan to say very little, though I may not succeed. [*Laughter*]

Madam President, this is one Bill in which I know you will give me maximum flexibility, but I assure you I will stick to the Bill on this occasion. And,

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Madam President, when I look at certain elements in this Bill, a number of important issues arise. Take for example the \$100 million in subsidy to Petrotrin. Recently the Minister of Finance, couple budgets past, did increase the price of super gasoline and other petroleum products and now we are told that there is a need for \$100 million to provide to Petrotrin based upon Petrotrin's increased cost. Why is Petrotrin's cost rising?

The important reason is that it must pay more for imported oil. But there is another aspect of Petrotrin that we need to look at now, Madam President, critically. And we need to ask ourselves, why is it costing Petrotrin so much to refine a barrel of crude? I think it is very important for us to look at Petrotrin as a refiner, compare Petrotrin with refiners globally which refine the particular type of crude that our refinery is geared to refine, and ask ourselves, is Petrotrin in the top 25 per cent of refiners in the world in terms of efficiency or is it in the bottom 25 per cent? If it is in the bottom 25 per cent, what are we doing to lower its refining cost so that the Government will not have to transfer to Petrotrin subsidies of this sort, having raised the price of petroleum products and the population may very well find with an increase in efficiency, of refining efficiency, that the price of Petroleum products at the pumps may very much fluctuate. Refineries across the world operate like that. And I think we need to look at that aspect of our economy, because in the absence of a mass transit system, Madam President, we know that the working population will continue to rely upon the regular vehicles and petroleum costs will, in fact, incur a large quantity of the disposable income. So let us look at that for the people, efficiency of Petrotrin.

But that, Madam President, raises a second very important point. And that

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is, Petrotrin is paying more for crude imported products, crude oil. So with, we are receiving more for our exported crude. I wait for the Minister of Energy and Energy Industries to let us know how oil output is behaving—and the Minister of Energy and Energy Industries is coming in at a correct time. I am hoping that we are now gradually increasing our daily output from 80,000 to maybe 81,500. The reason, Madam President, is this. We have once again an opportunity before us, thanks, of course, to geopolitics, that Iran deal is going to result in an increase in the price of oil for 2019. The difficulties is in the Permian area in the United States with respect to pipelines will give us an opportunity for high prices over the next 12 months. What are we going to do with these prices? Is the Government committed to the Heritage Fund? If it is committed, give me a number. You see, Madam President, we will not be able to advance economically unless we exercise discipline. We will not be able to advance economically unless we exercise discipline. [*Desk thumping*] And discipline will only be achieved when we adhere to targets. That is how it is. I did not make that rule.

Is there a target for the Heritage Fund? And the first deposit on this Heritage Fund was made in 2001 by then Minister Brian Kuei Tung, \$1 billion, awaiting the legislation of a few years later. And I have always argued, I go back a long way with this fund, September 1998. My position in the fund is that, unless we have a clear view as to where we are going to go with this fund, this fund is not going to do for us what it ought to do. Take the target of US \$15 billion—that was the initial target. It was so then, it is so now. What is magical about US \$15 billion in that fund and I await Government's policy. I have tried to get Government after Government to commit to a target without success. Well, this is for both

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Government and Opposition. Whoever will control, what is your target?

Let us think about this figure of \$15 billion. Why? It will give us, Madam President, at rate of return of 5 per cent capital protected, TT \$5 billion annually in perpetuity. And what that TT \$5 billion is in perpetuity, when we no longer have oil in the ground, is that it is currently estimated at 10 per cent of Government's revenue. Could we commit that our Heritage Fund giving us 10 per cent of revenue is something as a society we should aim for? We let many opportunities in the past go. We are getting an opportunity now, I wait to see what Government is going to do between 2018 and 2019 with the increase in the price of oil. Let us hope we have learnt some lessons for how not to mismanage an oil wind fall.

And, Madam President, just as we are getting some breathing space, should we not after 10 years of deficit, after deficit, after deficit, now make a decision that we should finally balance? After all, the prices of our export commodities are rising and if we are going to balance after 10 years, how are we going to do it. Well, here is how to do that. Commit that our expenditure is not going to exceed \$50 billion for the next few years, because the problem for Trinidad and Tobago has always been rising revenue and rising expenditures. In 2004 we spent \$18 billion. In 2005 we moved to \$32 billion in expenditure. Why?—because there was a huge infusion of revenue on account of natural gas.

So rising revenue, rising expenditures, falling revenues, then we get into trouble. Let us commit to balancing the budget and if we could commit to \$50 billion we are doing very well in this economy by spending \$50 billion per annum. If we could stabilize at that level, then any increase in the revenue we obtain over the medium term can be used not only to balance the budget but to run some

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budget surpluses. So that is another target. Discipline, HSF, US \$15 billion in that fund. The size of the Government budget, \$50 billion. That I think, Madam President, will go a long way towards getting us on a path of sustainability.

Madam President, like my colleague Sen. Shrikissoon, I too was perplexed with this payment on the principal of the UDeCOTT debt. I had to read it on a number of occasions. It was payment on principal. One understands, Madam President, that we can frequently underestimate how much we have to pay in interest charges when loans are contracted at floating interest rates. This was the problem, this is a problem that many mortgage holders face with floating rates of interest on their mortgages. It is a problem Trinidad and Tobago experienced in 1983 when we had a huge foreign loan account, an interest rate internationally, the rate called LIBOR, L-I-B-O-R rose, our loans were linked with LIBOR and we obtained, we experienced an interest rate shock. So that is not easy to forecast and one understands a supplementary or a variation with respect to paying additional interest.

But this UDeCOTT loan, it was budgeted for \$24 billion and now we are told the actual payment is \$36 million. In the scheme of things it is very small, but, Madam President, a 50 per cent change in a figure that ought to have been budgeted for in September, Sen. Shrikissoon is right. Do we know what the indebtedness of Trinidad and Tobago is? Do we know, do we really have a good spreadsheet with every single paper, commercial paper for which our hon. Minister of Finance is ultimately responsible? Have we tallied the Petrotrin and the T&TEC and the UDeCOTT and the CAL and the T&TEC and WASA and so on, you will find that it is a very large sum. And what we are seeing, what this underestimation

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indicated to me, Madam President, is that maybe we need to place a bit more emphasis on every single item of debt that is owed.

The reason is, Madam President, if we do not know what we owe you can be sure of one thing, the creditors do and creditors know when their payments are due. Given that we have run 10 years of continuous deficits and the outcome of deficits is debt. Debt is what is owed. We now owe a huge amount. Let us commit ourselves to another item of discipline. Could we say that as an economy, subject to the types of shocks that we have seen over the last 50 years—in fact, when you go to the history of Trinidad and Tobago, the history of Trinidad and Tobago is an economy of shocks. We had a shock to the cocoa industry, a shock to the sugar industry, we had a shock to oil and gas, we have had shocks all the time and usually they are unpleasant shocks, sometimes they are beneficial and buoyant. At one time sugar was extremely profitable, but it, of course, that was a temporary positive shock.

The statistic we need to be looking at is this and what worries me about budgeting in Trinidad and Tobago is that after 10 years of deficits and after a huge stock of debt which has been accumulated, we may now be on the verge and on the cusp of balance, but the debt stock remains. We will need to run surpluses for a good while in the future to build up the HSF and, Madam President, to reduce our debt stock. But could we now as a society, Government and Opposition tell ourselves that maybe 10 per cent of our revenue on an annual basis seems like a reasonable amount to allocate to debt servicing, leaving the Minister of Finance, whoever he or she may be, with 90 per cent of all his revenues to effect social change and to discharge his obligations.

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If we can commit that it is reasonable, and this is not just a figure pulled out of the air. When someone is, Madam President, applying for a mortgage in a bank the banker will always indicate that the mortgage monthly payment should not exceed 20 per cent of your disposable household income, because if it does exceed that they know you will have difficulties in paying the mortgage because there are obligations in excess of mortgages. So could we commit to 10 per cent, leaving 90 per cent to the Minister of Finance? If we do, then it means automatically we have a figure for the debt stock, because, Madam President, if the average interest rate on Government debt is 5 per cent, if Government's revenue is \$40 billion, 10 per cent of Government's revenue \$40 billion is \$4 billion per annum in interest charges. What the \$4 billion per annum at 10 per cent of Government budget tells us is that an \$80 billion debt stock, maximum, will allow us to have a \$4 billion debt servicing payment, interest rate at 5 per cent and revenue stable over a long time.

We automatically, once we commit to how much of our revenue should be allocated to debt, we automatically get a figure for our debt. It avoids the problem Sen. Shrikissoon has alluded to of debt to GDP where the European Union has said that a country wishing to become a member of the EU should not have a debt to GDP in excess of 60 per cent. My point is, let us go simpler than that. Ten per cent of your revenues allocated to debt servicing will give us a maximum debt stock of \$80 billion per annum. We are already over that limit. We are already over that limit.

So once we can commit with discipline again, discipline, you see, Madam President, when I looked at the economic history of Trinidad and Tobago between

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1986 and 2002, 2001 I saw continuity in economic management. The Robinson administration, the Panday administration, the Manning administration. There were three administrations, all administrations with continuity in economic policy subscribing to the types of targets in order to get out of that difficult period we experienced in the 1980s.

Madam President, let me move away from those—I assured you that I would not say very much but I am finding it very difficult. Madam President, and Sen. Roach is chastising me, I am not keeping to my word. But Sen. Roach, the talk now start to go good, “man”. Let us focus on a small matter and I aim for solutions.

I saw, Madam President, and I assure you I will speak to the Bill, I am speaking to the Bill. No one can say I am outside the remit of the Bill today. There is an allocation of some \$21.5 million. You see, Madam President, I am seeing big things arising out of small numbers. This \$21.5 million is a small sum allocated to the St. Mary’s Home, the St. Dominic’s Home and the St. Michael’s Home. But last week on TV I saw that the St. Michael’s Home for Boys, is no longer going to be used. So this is what has happened. We allocated funds to repair a home with a small number of boys, it is not going to be used and there may have been some, as the economists would say, allocative inefficiency. Unless we are going to use the facilities for some other government function it would appear that this could have been used elsewhere. What is the recommendation here? The recommendation here is once we commit to discipline we try to justify our expenditures. There is an old, old, discipline sub-discipline in economics of planning called, “cost benefit analysis”. It is a simple cost benefit analysis

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conducted by a junior economist would have indicated that this was not rational expenditure. And I think if we do that to cross all arms of the State, we are going to effect the kind of costs savings so critical for balancing our budget eventually.

Madam President, I come to the allocation of \$122 million to CEPEP. CEPEP I am sure does valuable work. But the question is, have we evaluated this spending? Have we ask ourselves if we did not allocate this to CEPEP and we allocated this \$122 million to each council district in Trinidad and Tobago to add to their capital spending so that each council district now—I understand they are given some \$10 million or so to do repair works, but if it is—no they are not given \$10 mil—how much are they given? You can correct me. But if we could allocate \$122 million in capital spending to local government, would it not have been more beneficial to achieve the kind of works we want to get done at the local government level. That is one issue that I want to raise. Again, an evaluation of the benefits of the CEPEP Programme. We have accepted the programme but is it really doing what it is supposed to do given what we are financing.

But the second, Madam President, is this, suppose the Government introduces the Beverage Containers Bill in the Parliament. Suppose on account of the introduction of that Beverage Containers Bill plastic bottles are finally collected and recycled. Will there be so much flooding? Will there be so much need for CEPEP? Will the work of local government not be eased? Simple via a change of government's policy. And if this policy can maybe reduce our CEPEP cost, let us consider the policy. We have heard about this Bill for a long time, I think, in the interest of the environmental protection, in the interest of the poor people who are subject to flooding. If one does not wish to accept that plastic

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bottles are causing a problem, Madam President, I invite every single one of us here to take a trip to the Mayaro Beach on a rainy day and on walking along the Mayaro Beach you will see the little rivulets coming out by the beach, you do not know where all these bottles are coming from, littering the seashore. They are in the watercourses. At first I thought it was the people of Trinidad going to the Mayaro Beach to pollute the beach, no. It is all these things coming down, effluent coming in and we do need to assist, not only the environment, but local government with this Beverage Containers Bill.

There are other Bills I would like to have introduced, but I will be outside this particular debate, such as, the Credit Union Bill, bank charges. I do not want to get out of there. I just want to mention them on the sly as it were.

Madam President, getting back to the subject of the debate there is, this Clico enquiry. Well, this is interesting. We are spending \$30million to finance expenses associated with the Clico enquiry. We have gotten a large amount of paper. We have gotten a very good report, no doubt, but when we observed the proceedings we knew that Clico presented to us an embarrassment of riches, of wrongdoing which is prosecutable, one of which is a Ponzi scheme. What is a Ponzi scheme?

3.00 p.m.

It is illegal in Trinidad and Tobago to take interest to pay depositors and then offer high interest rates and try to attract new depositors via these high interest rates. It is a financial swindle of the highest order of magnitude. Madam President, in this Clico enquiry, not only did the protagonists in Colonial Life and in its financial arm earn a large amount to which they were not entitled, not only

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did depositors in Trinidad and Tobago stand to lose their lifesavings after having faith, trust and confidence in this venerable company, but we had defence attorneys in this country who I understand earned in the millions for defending the wrongdoers in the Clico fiasco. And now we, the taxpayers, must do two things. We must pay an enquiry, \$30 million, and we must pay the depositors who lost their money, and we are hoping to collect from some of the assets.

Madam President, there is an issue of moral hazard in Trinidad and Tobago. What is this moral hazard issue? Unless these individuals who are prone to wrongdoing in the financial sector are brought to book and are prosecuted, like Madoff, Stanford, Rajaratnam, all of those; unless they are brought to book what will happen, as happened with International Trust in the '80s; happened with Clico and HCU recently, and will happen in the future, is that they will tell themselves, the people of Trinidad and Tobago will pay. The swindle was on account of the people. The Government will be stressed.

And, Madam President, I am hoping that out of this \$30 million transfer that I am approving, there will be a case brought to prosecution. But I hope—I know that it is hardly unlikely, because in a straightforward case that the SEC has with respect to the FCB/IPO on insider trading since 2014, there is yet no case being prepared. For 22 years the SEC has been unable to prepare a case for prosecution, and so it would appear that white collar crime really, as Sen. Small says, does not exist in Trinidad. But we absolutely need to prosecute all in Trinidad, both the small wrongdoers and the large wrongdoers so that there will be, in this country, some measure—some semblance—of equity, and equity must not only be equity in fact, it must be equity in feeling as well.

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Madam President, I see a sum of \$1.4 million allocated to the Service Commissions. And this is very interesting. I have heard in this Chamber that Service Commissions are—well, due to the Marlborough House issue and so on, my good friend, Sen. Khan, has always complained about Service Commissions. The reality is this. The Independent Benches are enshrined in the Constitution of the Republic of Trinidad and Tobago based upon the Marlborough House agreement. The Service Commissions are embedded in the Constitution. That is how our society is so constructed. Live with it. Deal with it. Accept them.

Madam President, the Service Commissions are there to perform a function. And so when I saw the transfer of \$1.4 million, I asked myself: Are our Service Commissions adequately resourced? Did our Service Commissions, over the last 50 years, receive the type of financing so that they could really discharge their functions as envisioned by those who negotiated at Marlborough House for us? Have we been underfunding Service Commissions? Are we really seeing them as a vital institution? I have a suspicion that Service Commissions may have been having their challenges with respect to resources. And the reason I say this, is that not so long ago a Bill was brought to the Senate to allow a service commission—because it did not have the capability to so do as the Constitution had decreed—to subcontract that work to a private company. I think it is the Commissioner of Police recruitment. It had to be that that Service Commission was not adequately resourced.

So my view is, let us accept the Service Commissions. Let us stop complaining about them. And you see, if we are to build our institutions—that is one of the problems we have had over the last 50 years. Power resides in the

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Cabinet, but not all wisdom. Wisdom exists elsewhere as well. And there are agencies of the State outside of the Cabinet that can and should play its part with respect to improving the quality of lives of all citizens in our country.

When I look at key indicators, Madam President—Perception of Corruption. When I look at another indicator, such as our Competitiveness Index, the Ease of Doing Business, all of these indicators are based on the fact that people on the ground are not doing what they ought to do. And, therefore, if our Service Commissions are to be really effective in making a difference to the quality of life, they must be resourced to ensure that they recruit the best that we have in Trinidad and Tobago, so that when we are dealing with the Ease of Doing Business, the Service Commissions would have recruited the best people to ensure our competitiveness, the best people to ensure that this perception of corruption can somehow be eased; the best people to ensure that we become competitive.

Madam President, let me look at agricultural subsidies. I see in the Bill there is a plan to transfer some \$38 million, again, a small figure in relation to the size of Government's spending package. And I ask myself: Are we really taking advantage of opportunities in agriculture? My very good and esteemed friend, Sen. Singh, Parliamentary Secretary in the Ministry of Agriculture, Land and Fisheries, is always kind and generous to me when I ask for his advice on how to solve problems with my plants. He has good technical expertise. The substantive Minister is here but I want to raise with Sen. Singh, as Parliamentary Secretary, is it possible in Trinidad for us, given the growth of organic agriculture, organic cultivation in the world, that we could start using neem leaves? Sen. Singh knows about neem leaves. Neem is something that will grow in Trinidad very well. Can

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we have, as a small cottage industry for starters, people who have agriculture and business sense, using neem leaves to produce a biologically friendly pesticide for a range of crops, by their very good cottage industry? And I do not know where it would lead. Sen. Singh had given me another organic solution to tomato plants. I will not mention it because that is his intellectual property. So I think he is very much attuned with, not only organic farming, but also maybe organic pesticides. I wait to hear what is the policy in Government.

I see opportunity there, Madam President, because if we can have organic pesticides, we could export this to the growth organic industry in the world. And as I am on organic pesticides, I think—do I have 10 more minutes, Madam President?

Madam President: Yes.

Sen. Dr. D. Mahabir: I have 10 more minutes. Thank you very much, Madam President. Because I am budgeting my time very well because of discipline.

Madam President: You have seven minutes.

Sen. Dr. D. Mahabir: I have seven minutes. Madam President, from 10 to 7? All right. Okay. In the seven minutes, again on the agricultural sector, I will mention to this honourable House a couple of firms, and I will mention three things about these firms, and I assure you I will get somewhere. Aurora(ACB), \$3.5 billion; Aphria (APH), \$2.5 billion; MedReleaf, \$3.5 billion; Cronos Group, \$1.5 billion; Canopy Growth, \$5.5 billion. Madam President, Canopy is going to list on the New York Stock Exchange soon. Cronos is already on the NASDAQ and the rest are on the Toronto Stock Exchange. As I speak today, there is a deal between Aurora and MedReleaf to merge. These are the top five. What they do? They

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are all producers, who, if they operated in Trinidad, they will be cutting a jail, because when I looked at the market cap in total of these five firms, I saw Canadian \$15 billion, which is the equivalent of TT \$80 billion, twice our annual revenue—five firms. What do they do?

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

Sen. Dr. D. Mahabir: Thank you very much, Madam President. What do these firm do? Madam President, these firms put people into profits. Their activity in Trinidad and Tobago would put people in jail. They make cannabis. They produce marijuana. And I am not advocating these firms because I myself would like to sample a joint. I do not. I have no desire to so to. But here we have these firms, growing, growing—and what interests me, Madam President, like India, is this. India cornered the world market for call centres although the first language of India is not English. We let that pass. And now a company like Canopy Growth, Canadian \$5.5 billion. I saw the CEO last night on a programme and he is moving into the US. He produces under Canopy in Smiths Falls. You know, Madam President, Canada is a country that is on the forefront to marijuana cultivation in the world, three months of the year, with sun, and I was told by people in the industry that they got seeds from St. Vincent. They did not tell me about Trinidad. That would have been breaking the rule.

Madam President, why am I saying this? There is a growth industry in the world and it is medicines, and I would like for the Government to—as we diversify this economy, let us look at not only the pesticides with neem leaf, but let us look at how we can produce medicines using these products which are now established in Canada and rapidly becoming established in the United States. I say this for one

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reason. I say this because when the National Oncology Centre comes on stream— as I hope it would—and when there are epileptic patients in Trinidad and Tobago, I am hoping that as a mature society, if the doctor says that the medications which are necessary for their well-being are cannabis-based medications, we are not going to say, “Well, uh, uh, it is illegal in Trinidad and Tobago”, and so compromise the health status of our population. There is an opportunity that the Canadians are exploiting. It is about time we step up to the plate, because this Iran deal will not last forever for oil.

Madam President, I do not know if it is a minute, but in the last minute, one last point I have to make. There was a politician in Tobago, of old. His name was Alphonso Philbert Theophilus James. He was defeated by ANR Robinson. To lose to Robinson is to win. But what was APT James’ clarion call? When Williams was arguing for secondary education in Trinidad and Tobago, APT James was agitating for a deep-water harbour in Tobago. That was how he was angling. He understood the need for the transport. He was a stevedore as well.

And I have seen allocations to the Ministry of Works and Transport. I will recommend to the Hon. Minister of Works and Transport, \$1 million. Select the best minds in Trinidad and Tobago from across the board and let us finally develop an action plan on how, when we get the boat, it will, for the next 50 years, continue to float. It is the least we can do in the memory of APT James and for the people of Tobago. Madam President, I thank you once again for the opportunity. [*Desk thumping*]

Madam President: Minister of Works and Transport. [*Desk thumping*]

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan):

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Thank you, Madam President. I wish to thank you for the opportunity to address this honourable House as I report on some of the activities of the Ministry of Works and Transport. Before I go further I would just like to tell the hon. Senator, Dr. Mahabir, that we have put that team together. It is called the PNM—[*Laughter and desk thumping*]*—*and as we speak, there is a team in Tobago improving the harbour, and another team looking at the construction of the new terminal building for the ANR Robinson International Airport.

Madam President, it is recognized that the Ministry of Works and Transport has the responsibility for stimulating economic growth and support of the social and economic development of Trinidad and Tobago, through the provision of quality infrastructure, land, sea and air transportation service. I convey to this honourable House, in the fact of all hindrances that arise, those of us in Government will remain focused upon delivering the promise currently laid out in our 2030 National Development Strategy. Here I specifically refer to a vision that promised a flourishing and sustainable future for Trinidad and Tobago; a strategy geared to benefit more of our people from all walks of life from the resources available to them in this great nation, and the task of bringing about an improved and prosperous experience of life to all. Madam President, this Government unveiled some of the largest infrastructural projects in recent time, all in accordance with our 2030 National Development Strategy under this Ministry, and within this context I will elaborate as I go into my contribution.

Madam President, I would like to place on record that the Ministry of Works and Transport, since my assumption in 2016, has been diligent in the continuation of ongoing works and preparation activities for new projects in alignment with our

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Government policy in the National Development Strategy, Vision 2030; prudent planning of projects and all future approvals obtained from the Ministry's large infrastructural projects, despite the challenges we may have with our financial resources.

Madam President, in the mid-year review, the Ministry of Works and Transport got \$62,500,000 broken down in several different areas. However, in my contribution, I would like to follow in the footsteps of Sen. Jearlean John and speak about action, because Sen. John spoke about action. But I will divide my action into two sets of action: UNC action and PNM action. We will show the population the difference in real action, and action that benefitted a certain sector of the population.

The Ministry of Works and Transport will have rolled out several large infrastructure projects and I would just want to go into some of these projects and give a detail as to where we are with the projects. Because Sen. John is quite correct. The population wants to see action. It is two and a half years into the term. I have heard people saying that nothing is happening. I am here to prove that a lot is happening on the ground, and how it is happening; where the projects are.

In terms of the Churchill-Roosevelt Highway Extension to Sangre Grande, Madam President, this project has started and I can tell you, as we speak, the entire five-kilometre of the first package has been cleared. Unfortunately, there has been a legal challenge, as the country is aware of, and we are waiting for the final decision in the Privy Council. The Ministry of Works and Transport and NIDCO would have won the two proceedings in Trinidad in the High Court and the Court

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of Appeal. However, the group, Fishermen and Friends of the Sea, got permission to go to the Privy Council. We await the decision. However as that segment of the highway has been stalled for a while, I can tell you NIDCO is continuing its plans. Once we get the decisions of the court in our favour, this project will continue. So there has been significant progress on this highway. And, again, action by the People's National Movement was to cut that highway up into different packages so that local contractors could compete. The previous government's style was to award these contracts to a single contractor, thereby local content was minimized. I can tell you, in this project, the local contractors were about 40 per cent cheaper than the foreign contractors.

Madam President, the Solomon Hochoy Highway, again, this project would have been started, or should have been started in 2009 under the People's National Movement. Unfortunately, when the tenders came in, this highway was—the price came in at about \$1 billion above the Cabinet's estimate. The government at the time took a decision to put the project on hold because a general election was imminent. Unfortunately, there was a change in government. And I say, unfortunately, because the population has paid the price for that error. And the contract was awarded for, I think it is about \$1.2 billion or \$1.5 billion above what the Cabinet would have approved in 2009. That project would have reached close to \$7 billion, as we speak, and it was terminated. For some strange reason a clause was inserted in that contract the day before the election, where the Government could not terminate the contractor for being bankrupt in Brazil, or wherever it was.

This Government took that matter all the way to the Privy Council and we were able to recover \$1 billion in funding from the contractor. That \$1 billion was

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put to work on the highway. What we did was—we again, using the action of this Government—was to break the contract up in different packages, and so far all the packages that have been awarded have been awarded to local contractors. And what is significant about that is that the rates that we are getting now have referred back to the 2009 rates that the previous Cabinet was anticipating. I can tell you on one phase that is before us now, an engineer estimate was close to \$400 million and we are about to make an award for that same phase, for \$280 million, [*Desk thumping*] a saving of \$120 million on just one package.

So what we find happening now on the highway is that we are getting back the rates because of competitive tendering and allowing the local contractors—and the Senator said, and I agree with her, we need to get this down, not only to the big contractors in Trinidad, but also to the small man on the street. The strategy we are using is that we are asking these contractors to, please, whenever they are working in an area, to hire local labour. So we can all talk about action and we can all achieve action, but the thing is, how do we achieve it? This is how the PNM is going to achieve the action. We are going to get the work done but we are going to get value for money and we are going to ensure that the money goes down to where it is supposed to reach. [*Desk thumping*]

Madam President, this highway is ongoing. Four packages are about to be completed by the end of May. An additional four packages are about to start up. So without any big fanfare, without any big protest—because you could recognize that since this highway started back, there is no protest on that highway. It is because what we are doing with it, we manage it in a way that the citizens of this country will be quite satisfied with the final product. So we expect this highway to

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be completed by mid-2020 at a significantly less cost.

Madam President, the Port of Spain East/West Corridor Transportation Project: This was a project, again, that was tendered out under the previous administration; was just about to be awarded and there was some conversation going on within the Cabinet and the project was stalled. This Government decided to start this project back from scratch. And it is another project where, with the PNM action, and how the PNM, you know, decided to deal with its action, we were able to save on this project close to \$200 million. [*Desk thumping*]

Madam President, the big question here is—you know, there are a lot of questions, especially coming from the Opposition, about who own the land, and who own the land, and who this and who that. It is the same land the UNC was going to build the flyover on. The big question is: Who was getting that extra \$200 million? These are some of the questions that the population wants to know. I mean, the hon. Senator, rightly so, said, the population is angry with this Government. I agree with you, because I walk the streets too. I am out every day. Like you, I am on the ground. You know what the people are angry about? The people are angry but: “When allyuh going an lock up some people?” [*Laughter and desk thumping*] “Dah is what dey are angry about.” And we could stay here and we could sit and we could fool “weself”. That is what “dey asking yuh”. I mean, that is what our supporters “asking us”.

So, Madam President, again, the construction of the upgrade of Moruga Road, now these are projects that are ongoing. If you pass by Curepe Junction, you will see a whole big project going on there. If you go up to Cumuto, say, just before we stop the projects, you will see a whole big project. You go down San

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Fernando, a whole project. You go down to Moruga, the Ministry of Works and Transport actually doing this road in-house with our PURE team, and the cost, I can tell you, is significantly lower because of the system that we are using in PURE now, which is competitive tendering. That is the action of this Government, competitive tendering. It is not about handing this contract and handing—and people keep—“Well, Minister, when ah gehin a contract?” Well, this Minister “doh” give contracts. We have a process called Competitive Tendering now and the citizens are getting benefit for money. All right?

So the Moruga Road is in three phases. Again, we expect it to be completed by 2020, and I can give you the assurance that a lot of local labour is being encouraged in the Moruga Upgrade Road, because there are a lot of pavements, culverts, concrete works and so, and the contractors, most of them are from the area, and those who would have won the tenders and are not from the area, we ask them to employ people in the area. That is how the PNM’s action is.

Madam President, the construction of the fishing port in Moruga, I can report that the award for the design has gone out and the full detailed designs are now underway for that project. There are two components for it, an onshore and an offshore. Very soon, while we are working on the EIA with the Environmental Management team, all the onshore aspects of the project have started. So this is another project. Now, these projects, you just do not go in and start a fishing port. And this Government, for the first time, we built a highway in Trinidad and Tobago, Cumuto to Manzanilla. It is the first highway that got all the statutory approvals before construction started. That did not stop people from going to court. We have no problem with that. That is what the courts are for, and we

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respect the rule of the court. But that is one highway—down to the regional corporation in Sangre Grande gave their approvals before the sod was turned. And that is the approach we are taking with all our major projects. So we recognize, we have the Environmental Management body, and we are going to abide by all the laws before we actually start this project. But I give you the assurance this project is ongoing.

Madam Speaker, the Valencia to Toco Road: This project would have started, because it is a link from the Cumuto to Sangre Grande Highway. However, there is an upgrade of the Valencia to Toco Road and Cabinet has just awarded the contract for the full designs of this road.

3.30 p.m.

So again, this project would have started, but you cannot just go and start to build a road just like that. We spoke about this in our 2015 manifesto. It would have taken some time because you have to do designs, you have to do route alignment. All those things have been completed and the contract for the full designs have been awarded. So very soon, once all the statutory requirements are in place, you will see construction starting on that road. So these are not pie in the sky projects that we are talking about. They are far advanced.

The fast ferry port in Toco. Again, this is a project that has started. The statutory requirements have started and the consultant has completed the preliminary designs, and very soon you will see the tender out for the design-build for the Toco port. We are in the process now of working with the EMA and so to have all the statutory requirements in. These are projects that are ongoing. Again, this is how PNM action is. Unlike the former Government who may have just

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jump in and just start the project and then we run into overhead cost and this and that, no. Our action is that we get everything in place and when we start the project, we start the project properly. That is why Cumuto to Manzanilla, all statutory requirements are inside. That is how PNM action is. Somebody told me recently we are not hearing about these projects. PNM action is that you do not hear about the projects just like that. You would see things happening. UNC action, EMBD—what is the next one?—no offence, the Eden Gardens, SIS, the big water treatment plant, that is action UNC style. All of them ending up in the courthouse. None of these projects will end up in the courthouse

Sen. John: That is what you feel. Wait on 2020.

Sen. The Hon. R. Sinanan: Well, 2020 is far off, so let us deal with today.

Madam President, let me talk about the Maracas Beach project. Again, another project, UNC action, shut down. PNM action, phase, different contractors go in, car park finished, water treatment plant ongoing, the construction of the booths and so almost completed. No fanfare. At least this phase, no courthouse. That is PNM action; compare that to UNC action.

Madam President, let me talk about the PURE. We have looked at PURE and we recognized that PURE is a very efficient unit in the Ministry, and under PURE they did the Maracas car park, and for anybody who would have gone to the Maracas Beach Resort you would see this brand new car park done within budget and within time by the PURE Unit at the Ministry of Works and Transport, designs and everything. The PURE Unit is also doing the Moruga rehabilitation, the road up there, and I think we are very proud of the work that they are doing. Some of the other work that the PURE Unit is doing is one, the Sea Lots overpass. There

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have been some challenges with funding. Everybody recognized that in our first two years funding was a challenge, but it did not stop us from starting the project. That project is about 75 per cent completed and very soon we will have the completion of that project, although it would have fallen back by a couple of months.

Also under the PURE Unit, we are doing the Soogrim Trace roundabout in Chaguanas, which would help us with a lot of the traffic in Chaguanas as the start of the Chaguanas traffic alleviation project. Under the PURE Unit, we are just at this moment evaluating the Wrightson Road water taxi pedestrian overpass. A brand new walkover from the water taxi to the Brian Lara Promenade which will eliminate all the running across of the traffic. Once the water taxi comes in, and when the cruise ship is here you have tourists trying to run across, well that project have been tendered out, the evaluation is going on, and very soon we will have the sod turning for that overpass. All this is PNM action at work. No bacchanal, no corruption, but real action.

Under the Ministry of Works and Transport there was a challenge for funding. There are a lot of roads in Trinidad that did need rebuilding and proper maintenance, we just did not have the funding. What we did is that we launched a programme called MEND where we put 10 trucks on the road to do patching. That was just their job, just go out and do patching. We went to the regional corporations, most of them came on board. The Ministry had an asphalt plant for years, a brand new asphalt plant that was never commissioned, and what we did is that we commissioned the plant about a year ago and the Ministry now could produce its own mix which we used for patching purposes, and we invited the

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regional corporations who from time to time will complain that they do not have money for mix but they have equipment and they have labour. So what we told them is come, we will give you the mix, you use your equipment, and we worked together with them and while we are patching our roads, they are patching their roads. So we worked in collaboration with the regional corporations, and I must say that is working perfectly.

We have a lot of bad roads in Trinidad which we admit. Unfortunately, we did not have a proper maintenance for our roads for the last 20 years. We build the roads and then we just leave them there, and when coming to election we pave the main ones that everybody could see. And then you have the back roads that we leave like that and what you have is the big trucks now, because traffic and so and they want to pull three and four loads for the day, take the back roads and they mash up the roads. So we are working with the resources that we have, and I must say that that road maintenance working with the corporations, I mean the Government would have saved significant amount of money by operating its own asphalt plant for this road patching exercise. One of the areas that from time to time, as a country, we put a lot of licks on, which is the URP, I am proud to say with a reduced budget in URP—probably the lowest budget the URP would have had in about 10 years or more—this year the URP will try to achieve 120 projects in-house using URP labour.

Between 2010—2015, we saw something in URP where URP which is an Unemployment Relief Programme is supposed to be for unemployed people. We saw budgets in URP going as far as \$600 million in URP and all the work in URP was contracted out, and when you look at the contractors, the contractors who get

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\$100 million contracts, \$200 million contracts, \$1 billion contracts, they were getting the contracts in URP. And that was supposed to be an Unemployment Relief Programme. So what we have done, we have stopped all the contracts in URP and all the projects in URP is being done now with URP labour in-house, box drains, culverts, things like that, but it is done in-house with URP labour; and that is action PNM style. Our budget has been reduced, I think, to \$180 million. So you look at a project department that came down from \$600 million, employing same amount of people, and working with a budget of just about \$180 million and still being able to achieve 120 projects. That is how we are doing it now. [*Desk thumping*]

Madam President, under a drainage programme some of the funding that we would have gotten went to the desilting programme. We launched a project— Cabinet approved a project for us for 298 projects throughout Trinidad and Tobago. We operate in four areas, east, west, north, south, and these projects would have been divided based on the requirements from the different areas. This project would have been started and—we cannot stop flooding in Trinidad and Tobago because the flooding in Trinidad and Tobago is a serious problem of unplanned developments, and what we find is that as land becomes more and more expensive, people are going into the cheaper areas.

One of the challenge in the cheaper areas is—basically a low-lying area is a flood prone area, and once people try to fill the land and so, what they are actually doing is causing more harm than good to the environment. But with this programme in the Drainage Division, we expect to at least have a quicker runoff once the heavy rain come; and the Drainage Division, I have also embarked on a

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pump and gate programme where I think for the first time we have a programme dealing with the pumps and the gates. Some of these gates would not have been rebuilt or replaced for over 20 years. There are pumps that are there at 35 years old and have not been working for 20 years. So we have a programme now to deal with that and we expect that to be started shortly.

Madam President, under our Coastal Protection Unit, Trinidad is being affected severely now by coastal erosion and it is getting worse and worse. The Ministry has a Coastal Protection Unit, and I must say headed by some competent people, and this year we have 12 projects earmarked, and we have projects in the south: Crocus Bay, the Crocus Bay shoreline stabilization work; Cap-de-Ville; Matelot; Quinam and we are also have a comprehensive national Coastal Protection Unit programme where we are looking at the entire country and Tobago to see where we can help with the coastal erosion because coastal erosion is a real threat to us and it is something that the Ministry is taking very seriously. At the Ministry, we are also looking at the Little Rockley Bay stabilisation work. What we have been given this year is a breakwater at the Magdalena Grand Hotel which the Ministry under the Coastal Protection Unit are working on as we speak.

So, Madam President, a lot of work is going on at the Ministry of Works and Transport and in Trinidad, but as I said, the action is not just in talking. It is about how do we get the job done and I can give you the assurance that we are getting the job done PNM style. No corruption and no mismanagement, and within budget. [*Desk thumping*]

Madam President, the Ministry of Works and Transport is not just about the construction part. We also have the Transport Division, and people tend to feel

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that that the Ministry of Works and Transport is just about cleaning drains, building highway, building roads. No! The Licensing Authority also falls under the Ministry of Works and Transport, and I recently had a chat with the staff at the Ministry of Works and Transport and I did not realize that there were eight Ministers of Works before me. Between 2010 and 2015, there were eight Ministers of Works in Works and Transport in Trinidad and Tobago, and what we are happy about is that under the landmark legislation to the Motor Vehicles and Road Traffic Act, the demerit point system, the red light camera enforcement system, fixed penalty system and the system for the traffic violation, very soon those will be rolled out. They have already been passed in the Parliament and the operational team is putting that in place. So even at the license office—I mean, even Stevie Wonder could see now that the license office in Caroni has improved.

[Desk thumping]

Sen. Ameen: That was done by the People's Partnership.

Sen. The Hon. R. Sinanan: Again, action UNC style. The building was built, but no operation. Just like the Couva Hospital.

Sen. Ameen: You said thanks? Say thanks “nah” boy.

Sen. The Hon. R. Sinanan: Madam President, I just enjoy speaking to you.

Sen. Roach: Hon. Minister, thank you very much for giving way. As you are on the topic of transportation, I am a bit anxious to know of the \$62 million that has been increased in your budget, if any at all is being allocated to the purchasing of buses for the differently abled because the current policy is inadequate. I listened most recently to lamentations by members of the public who are differently abled complaining specifically of the suffering they undergo to get transportation, and I

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think I may have made some other comments some time ago that we are in a situation where we should have all the buses outfitted and not just a few buses or particular buses designated to differently abled. Is there any allocation from what you have been given that would go towards that? Thank you.

Sen. The Hon. R. Sinanan: Thank you. Madam President—okay, I had that lower down in the contribution, but I will jump to it now. The public service transportation, they got in 35 buses about a month ago. Fifteen of those have been shipped to Tobago, 10 would remain in Trinidad. There is another order going out for another 25, maybe by Friday. This would have been tendered out. The idea is to get the fleet up to 150 new buses. There is a significant portion in there that will take consideration to the differently abled. I have to get the exact figure on that. I will take care of your suggestion. I will speak to PTSC to make sure that a significant portion of it has to be, if not all, for the differently abled. I will take that into—*[Desk thumping]*

I must say we do consider now a very serious—we take that into consideration in everything that we do. Even the pavements that we do, we actually have to rethink the way we treat the differently abled in Trinidad and Tobago. We built pavements and we say, okay, and we just—it was right outside the Parliament, where we actually had to go and redo the entire pavement because it really was just saying we did this. It was not perfect, and I give you the assurance that everything the Ministry of Works and Transport does, we will take that into consideration.

Madam President, at the Ministry of Works and Transport we also expanded on the red light camera enforcement system with 15 new locations. We have the

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spot speed cameras at eight new locations. Very soon we will see all these added features on the road; traffic management backup supplies at all the intersections because we have a problem in Trinidad, once the current goes all the traffic lights go down. What we are doing now is to put backup service at all the major traffic intersection. [*Desk thumping*] Accessible pedestal signs with devices—if you look right outside the Parliament here you would see a new system where it actually vibrates so that the differently abled, you know it is easier for them to use. So it is something that we are looking at very seriously.

Over the last couple of years we have had a significant reduction in road accidents. However, this year we have seen a spike and it is something that we are looking at. Tomorrow as a matter of fact, we have a meeting with all the stakeholder at the Ministry of Works and Transport including Arrive Alive, the TTPS, all the stakeholders in the industry, to try and ensure that we continue to have that decline in road carnage because we are really concerned as to the spike that we saw so far for this year.

Sen. Obika: What about the TTPS?

Sen. The Hon. R. Sinanan: No—actually we broke a record last year where I think we had about a significant reduction. This year we are just about where we were last year. What we were trying to do is to have a reduction every year, and we are not going to wait to surpass last year before we start to address it. So tomorrow we are having a meeting to address that.

Madam President, the Ministry would have also bought additional speed guns which we have put in the hands of the TTPS, and I must say that they are using them. So it is all helping us with the incidents on the road, but as I said it is

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something that we are going to look at seriously tomorrow. PTSC, as I said before, 35 new buses, 15 went to Tobago, another 25—the order is supposed to be placed this week for an additional 25 buses that we expect to get later on this year. The idea is to increase the fleet, and they also have a programme at PTSC to repair a lot of the buses that are down because we want to carry that fleet right back up to about 400 working buses at PTSC.

Madam Speaker—Madam President, sorry, one of the areas that I really became very popular for in Trinidad and Tobago is the Port Authority, and I cannot speak on the Ministry of Works and Transport without talking about the Port Authority. The Port Authority would have had significant challenges and this would have gone back to, I would say the 50s, as far as I could remember, and one of the mandates that I got coming in as a Minister is, we need to deal—actually, there were three main mandates that I got. One was the Port Authority and the sea bridge which would have collapsed. History would have shown that the decision to get rid of the provider of the passenger vessel was taken in 2013, and that is where the problem on the port started.

Sen. Ameen: 2016.

Sen. The Hon. R. Sinanan: I have 10 minutes, but it is important that the record is correct and I just want to read again for the records—*[Interruption]* I just want to read into the records again—this is a Board Minute, February 27th, 2015, and I am sure the People's National Movement Government was not in power in February 2015.

Hon. Senator: You sure about that?

Sen. The Hon. R. Sinanan: I am sure about that. If it is one thing I am sure about

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is that.

The Port Authority deliberate on the matter at length and determined that Bay Ferries should be given a six months' notice by Port of its intention not to extend its contract for management and operation service.

This was taken by the Port Authority—[*Interruption*]

Sen. Ameen: Up to when?

Sen. The Hon. R. Sinanan: Six months' notice—[*Interruption*]

Sen. Ameen: 2016 you had that boat. You forget?

Madam President: Minister, you have five more minutes.

Sen. The Hon. R. Sinanan: Thank you.

Madam President: Sen. Ameen, please let the Minister.

Sen. The Hon. R. Sinanan: The way ahead for the Port Authority is one, the *T&T Spirit* has returned to service; the *Cabo Star* has gotten a further six months extension for its cargo service and NIDCO has a tender going out shortly for a more suitable vessel; the *MV Galleons Passage* is expected shortly, maybe at the end of May, which will add two passenger vessels to the sea bridge and a cargo vessel; and the Government has taken a decision to go out for the purchase in the long-term for its own cargo vessel.

Madam President, in terms of the container scanners at the port, very soon we have the containers scanners at Point Lisas started, and we will have the Port of Spain scanners shortly up. Very soon again, the ANR Robinson Airport in Tobago, construction of the new terminal will start and, Madam President, I just want to say a little bit on how we do emergency work, our action on emergency work as against the UNC action on the emergency work.

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We have put in place now a system for emergency work. So whereas millions and millions would have been spent on emergency work, what we do now is that we prepare a time sheet and we call contractors out based on the amount of hours that they work, and very recently in Maracas where we had a landslip, a serious landslip that took us for months, the estimated cost I am told by the engineers for something like that a couple years ago would have passed \$10 million. We were able to do that for less than, I think it is \$1 million—[*Desk thumping*]*—*between \$1 million and \$2 million. Now, that is how we are dealing with emergency work, PNM action style.

Madam President, in terms of the contractors—and I want to say something to the contractors. When this Government came into office, we inherited a huge debt of money owed to contractors. This includes significant sums owed to contractors under the URP programme as well as other areas under the Ministry. I am pleased to report that as funding has become available, the Ministry has begun to make payments to all contractors and we would continue to work towards having all our outstanding bills settled shortly.

In conclusion, the achievements and the fundamental framework that I have outlined came about as a result of a combined effort strategically executed by the Ministry over the past year. Unfettered by every distraction, may it be understood that each effort, each outcome, falls firmly into place to secure the role in the successful, sustainable and beneficial development for Trinidad and Tobago. Madam President, when you choose to say you agree that the UNC—when we speak about the UNC projects and the UNC action, Madam President, compare this Government's projects with the previous action projects that the UNC had and you

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will see that the PNM has a plan, the PNM has a vision, and this country is better off under the People's National Movement. I thank you, Madam President. [*Desk thumping*]

Sen. Eli Zakour: Madam President, I would first like to extend my gratitude for the opportunity to present this, my maiden speech, in the capacity of temporary Opposition Senator. It is indeed a tremendous honour to be here today as a Member of the Senate of our beloved twin island Republic of Trinidad and Tobago. I extend appreciation and gratitude to all for welcoming me into this most noble forum, as we work together towards building a better country with a sound foundation for our children and generations to come. In this regard, I must extend my sincerest gratitude to the hon. Leader of the Opposition, Mrs. Kamla Persad-Bissessar, for reposing in me the faith and confidence to fulfil the most important task at hand as a temporary Senator, which I vow to this nation to execute with honour and the highest level of integrity.

Madam President, I take this opportunity to contribute to the debate on this Bill, an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017. The hon. Minister of Finance painted a glowing picture of the economy which the Minister indicated and I quote:

“The economy is turning around.” In fact—“it has turned around. Revenue collection is up. The non-oil sector is growing. The energy is booming.”

Announced on Thursday, May 10, 2018.

I would like to share with you, Madam President, the front page of the *Trinidad Express*, Friday, May 11, 2018, and I quote:

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“Finance Minister boasts economic gloom is over for the T&T during his mid-year budget review. ‘The rain has gone.’”

The front page of the *Trinidad Guardian*, Friday, May 11, 2018:

“Better days ahead”

“Economy turning around”

“Energy sector booms, non-oil sector grows”

This is the picture of the hon. Minister is painting for the population of Trinidad and Tobago. Yet, if we assess the reality of our economic situation today, there is no evidence to support the claims of the Finance Minister who is effectively misleading the nation. If we are in a state of a—[*Interruption*]

Madam President: Sen. Zakour, it is your maiden contribution and I am very reluctant to interrupt, but there are certain things you cannot say. Okay? So I just need you to rephrase what you are saying.

Sen. E. Zakour: I withdraw, Madam President. Thank you. I will go on. If we are in a state of recovery, then why are we dipping in into the IDF for Recurrent Expenditure? Here is why, Madam President. There was the shortfall in revenue collection due to failing Government policies, evidenced by an overreliance on oil and gas revenue with no attempt to explore other revenue incomes. The reality is that this Government has failed to improve the outlook of the country. In addition, the Minister of Finance has presented to the nation a mid-year term review which he claims will partially resolve and I quote: two serious challenges facing the country, which are mainly, one, the damage to the fiscal accounts of the country and, two, the persistent decline to the economy.

The Minister claims that this revised budget and, by extension, the previous

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budgets executed by the current Government vastly improves what the previous Government was doing. The current administration's claim is that the previous Government's budgeting caused the problems that the country had to face in 2016 when oil prices declined. This could not be any further from the truth. The fact is, that in 2014 oil prices were over \$100 a barrel and the UNC-led Government budgeted and implemented sensibly, spending and investing for the nation's economy and the people of Trinidad and Tobago, and our nation was in a far better economic state then, and I would touch on some of these initiatives in a bit.

Under the UNC-led Government, this country experienced true economic growth and there was real evidence. As such, the oil prices for the period 2011—2013 was stable and growth was predicted with no rain clouds on the horizon. This was our time for prosperity, yet the Minister of Finance has labelled it extravagance in his explanation to the nation of what the current administration is doing differently for repairing the so-called micro damage to the economy. The UNC-led Government was able to contribute and add to the country's Heritage and Stabilisation Fund, [*Desk thumping*] the same fund that the current Government has dipped, in order to finance the *2017 Public Sector Investment Programme*.

Madam President, the Minister of Finance has announced to the nation that the rain is gone and he paints an outlook for a bright future for the nation. But on the backdrop of stumbling upright movement of oil prices that occurred within a period of not years, but months, Madam President, months, can this really be accepted as prudent and responsible governance? This is not an act of repairing anything. This is sheer reactive and opportunistic behaviour. The Government's plan for increased adjustments to the previous appropriations for expenditure are

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both reckless and unjustified. The public has had to accept economic suffering in the form of higher taxation, increased cost of living, and layoffs imposed or brought on about by the Government.

Madam President, additionally, the cost of doing business in Trinidad and Tobago has skyrocketed due to increased transportation cost by the removal of the fuel subsidies, increased crime which imposes an increased cost of security. We must now all invest in personal security and equipment. Increased taxes: we must now pay higher for business levy, Green Fund and corporation tax.

4.00 p.m.

Madam President, this Government continues to make poor decisions which have brought no improvement to business development once in this prosperous country, yet, apparently, it is the current Government's prescribed method for managing the country's economy. I want to say that any reversal of the decline in the country's economy will not become a reality simply by the Government telling the nation, in the mid-year review, that such is happening. The truth of the matter is that, the facts and figures that we see daily. We will know that there is growth when we see the following: more employment opportunities; [*Desk thumping*] a reduced cost of living; less taxes on the working man, and growth and development in the non-energy sectors.

When we look at our reality today, it is clear to see that the rain is not gone. The Government has placed itself under an umbrella made up of unsustainable revenues, and in this time of global economic uncertainty, is attempting to convince the nation to allow them the extravagance of spending these revenues on initiatives that will not change the current disposition of the average citizen of

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Trinidad and Tobago. Yet, we are squeezed, through increasing taxation. It appears sadly, Madam President, that the nation may indeed have a misguided approach to improving the finances of the country.

Government's continued dependency on tax revenues from international companies operating in Trinidad and Tobago, cannot be sustained. For example, the pull out of steel giant ArcelorMittal, Point Lisas Limited, which should have been a lesson for the Government. The Minister of Finance, in his presentation, boastfully listed the projected success trails of bpTT, EOG, Shell, BHP—all foreign-based entities, and the Opposition does congratulate these companies on their successes. The Minister also boasted of the so-called hard work that the Government had put in securing taxes from these successful companies. Madam President, all of this so-called "hard work" from the current administration, should have had a diverse application through actual efforts to promote and develop local interest industries, so that our economy could have a more sustainable source of revenue. Instead, the taxpayers are now the revenue source that Government has elected to bank on. [*Desk thumping*]

The nation was recently treated to an example of the Government's callous rejection of evidence-based recommendations for reviving the economy of this country. The economic development board, which was appointed by this Government, was ignored and its recommendations for diversification were disregarded. This frustrated the members into resignation, one after the other, until the Prime Minister simply dissolved the entity altogether.

I will turn your attention, Madam President, to another diversification initiative that this current Government has either destroyed or is ignoring, to the

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detriment of the country. These are some of the initiatives which I spoke of earlier which were introduced under the former UNC-led Government, who invested in these initiatives quite wisely, back when oil prices were high, in order to pave a way for eradicating the oil and gas economic dependency that exists, but which we knew was unsustainable in the long-term for any growing nation such ours.

InvesTT was one of those initiatives. InvesTT is an investment promotions agency that was created under the UNC-led Government in 2012, for the purpose of marketing Trinidad and Tobago internationally. The current Minister of Trade and Industry made a number of critical statements against InvesTT. The hon. Minister argued that InvesTT did not have the right people or the right systems to work. Yet, the agency won several awards— international—under the UNC-led Government, and attracted international companies such as the American business processing and outsourcing company, iQor. For the period 2012—2015, under the UNC-led Government, the agency secured approximately US \$117 million in foreign direct investment. [*Desk thumping*]

Subsequently, in 2015, when a new Government came into office, the agency was placed under a travel ban and under review status, so they could not promote Trinidad internationally, but the agency still managed to secure \$63 million in foreign direct investment which was the result of a spill-over of initiatives that were established by the agency during the 2012-2015 period. No significant work or efforts have been implied for developing and improving this agency, under the current PNM-led Government. The agency continues to work towards its stated goals. There have not been any major initiatives to bring its attention to foreign investors.

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Madam President, the Government is seeking a supplementation for the Ministry of Energy and Energy Industries in the amount of \$100 million. Yet, not one cent is being requested for the trade and industry sector whose arms of operations drive the non-energy sector. This non-energy sector comprises primarily of manufacturing industries of the country which are in dire need of adequate foreign exchange in order to sustain and grow and expand its operations. The Government has proposed that the Eximbank will address this issue. But will it really? Have there been sufficient budgetary allocations for Eximbank? \$100 million forex will not be enough for servicing the needs of the manufacturers of this country. Eximbank does not have the resources that are necessary for preventing businesses from accessing forex at Eximbank and at commercial banks. This will become a drain on the allocated foreign reserves.

Now, I am a businessman in this country and I understand clearly what businesses are going through right now. Businessmen lack the confidence and trust in the economy. Businesses do not feel comfortable and there is no trust in the economy. In the *Newsday* newspaper report carried on 30th of March, 2018, the Central Bank reported and I quote:

“...the non-energy sector remained lacklustre.”

End quote. Another report carried on the *Trinidad Guardian* on the 19th of April, 2018, captured the sentiments of respected economist, Dr. Terrence Farrell, who stated that he:

“...does not expect the non-energy sector to grow in 2018 and 2019. In fact...”—it is—“expected...to contract.”

These opinions, Madam President, coming from separate authorities, appear to

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have been totally disregarded by the Government. According to the website of World Bank and I shall quote:

“Trinidad and Tobago is ranked 102 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings.”

Trinidad and Tobago was number 66, under the UNC-led Government. According to the U.S. Country Commercial Guides 2017, Doing Business in Trinidad and Tobago:

“Major issues affecting companies are an ongoing foreign exchange shortage, inefficient government bureaucracy, crime, poor work ethic in the labour force, and corruption. Some foreign investors have seen the decision-making process for tenders and subsequent awarding of contracts turn opaque without warning, especially when their company’s interests compete with those of well-connected local firms. Trinidad and Tobago has an undiversified economy and lacks economies of scale, so it depends on imports.”

Madam President, the hon. Minister of Finance boasts of a 2 per cent lower inflation rate. However, these figures are reflective of lower levels of spending and lower levels of domestic investment. People are continually losing their jobs, businesses are losing incomes and the cycle keeps repeating itself. The jobless cannot afford to buy, therefore, businesses cannot sell and overall, business persons are reducing their investments. Madam President, for the past two and a half years, many businesses have had to downsize their operations, some even going out of business. Is this \$796 million which they came to have—saved by the Ministry of Finance—really as a consequence of the PNM Government’s failure to

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act on their promise to boost small and medium-sized businesses?

Madam President, there are no new initiatives that have been given to local businesses to circumvent any cost increases. Diversification and development of the non-energy sector is a non-issue to this Government. The Chamber of Commerce offered to collaborate with the Government to assist by investing in new local businesses, and in return, the businesses can benefit from different forms of tax incentives. Other business chambers, specifically including the Tobago Chamber, have made a call, time and time again, for the Minister of Finance to consider their advice and suggestions. I will take this opportunity to make the call for the Minister of Finance, and by extension, the Government, to listen and pay attention in a more serious and inclusive manner to the Chambers of Commerce of this country.

In the appropriation that is being proposed by the Government for Tobago, it does not appear that it is any type of allocation or provision for the suffering businesses of even Tobago. The soon-to-be arriving Sandals Resort has been offered what remains as a secret deal by the Government, and we are all certain that tax concessions are included in that deal. The nation, however, must be mindful of what recently transpired in Barbados, with respect to tax concessions. The Government is asking for a \$20 million increase for access roads, claimed to be for agriculture for Tobago. Given that no allocations are being sought for any real development and diversification for the agricultural sector in Tobago, the question is: Who are these roads really for? Could it be that the Government is masking its deal for funding development to suit the needs of Sandals?

The nation is aware for certain that the Tobago airport is being upgraded for

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the arrival of Sandals. This was reported in the *Guardian* newspaper, reported on the 27th of February, 2018, where the owner of Sandals stated to reporter Judy Kanhai that and I quote:

“...if the Sandals deal is to go forward...”—with—“the Government...”—
they—“must meet certain criteria...includes upgrading the Tobago airport.”

The Minister of Finance has reported in his mid-year review that the Tobago airport is being modernized at a cost of \$500 million. What is sad and unfortunate is that this upgrade is coming about, not because the Government saw the people of Tobago deserving of this, but clearly this upgrade is coming about because the Government is seeking to justify the demands of a foreign business entity coming into the country. [*Desk thumping*]

Unemployment, Madam President. I will like to now turn to the issue of unemployment and the fact that the Government’s request for a supplementation of the previous budget allocation, does not in any way address the issue of unemployment. The hon. Minister, in his presentation, stated boastfully that the unemployment rate in Trinidad and Tobago stands at 5 per cent. It is a fact that between 2015 and 2017, persons without jobs increased from 9,600 to 36,100. This information acquired from the Central Statistical Office stated that information on retrenchment from the Ministry of Labour and Small Enterprise Development, for the period 2016-2017 with that sum of 2,421 persons had been retrenched across all sectors. In a *Guardian* newspaper report, carried on the 27th of February, 2016, the following is quoted:

“Approximately 846 people—and possibly more—have...been retrenched from 27 private sector companies since September 07, 2015, Labour

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Minister...”— Jennifer Primus—“said...”

[*Interruption*] Baptiste-Primus, sorry.

“Replying in Parliament to opposition questions...”—the Minister of Labour—“said she agreed with then Opposition Whip Ganga Singh that the figure could be larger since companies do not have to advise of worker terminations in official notices if the retrenchment applies to fewer than five.”

The Minister of Labour and Small Enterprise Development said:

“...retrenchment numbers for Centrin workers were not among the list since that retrenchment occurred recently. She added that ArcelorMittal workers were not among the figures since those had been temporarily laid off and not retrenched.”

Madam President, while the Ministry of Labour and Small Enterprise Development might seek to justify its figures against the national retrenchment registry that was created, most probably for appeasing the rumbling of the trade unions, the figures in the layoffs that occurred because of the closure of ArcelorMittal, Point Lisas, alone are as follows:

ArcelorMittal, Point Lisas, 650 permanent workers are cited on a CNC3 report on the 11th of March, 2016;

Tube City IMS, which was the company contracted for providing steel doors and mill services, 197 permanent workers are cited in a Guardian Media report carried on the 10th of December, 2015;

Centrin Limited Downstream Steel Production Company, 200 workers as reported on CNC3 on the 25th of February, 2016.

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Among the sub-contracted workers, who were affected, includes Arco, Doc's Engineering, H.I. Industries, SIS and many others. Because of the ArcelorMittal closing alone, collectively, 1,000 people lost their jobs. In considering this Madam President, the layoffs from the closure of the steel giant, in all, would have been close to 2,000 persons. This would have been outside of the 846 persons that the Minister of Labour and Small Enterprise Development reported to the Parliament on February of 2016. Since then, the layoffs and retrenchments continue. Up until recently, we saw an article where 30 persons have been laid off from UTT. It was reported on the 13th of May, 2018. Madam President, an economy that has experienced constant retrenchment in its labour force cannot be considered "growing".

Further to this, the Minister of Agriculture, Land and Fisheries is promoting the worsening of the unemployment situation by promoting the use of foreigners for employment. On Friday 11th of May, the *Guardian* reported:

Agriculturists who are facing a labour shortage in their farms, can apply for work permits to hire foreigners to work their fields, Minister Clarence Rambharat said yesterday.

Can you believe that? It is clear that the Government—actually I have the article right here. It is clear that the Government has no clue of what businesses are really facing. Does the Minister of Finance know of the trials and tribulations that businessmen have to go through in acquiring work permits for their workers? I am not seeing anything in the variations for investing in human capital so that businesses do not have to depend on acquiring work permits in order for proper staffing. Our human capital development is in dire need of being addressed. The

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Government has abandoned the plan by the previous administration to make tertiary level education affordable, and to fill the gap that the Minister of Agriculture, Land and Fisheries is referring.

Madam President, in closing my contribution, I will emphasize that there has to be an absolute and urgent need by the Government to manage the affairs of the nation in a more responsible and serious manner. In addition to this, while the burden of the governance may sometimes create impatience, the Government must remember that the nation has a right to participate in democracy, in that all sectors of society must be engaged and given the opportunity to contribute when governance decisions are being made and which will affect the vested interest in all. In other words, I would like to quote Winston Churchill, which was echoed by the Opposition Leader:

This Government must understand it cannot tax its nation into prosperity or we will be like the proverbial man standing in the bucket who tries to lift himself up by the handle.

To this end, the hon. Minister of Finance, the Opposition, by extension the nation, requires a fact-based and honest response to the concerns that have been presented.

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

Madam President: Hon. Senators, permit me to congratulate Sen. Zakour on his maiden contribution. [*Desk thumping*]

Sen. David Small: Good afternoon, Madam President. Thank you very much for giving me the opportunity to join in this debate, on an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017.

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Madam President, I am going to ask your indulgence with me this evening, I have quite a bit of data that I would like to put on the record, because I have listened intently to the debate both inside and outside of the Chamber and I want to make sure that we all possess accurate data that is from verifiable sources on several issues.

Madam President, as an opening comment, I want to put on the record my view, that given the circumstances that faced this administration when they came into office with the exogenous events that were taking place completely out of their control, I think that the job that has been done is a job—we can all argue about how well you have weathered the storm, but Trinidad and Tobago has weathered the storm [*Desk thumping*] and I think that is important. The events that have happened in the world oil market, in the same way as the hon. Minister of Finance last year, when he presented the budget and put a budget of \$52 and several persons around indicated that they felt that that number was too optimistic. Nobody could have forecast—no forecaster in the entire global business could forecast that in May of this year, this afternoon, right now, Brent is almost \$80 and WTI is \$71. If someone had said that last October, they would have been branded “ah madman”, and this is important. So, I want to just lay some contextual framework.

In the history of Trinidad and Tobago oil production, the highest oil production we ever had was—annual average production was 230,000 barrels per day in 1978. The current oil production is about 72,000 barrels per day. Right now, we are about one-third of our peak. When you talk about refinery throughput, Madam President—the refinery at that time was Pointe-a-Pierre and

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Point Fortin, the highest refinery throughput in Trinidad and Tobago was 424,000 barrels per day. That was circa 1970. Here is the problem with that, Madam President. Oil was \$1.30 a barrel. Okay? So, that is interesting. But given where we are, the current refinery throughput is around 130,000 barrels per day. It is, again, one-third of the peak. And I do not know if one-third is a meaningful statistic, it just works out that way. But, we have to be possessed also about understanding the state of the industry. I go back to the data, I have production data from 1955, this is 2018, we have been in this business a long time and we are still here.

I understand, Madam President, the commentators who speak about the fact that we are too reliant on oil and energy and we should be looking to make sure that we are not as reliant and we are not constantly challenged or held hostage to the market. I agree with that view but I want to add to it, that this is the path of the economy that has taken us to where we are and it still has significant value to bring to Trinidad and Tobago. So, it is not about abandoning it, it is about leveraging it to make sure that we can get the other sectors—parts of the economy up to that level where we are less reliant on it, but we should not abandon it. There is significant value to be gained.

Madam President, I have heard today several speakers, including the hon. Minister, the mover of the Bill, speak about the impacts or the things that are happening in the global economy that have gotten us to where we are in terms of oil price. But again, Madam President, the economists have spoken on this, but the raw data is important. In 2014, when oil prices were very high, global oil demand was 92 barrels per day and supply was exceeding demand by 1.5 million barrels a

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day.

As we speak now, according to the latest OPEC: Monthly Oil Monitoring Report April 2018 that I have, the global oil demand is 98 million barrels per day and supply is just about half a million barrels per day behind. So that everything about oil price is not about demand and supply, the key thing about those numbers is that supply, demand for oil continues to grow and has been growing ever since and it is not slowing down. It is continuing. Other things are growing—renewables and natural gas—but the demand for oil and oil products will remain there and will remain there for some time. And the key thing now, is that gap between supply and demand has shrunk to such a small level that it is supporting supply along with all the other issues that many other commentators have put on the record.

Madam President, I want to rush now to domestic oil production and I think that the Minister had spoken about the fact that—I think it was Sen. Mahabir, who raised an issue about crude oil exports. We have to understand that the Government captures revenue several ways from oil production and gas production, but I want to just zero in on crude oil exports for us to understand where we are. In 2017, according to the Ministry of Energy and Energy Industries data, Trinidad and Tobago exported a total of 9.97 million barrels of crude oil, a combination of Galeota Mix and Calypso Crude. Galeota is bp and Calypso is BHP. The gross value of that at the average WTI price for that year is TT \$3.3 billion, give or take. So that, there is a fiscalization process and then, in terms of how the Ministry collects its revenue, the gross revenue from crude oil exports. And I want to put that on the record, because it is about understanding the size of

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the pie.

For the record, Madam President, the highest amount of value in terms of the value of gross exports of crude oil, was in 2008 when we exported 19.748 million barrels over the year and the value given in that year, WTI averaged \$99.60, the highest ever. The gross value was \$12.4 billion. The highest years of actual volume of product being exported from Trinidad and Tobago, actually ran from 2003-2007 where we averaged about 25 million barrels per year in crude oil volume of exports, but the oil prices were much lower—\$41, \$31, \$56—so the value generated in terms of revenue would have been less. So that, when people see the oil price increasing, they need to understand we have a challenge. Our production is not where we would like it to be. So although the oil price is going up, we are not getting as much more revenue and then, because Petrotrin is constructed in the way in which it is, as the oil price goes up, the effect is that the subsidy goes up and that is just something we are stuck with for the time being, until we could figure out how to improve crude production.

One thing I want to talk to, Madam President, the pricing that is often referred to in the budget used for energy prices. I saw a story, I think it was last week in the newspaper, they still do not get it about netback pricing. In particular, when the Minister of Finance speaks to \$2.75 as the price for gas, that has nothing to do per se with Henry Hub. That is a netback price. So that, if you sell a cargo for \$8.00 to Bahia Blanca in Argentina, the cargo is sold, you back out the shipping, you back out the cost of actually processing the gas into LNG and then the cost of the gas, and then the Government will be able to look at the netback. So, that is how that is calculated, the \$2.75 refers to the netback. So what I have

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seen people commenting upon, is well, \$2.75—and then they are looking at Henry Hub, Henry Hub is \$3.00 or \$2.85 and they are trying to make that comparison. That is a completely inaccurate comparison to make because you will come to wrong conclusions.

Madam President, I want to talk about one other thing about domestic natural gas. There is a lot of talk in the public about production. I worked too long in the sector. The key thing is deliverability. You will always have plants on the estate and at Atlantic, running to the highest levels of production that they can, but they will always have planned maintenance or unscheduled maintenance. So that, if you see a dip in the production of gas because remember, Madam President, the key thing with natural gas is that you cannot put it in a bottle and store it. So that, if someone sees that the production level has decreased, it does not necessarily mean that deliverability has decreased and this is something that is key. People look at the number and then grab on to it and make conclusions that many times are wrong, because you also have to look into the liner notes of the Ministry report to say, well, CNC went down, this plant went down for 10 days, five days, whatever, so that they would have reduced their demand and all that means, NGC, on the upstream guys would reduce their production. It does not mean that the production is not available for the guys on this end.

And that is so critical because sometimes I hear people—I know I am not an economist, I stay far from that, Madam President. My degree is in business. I leave that for my erstwhile colleague and the co-ordinator, but these are fundamentals to the business. We have been in this business for 100-plus years. I would have thought that even reasonable economists would have gotten these

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pieces. These are just simple basic pieces about how the business works in Trinidad and Tobago and I think that a lot of people should have gotten it. But I wanted to put some of those things on the record, Madam President, because I believe it is important to understand the frame of the operation.

Madam President, I also noted during the contributions of the hon. Minister in the other place that spoke to renegotiation of the gas prices and all of the challenges that the Government has been managing in terms of the natural gas business for Trinidad and Tobago. Madam President, I want to say this: data is critical. We have a situation now, where Atlantic LNG Train 1 negotiations are ongoing. The hon. Minister of Energy and Energy Industries would know, this is a pet peeve of mine. I want to put some data again to help citizens understand what we are talking about here. Atlantic LNG Train 1 was built at a cost of US \$975 million; was completed and started operating in April 1999. The project's agreement was signed in 1995; the negotiations began in 1992. I was in the room, so I know. And when that project was granted a 10-year tax holiday in 1992, when we decided to do that, natural gas prices in North America were \$1.75, natural gas prices in Spain were about the same, and the forward curve did not show anything significantly peaking past \$2.00/\$2.25. So, on the basis of the economics at the time, it seemed reasonable. And I want to be clear, because I want us to understand the value. I want to be clear, Madam, if you would permit me.

After the plant project started, the first year in the winter of 1999-2000, natural gas prices went from \$2.00—well during the year, they were going up, but by the time Atlantic was running at full capacity by the winter, oil prices were \$8.00 and \$10.00.

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So, what you found is that the project was able to recover its total capex in about three years. And here is the value of that, Madam President. One of 10 per cent shareholders is a company called GFD Suez, in 2011 sold a 10 per cent share in Train 1 for US \$852million. Now, let us go back. The project cost \$975 million. A few years later, someone sold 10 per cent of that for US \$852 million. When I did my Mathematics, that valued the Atlantic LNG Train 1 plant at US \$70 billion.

I am too close to the numbers on this, Madam President, and I am putting this on the public domain for people to understand. So when the Government is going to these negotiations, I would volunteer my services because the value that has been lost already, we cannot recapture. But we should be taking a position that: “Guys, you have done very well. Wait, there needs to be a claw back now.” It has to come back to us, because the value that has been generated by Train 1 alone, that has gone, has escaped us. And this is why I talk about information is king, Madam President. Because we have to understand the data.

I have made this point in the past and I will make it again. The hon. Minister is here. Other LNG producers routinely put out data that says: “Here are the countries we export energy to. Here is the value. Here is the money that the revenue that is being generated.” The Australian, what is it called, Petroleum Statistic Institute every month. Here is how much energy was shipped to this country; all the lists of countries and the tonnage, the volumes and the revenue. We do not have that. I suppose it exists somewhere. But I live in Trinidad. I could go on their website and find out exactly who. And these are not state-owned

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companies. These are all private companies. Because it allows prognosticators who are looking on, trying to understand what does LNG mean for Trinidad and Tobago, to understand: “Wow, I could look at Australia and in one month, it is \$22 billion in sales.” Australian. That is real money, and that is the type of information we need to have out there and put it out there for people to know.

One last piece on this, Madam President, before I close on this, and I want to just go through three assumptions that I have put in here. Every cargo of LNG leaving Atlantic, assuming a sale price—I have done several scenarios, but on the scenario I have here, assuming a market price of \$8 a million btu, going to Argentina; assuming cargoes are shipped to a standard freighter, boil-off and fuelled are assumed to be 10 per cent of the volume, conversion is 2.248, the selling point, the price. I have all my assumptions. I can share this with anyone. The minimum value of one cargo is TT \$140 million. And when we factor that Atlantic sends 200 to 250 cargoes a year, we start to talk real money.

So, this is a business that is taking the majority of our gas production on a daily basis and we should be posturing to them that this is interesting you are doing this and the challenge we find ourselves in is because of the commercial arrangements. If we fix the commercial arrangements, the argument that is in the public domain, that we get more value from methanol and ammonia, is correct. Because we have better commercial arrangements in place that allows us to capture a value on the upside.

We do not have the similar types of commercial arrangements in place so that Atlantic and—and they are not bad people. They are there to do business. We have to do our job. We have to do our job. And if we get the commercial

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arrangements in place properly at the value from Atlantic, we will far exceed the value from ammonia and methanol; far exceed.

This is not rocket science for me, but Madam President, I am sharing because I want people to understand, the public to understand how important this is. We are at an inflection point. We have the opportunity to get in there and leverage the contract. I want citizens to understand: “Hey, this is real money for us here and we need to support the Government or whoever is negotiating to get this done.”

Sen. Khan: Senator, would you give way?

Sen. D. Small: Certainly, Minister.

Sen. Khan: I take the liberty to let the audience know here that I would be coming in after you and that is the reason we went to London, and I will say more later on.

Sen. D. Small: Thank you, thank you. No problem, Minister. This is very close to my heart. Madam President, also in the presentation by the hon. Minister in the Senate here today, that indicated that energy price assumptions for 2018 will not be changed. I support that, because the market is a market that is all buoyant today, and then tomorrow somebody drops a bomb and the whole thing goes to wherever it goes to. So I think that for the time being caution is the watchword. I also think that the transfer pricing regime—again, this is another pet issue. I am sure the hon. Minister will speak to it, but I want to make sure that I reiterate the position that for too long we have not had the appropriate policing mechanisms.

Madam President, inside of the Atlantic LNG Train 4 negotiation agreements, there was supposed to be and the partners were supposed to create an LNG institution that would allow the Government to effectively monitor—and

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they were supposed to fund it, develop Trinidad and Tobago's nationals, train them to be able to monitor and evaluate the LNG industry in Trinidad and Tobago. It was up to us to do it and we never enforced it. So we cannot blame anyone. That is in the Atlantic LNG Train 4 project agreement and the partners signed to it and agreed to it. So there are things in there, Madam President, that the blame is on us. The blame is on us for not doing it. So we will always say that these guys are doing what they do. But we did not do what we were supposed to do. So there are things that we could action now. Minister, it is in the contract. You can say: "Here is the contract. You signed it. You agreed to it. We want to enforce it. Start to do it." Okay. So, thank you, Madam President, for allowing me to go through some of those data points, because those things are important. I believe that it is important to the things that we do.

So, Madam President, I have a couple of questions directly related to the Bill. And for the record, Madam President, I would not be talking about white collar crime. I think Sen. Mahabir covered that. I would not talk about the FCB IPO, that the SEC clearly does not know how to prosecute or bring prosecutable charges. These are these are things that are endemic to the society.

So, Madam President, I ask a question to the Ministry of Public Utilities. I see one of the provisions is to add \$48 million, and I have no objection to it, in terms of \$48 million to reimburse T&TEC for rate A customers. My question is, there could not have been an explosion in rate A customers from October to now. And I would think—perhaps, I have seen the T&TEC data. So that number is pretty static throughout the years. So I am trying to understand how is it that we did not budget properly for that, that we need to add \$48 million. That is not a

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number that goes/deviates widely. That is fairly standard in the T&TEC system. So, forgive me Madam, I have the experience of seeing, so I know that that does not waiver.

So when I see that the Ministry of Public Utilities needs \$48 million to add to that, something is wrong. Whoever did the estimating did not look at the past numbers that I have seen. So, something is wrong. I am not against it. I am just saying: “How could we, at this stage, be doing that? Yeah? Because you are putting people who are already at the lower end of the economic scale under threat, if someone decides that they do not want to pass it. Okay? Madam President, I do not plan to be long. My pet issues are already on the record.

Yes, Madam President, I have another issue that speaks to, we are in a position, Madam President, as an economy. I think the hon. Minister of Energy and Energy Industries and others are under pressure from all sorts of operators. But I am a Trinidadian at heart, to my very body, every sinew of my body. So, the downstream companies would complain that because of the curtailments they are struggling. And I am not going to argue, but I like to share data.

Madam President, ammonia exports for 2017 was 4.5 million tons; for 2016 it was 4.5 million tons; for 2014 was 4.4 million tons; for 2013 was 4.3 million tons, and so it goes. Ammonia production for 2017 was the highest for the past five years. So I understand the gas curtailment, but somehow they were able to keep exports level. And here is the key thing, Madam President. And forgive me, all of this data is from the Central Bank data set. They have a nice website. You go into the data room and you can download the data from 1955 to now. The prices for ammonia, Madam President—ammonia enjoyed what I call a second

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sunrise, where, from the period 2007 to 2015, the highest prices ever in the market for ammonia, the average price over that period was \$438.

The reference points for me, Madam President, is that the first time that ammonia hit \$200 a ton was in 2003. And then for the next eight years, they enjoyed massive revenues. So, I am not saying that the past two years prices have moderated. But they have kept up their output. So they may be hurting a bit. But they are not—I would hear it, and all those who come to the room with tears streaming down their eyes I would offer them a napkin and tell them I want more. And this is where we have to be deliberate about what we are doing when we are negotiating and we are having discussions with parties. We need to possess ourselves of the data. While the data suggests, yes production, but certainly for exports, ammonia is exporting flat out, the highest levels ever.

I hear it, interesting. Methanol is slightly different. Methanol production has decreased. It has decreased to about 17 per cent between 2015, 2016, and 2017. But again, the previous eight years before that were the highest ever productions of methanol. And again, between 2006 and 2015, methanol prices averaged \$404 a ton, when, for the first time in, the first time in the history of methanol prices it reached \$300 was in 2006. So, for the first time methanol reached \$300 a ton was in 2006, in the history and for eight years after that it averaged \$400 a ton. I think they could stand one or two years of adjustment. I think so. Again, they would come to the room with tears streaming in front of Minister Khan. Tears streaming down their eyes and I would offer them a napkin: “Interesting. I hear your problems, but we need more.”

Madam President, again, I thank you for bearing with me for putting all of

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this data on the record, because it is important to put this data on the record. Because you read things. I am not saying the companies are bad to say that they say. They are seeking the interest of their shareholder. Madam President, I, here as a citizen of Trinidad and Tobago, I am seeking the interest of my shareholder, my colleague citizens of Trinidad and Tobago. That is what I am doing. I am seeking the interest of the citizens of Trinidad and Tobago. These are my shareholders. They are doing their bit. I am doing my bit.

Madam President, I want to also refer to an issue raised by, I think it was Minister Gopee-Scoon in her response this afternoon. I found it very interesting. Madam President, I am on the record here as saying that I understand the need to diversify. I am innately an energy person, but understand the need to diversify. But I also have presented data in this august Chamber on more than one occasion, where I demonstrated that the local, what we call the manufacturing sector, is not competitive. And I listened this afternoon, because I think that, during the discourse by the hon. Minister, who is not here unfortunately, I got—if I am incorrect, I would be glad to be corrected. But during the Minister's contribution she indicated that one of the challenges being faced by the local manufacturers is the challenges of stringent quality in external markets.

Madam President, if a manufacturer is telling me that their challenge is stringent quality requirements in external markets, that suggests to me that your products are not up to the standard. And if your products are not up to the standard, whose fault is that? That just makes my argument, Madam President. That makes my argument. So if you are complaining to the Minister that one of the challenges in going to other markets, well they have high standards—so in

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other words, you only like to sell or produce for low standard markets. That is what I take from it. If I am wrong, Madam President, I am sure the TTMA would say: "Sen. Small does not know what he is talking about. We employed thousands of people rah, rah." Fine. But Madam President, I hold to that. So I am not saying to abandon them. But, for me, they need time. They need time to come up to what is the required standard to be really competitive, to be able to go into external markets and really get into those markets. But during that time, while they are coming up to scratch, what is going to keep us afloat? Well, I am an energy person, so I would not say anything more on that, Madam President.

Madam President, I also want to say that I looked at the Ministry of Energy and Energy Industries addition of \$100 million for the subsidy. This is particularly painful, because I understand why it happens, I am in all the details of the Petroleum Levy and Subsidy Act, and I understand why this requirement is and I know it could only be at estimate. But we need to fix Petrotrin. The Minister is shaking his head.

Madam President, the facts are really difficult and painful. Petrotrin has a history, an absolutely abysmal history, of managing major capital projects. Every capital project of any significance is several times over budget, several years behind schedule. That is the history. I am not beating up on them. We need to be able to face the facts. But I also want to place on record the fact that I believe Petrotrin is a huge base of opportunity. Petrotrin has huge opportunity if they could work out some of the things that I think the group of people who are managing it now are trying to work out.

Some of the things that Petrotrin is involved in, they should not be involved

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in. An oil company should not be running a hospital, should not. I mean, I try—I am not saying that they should not provide health services for their workers, but an oil company should not be running a hospital, amongst other things. It should not be running a housing estate. Those are the things we need to start to have open, frank conversations about. It is lovely for those who have access to a housing estate in the place where you work. But should an oil company be running a housing estate, servicing it?

I mean, Madam President. So I am looking anxiously as a taxpayer with hope to see that the team that is in charge now is really going to look at these things and look at it dispassionately and try to see how we can disaggregate the current integrated operation. Because the challenge of Petrotrin is that Petrotrin is a little world. Once you start to hit Pointe-a-Pierre, the whole world is Petrotrin going down that way. And the economic impact of Petrotrin stretches from Pointe-a-Pierre all the way down to the southern tip of the island.

If you drive through Santa Flora or some of those other areas, people live and breathe Petrotrin, because Petrotrin is a little Government in that part of Trinidad and Tobago. They are an important socio-economic player and we have to find a way to fix it. But I think the time is on us where we could take the decision. Let us look at the operations dispassionately and say some of the things that Petrotrin is doing perhaps, they should consider finding somebody else to do it. I think those are the types of discussions I would like to hear. I understand the team is working at it and I believe as a citizen of Trinidad and Tobago, it is recoverable. If you put me in charge of it, I would not be liked, because I have clear positions on many matters.

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Madam President, as I begin to wind up, I think that the state enterprise sector, I looked at the changes here. I saw the Minister of Finance actually had a reduction. I also looked for an increase, because if it is one thing the Ministry of Finance should increase is the staffing, the resources available to something called the Investments Division.

Madam President, in another part of this building I have a particular responsibility but I do think I am crossing any line by saying that the state enterprise sector needs urgent review and rationalization. There is endemic system failure. There is chronic and brazen corruption, even though I would be the first to say that corruption does not exist because no one has ever been prosecuted, much less jailed for corruption in Trinidad and Tobago. There is inadequate and incapable supervisory systems for the state enterprises, and I mean the JSCs and the Investments Division. They just do not have the resources or the tools to effectively manage the state enterprises.

Madam President, the result of this is massive—an unprecedented loss of state funds due to diversion and misappropriation. If someone were really to do an exercise to understand the state enterprises in Trinidad and Tobago, what money has been allocated to them, or those who earn revenue, what revenue have they earned, and have we gotten the benefits, we may be astounded at the figure of the losses of this country that we have put money into these entities. Because even those that are not designed to generate revenue, what you find is that the services that they offer, you find that the services are not offered evenly. There are issues with the volume of services. There is issue with the quality of the services and you find that you are not getting value for money.

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Every entity that I speak to I ask: “Have you done a value for money audit?” And everybody looks at me as if that is a strange language to them because they do not understand the concept of a value for money audit. And these are standard basic things that everybody should know.

Madam President, the critical thing as well in a finance debate, is that last year the Ministry of Finance came and spoke to a committee and in that committee's report it was revealed that the state enterprise sector, the debt is right now, as of last year, was \$44 billion, and that is only the state enterprises. That does not include the statutory entities such as WASA and T&TEC. But the state enterprises, the debt profile right now, and it has probably increased from last year to now, is \$44 billion. It is another albatross around our necks and it is screaming out for attention.

So I would have liked to see in this review that the Ministry of Finance has assigned several million dollars to create a new institution or say: “Listen, we need to have the Investments Division completely staffed up, double the staff, get the resources and let us try to put a better handle on this, because we have something around that is ours, but it is all out of our control.”

Madam President, I also want to touch on the Ministry of the Attorney General and Legal Affairs increase of \$30 million. Nothing pains me more than this, Madam President, because we go along the lines paying lawyers. Rather than paying lawyers for commissions of enquiry, we should be paying lawyers to prosecute. That is my view. We should be paying lawyers to prosecute. While guys are—Clico in particular—in Monaco every year, at that time, having the blondes, having a fun time in Monaco at the Million Dollar Round Table and all

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the other annual limes that the guys and they were having. And then people like me who have a Clico annuity, I did not have the fancy one, I had the regular one, found that the value of my annuity had plummeted. So what I was expecting to get as a pension has been halved. They were having fun in Monaco every year, having fun. But me, regular person that I am, I could not afford the nice fancy—so I have one of the regular annuities and the value of my annuity has halved. What I was expecting as pension has been cut by 50 per cent, and it is because of misappropriation of funds. It was a Ponzi scheme, and yet today \$23 billion or however much money, “not a man has been even—no charges nothing?” Nothing?

FCB IPO was one of the most egregious demonstrations. Somebody like me, small man applied for a thousand shares. “Dey say: No you cyah geh ah thousand. You could only get 500. But another man walked way, working in the company, get half a million shares and he still working and smiling and laughing at everybody.”

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

Sen. D. Small: Oh thank you, Madam President. Time has run out on me. So those are issues, Madam President, that we need to tackle as a country. FCB IPO.

I mean, I will always talk about Allen Stanford is serving 125 years for running a Ponzi scheme. He will never see the light of the streets again because he was taking people's money, promising them returns, telling other people: "Aye, give me de money" and promising you money and taking that money, pass it on to this person and trying to find new people. When he ran out, "de ting buss". That is what Clico was doing. Why?

HCU, I was in this Chamber, Madam President, when the Bill came for us to

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rescue the HCU shareholders, while the CEO of HCU was paying himself \$1 million a month and a whole set of invoices home liming in Florida every week, having a time and then the taxpayers have to bail them out. "And still, not ah man make ah jail." Nobody? Nobody?

I want to close on this, Madam President, many talk about corruption. I want to quote from the FIU 2017 annual report. We have an interesting statistic. I am surprised it never came out. On page 30 of the report, they talk about suspected criminal conduct. In that table, Madam President, they referred to something, corruption including misbehaviour in public office. So the FIU, in their 2017 report, has recognized the number of suspicious transactions, 15. The value, \$132 million of corruption including misbehaviour in public office. Where is the arrest? This is the problem, Madam President. We want to fix things in Trinidad and Tobago, but people who are performing these acts know that almost they are pretty sure there is not going to be any prosecutions. But we would increase \$30 million to pay lawyers for a commission of enquiry. That is a waste of money.

Let us spend \$30 million, increase the staff of the DPP, create a special corruption investigations unit for the DPP and you hire lawyers and say: "Your job is go after these people." Do not spend money on commission of enquiry, which is a big "pappy show" now. I see it here. It is going to pass, because there is not a vote required. But I would not support this. I would support \$30 million to create a new investigative unit for all those who have stolen money from Trinidad and Tobago, taken food off the plates of the poor suffering citizens of this country and living fat and people are struggling to get by day by day. We have to fix that, because if we do not fix that the problem is the trickle down, Madam President.

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People are seeing other people doing it and doing it with impunity, without any penalty. And what happens, people see that and feel they could do it as well, and that is not good of Trinidad and Tobago.

Madam President, I want to say that I have tried to put some numbers on the record, in terms of the reality of the energy business.

The one thing I want to close on, Madam President, I want to deal with it in the shortest possible, the granular way. Madam President, a few years ago—we have to take ownership for actions. Every action has a reaction. So I would be the first to say, Madam President, any adjustment in the fiscal regime that anyone claims has resulted in additional oil and gas exploration activities and they could say it was a direct result of this, that is fine. I will never argue with that. But you also have to own the other half; that as a direct result of that, it has caused a massive haemorrhage in Government revenues. Accept that part too. Everybody wants to choose one side. Stop choosing one side. Accept the totality of the situation. Whether you intended it or not, the result is yes, you can claim that changing incentive system allowed for more exploration. Great. But changing the incentive system allowed for—I have calculated over \$27 billion in lost revenue. You have to own that too. Do not come and try to own part of it and try to hold stories.

Madam President, if it is one thing with me, I do not have time for people who try to do that. My job here is to try to put correct information in the public domain. I think I am almost out of time. So, Madam President, that is critical, because that has hamstrung the ability of Trinidad and Tobago to weather the storm. Whatever side you are on, that is fine but own the whole story. Do not own

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half of it. Half of it is your child, and the other half is somebody else's child. “Cyah be. Cyah be.” We have to get a—I have tried to stay away from that, but it is just so painstakingly obvious and patently wrong.

So Madam President, I want to say my time is up and as always I want to thank you for allowing me the opportunity to join in this debate, and I also want to give you a special thanks too, Madam President, for allowing me to be able to put some data on the public record. Thank you very much, Madam President. [*Desk thumping*]

Madam President: Minister of Energy and Energy Industries. Hon. Senators, at this juncture we will suspend and we will return at 5.30 p.m. So we are suspended until 5.30 p.m.

4.58 p.m.: *Sitting suspended.*

5.30 p.m.: *Sitting resumed.*

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

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): [*Desk thumping*] Thank you very much, Mr. Vice-President. It is indeed an honour and privilege to join this debate on a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017.

Mr. Vice-President, let me first begin by congratulating both the Minister of Finance for a sterling contribution in the other place and for my own senatorial colleague here, the Minister in the Ministry of Finance for a similarly sterling contribution here in the Senate this morning. [*Desk thumping*]

And I make no apologies for saying that I thoroughly enjoyed the Minister

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of Finance's closing remarks where he said "I can see clearly now the rain has gone". [*Desk thumping*] Because Mr. Vice-President, it really rained, you know, "bucket a drop" according to the old people, you know. Because I just want to outline a couple issues that we faced as a Government when we came into power.

A record debt level, net debt moved from \$46 billion to \$77 billion under their tenure. I am sorry Sen. Mahabir is not here. He spoke about the Heritage and Stabilisation Fund, they did in fact put money in the Fund, you know, but they borrowed to save. They borrowed money—

Sen. West: That is right.

Sen. The Hon. F. Khan:—to put into the Heritage and Stabilisation Fund. Despite the exorbitant revenue stream that was coming with oil prices of approximately \$100. So you borrowing money at 7 per cent to put it into a savings account of 2 per cent.

A fiscal balance of continuous deficit for the entire UNC administration, 2010 to 2015. In an environment of high revenue and high oil and gas prices. Sen. Small made the point, they just matched the expenditure with the revenue, without care of anything.

The overdraft facility from a credit of \$6.5 billion to extending the overdraft limit to \$9.9 billion. Sixteen billion dollars was actually taken away in that regard. Downgraded by the credit rating agency Moody's, downgraded Trinidad and Tobago credit rating from BAA2 to BAAA1 in 2015. Gas curtailment in the energy sector. The UNC administration withdrew almost \$16 billion in cash reserves from the NGC.

So here you had high revenues, record revenues. The only years that had a

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higher revenue than 2013 was 2008. Record revenues virtually from '10, '11, '12, '13 and parts of '14. With all that you max out the overdraft, you take \$16 billion from NGC, you increase your borrowings from \$46 billion to \$77 billion. Good? [*Crosstalk*] Same amount, so having on the fiscal side this is the damage you had done to the country. And what the PNM met when they reach in there, a \$5 billion back pay for public servants. We have paid it already, you know, in spite all the “guava season” we in, we paid it.

And then there were these specific issues which I will go into. The addendum 2 OAS contract. Where you give the OAS a lifeline, when they went into bankruptcy in Brazil. They purchased naval assets of \$1.2 billion, they did not purchase, “they trust it”. They trust it from the Dutch, the Damen vessels. We had to pay for it, we have paid for it. The long range patrol vessel, the one the former Prime Minister saw in China and say I want that one. She did not even board the vessel, you know, she just see it in the sea and she said, “I want that one”, \$230 million, et cetera, et cetera.

It was raining “bucket a drop”. And here we are we struggled for two and a half years. It is no secret. We had to do a balancing act. Because you had a population that was demanding, a population that had grown accustomed to a certain expenditure level in the economy. We handled all that, we achieved some level of fiscal consolidation, by cutting expenditure and trying to bring expenditure in line with revenue, without significant if any social unrest with major cuts in the social safety net, without mass retrenchment in the public service, because we did that largely from the reduction in waste, corruption, inefficiency and mismanagement. [*Desk thumping*]

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And here comes the hon. Minister of Finance in the House, last week Thursday and he painted a positive picture for the first time in two and a half years. For the first time in three and a half years, actually, a revised growth projection for 2017 from minus 2.6 to minus 1 per cent. The estimated growth forecast for the economy is 2 per cent in 2018, 2.2 in 2019, and 2.5 in 2020. Headline inflation 1.3 in 2017, he goes on to say all the other positive aspects of it. Because of the increased gas production nominal GDP is expected to expand by 9 per cent thereby making the debt to GDP ratio much lower.

All positive signs, and when for the first time, as a Member of this Government, I was expecting to see—I smile all the time, but I was expecting to see a little smile on people's faces. [*Laughter*] We had a heap of “pundits” and those on the Opposition wishing it was bad. To me that is untenable. Hear what we had: we had the hon. Leader of the Opposition in a speech, response saying doom and gloom; the Chief Whip in the House, Mr. David Lee, Member for Pointe-a-Pierre, hear what is his impression of this thing. He said “all yuh getting more revenue from oil now, well abandon the property tax”. You see how they think. It is systematic of the UNC. And hear this one, a man who I had great and tremendous respect for, Dr. Bhoë Tewarie, the Member for Caroni Central, it is just a gas blip. I will show you it is not a blip in a little while.

Because all they try to do is extract negative from what seems to be now a turning of the corner, what phrase you want to use? A return to some level of economic growth, some level of fiscal consolidation, some level of positivity in the country. And for heaven's sake, if we are citizens of this country and take that attitude towards positive data, and positive information, and positive trends, you do

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not like Trinidad. We are not saying it is the best, you know, we are not saying it is ideal. But if we come to the country, but we told you it was bad, you know, we told you we were working on it and we came in a position of saying “hey guys this thing looking a little better now, in fact much better”, and you have these pundits and Opposition spokesperson getting on.

But, Mr. Vice-President, a lot of what the Minister of Finance said had its genesis in the energy sector. That is my portfolio, so today I will account in some greater detail what is happening there.

But let me just read from the Minister of Finance’s speech. I am reading from an article here by Aleem Khan on the *Express*. In the mid-year budget review three days ago Imbert, credit Government for increase natural gas production. He said quote:

“This boost in gas production is due to the hard work of a dedicated team led by the hon. Prime Minister and including the Minister in the Office of the”—Prime Minister and the Attorney General—“and the Minister of Energy and Energy Industries. This team has worked unwaveringly in complex negotiations and discussions with the oil and gas companies, and the downstream companies, both here and abroad, to secure this country’s future, in stark contrast from the empty posturing and grandstanding of the past.”

Even though my name was called here this is accurate. It did happen, under the astute leadership of Dr. Keith Christopher Rowley, [*Desk thumping*] and I will say more on that later on.

Mr. Vice-President, let me take it from the top. When we were saddled with

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this phenomenal decline in revenue, in 2014 it was \$17 billion, in energy revenue, dropping to a phenomenal \$1.03 billion in 2016, to a mere half a billion in 2017. Virtually plus 90 per cent decline. What we did? We went to the people, we organized a symposium called “Spotlight on Energy”, and for the first time in this country we laid the facts out there for the country to see.

We showed—the Prime Minister and myself were the key spokesmen in that forum. And we outlined two fundamental things to the people of this country. First, the precipitous decline in revenue was not only due to low prices and declining production. But fundamental to that was more than generous tax concessions that were given by the UNC government to the oil companies in 2014. Sen. Small made pass—not more than passing mention of it. And the second big issue we brought up, was an issue called “transfer pricing”.

Probably more important and more significant in the decline in revenue than what I spoke about earlier. Transfer pricing is an international taxation dilemma all over the world; ask our tax expert here, Sen. West. And we were convinced, based on the Poten & Partners Report which was the gas master plan that they said that between 2011 and 2014, this country haemorrhaged because of transfer pricing, non-arm’s length transaction with the off-takers of Atlantic LNG, US \$6 billion per year; imagine, \$6 billion. That is TT \$37 billion, you know, that is half of you revenue, no about 70 per cent of your revenue.

At current prices they still estimate we were haemorrhaging US \$1.5 billion per year. We laid it out bear because “we eh fraid nobody you know”. We seek the interest of the people of Trinidad and Tobago. [*Desk thumping*] And I will say here without fear of contraction we are not scared of bp, no Shell, no BHP, you

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know. We will be fair eh, we will be respectable because they are investors. We came out of the spotlight and lo and behold, lo and behold the same position they took on Minister Imbert's positive comments last week Thursday, and they said "All yuh mad. All yuh attacking the oil companies. You running foreign direct investment, they will pull out of Trinidad and Tobago". Even the Energy Chamber of Trinidad and Tobago, much to my chagrin, said that you have to honour the sanctity of the contract. Well, I do not know if it the UNC spokesman or his own spokesman, Kevin Ramnarine, took the same message we cannot renegotiate contracts, you know, the contract has a sanctity about it.

But, Mr. Vice-President, let me show you I am quoting here from the United Nations code of conduct on multinational oil companies. A United Nations document, you know, not law but a United Nations guideline. It states:

In the absence of contractual clauses providing for review or renegotiations multinational oil companies should respond positively to request for review or renegotiations of contracts concluded with governments or government agency upon which such a contract was based have fundamentally changed. Changed circumstance, Sen. Prescott, you have that basis in law. Fundamentally changed circumstances. We can re-open negotiations. But they say do not do that. But stay here and "suck salt" as some were saying so.

So what our Leader did, he said we are going to London to meet the big boys. He put the same team together, Minister Young, myself and we took some technocrats. There we met with Bob Dudley and Maarten Wetselaar. The President and CEO of bp and Shell and their team.

And while the meeting was not taped, I saw our Prime Minister at his

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mercurial best at those meetings. Because he laid it out to them and he said as private companies and multinational companies, you have a right of a fair return on your investment. That is your right, but as a State as a sovereign State and the owners of the resources, we also have a sovereign right to extract fair economic rent for the resources that belong to the people of Trinidad and Tobago. [*Desk thumping*]

And he went on to say that they are not mutually exclusive events and both parties can come together and work this thing out. And all the naysayers and the prophets of doom and gloom, both bp and Shell, have agreed. [*Desk thumping*]

Coming out of those London meetings, it was decided that the parties will appoint empowered teams to proceed post-haste with these negotiations. The Government announced its team, I think about two weeks ago, Minister Young announced it, and let me just for the record, announce it here to this House. The team is headed by the Minister of Energy and Energy Industries. It includes the Minister in the Ministry of Legal Affairs and the Office of the Prime Minister, Mr. Leroy Mayers of the Ministry of Energy; Mr. Richard Jeremy of the Ministry of Energy; Mr. Wendell Mottley, who has been doing yeoman service as an advisor for the Government; Mr. Vishnu Dhanpaul, Permanent Secretary in the Ministry of Finance, and Mr. Mark Loquan, the President of the NGC. And this is the point I want to make here. Representatives from two companies, Poten & Partners, who we have retained as a consultant to the Government of Trinidad and Tobago and probably the top energy law firm in the world. White & Case coming out of New York.

And this is significant because for far too long in this country we have gone

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into negotiations, we have signed binding contracts, we have signed long-term contracts without the proper international advice and we are not going to do that anymore. [*Desk thumping*]

Let me just deal quickly with the revenue side. And I want to quote an example Mr. Vice-President, that shows you the fundamental weakness of our petroleum tax legislation. I watched the EITI 2016 report, last week Friday, the EITI is Extractive Industries Transparency International it is an international group that brings transparency to the industry. They provide independent audited reports on revenue. I am reading here from the speech I made there.

The 2016 EITI report year providing a most revealing statistic namely that NGC is the largest tax payer contributing \$5.7 billion to Government revenue. NGC 5.7 billion to Government revenue, NGC is followed by EOG Resources with payments of 1.3 billion, and bpTT with payments of a mere 480 million. The obvious question is how can EOG with a production of 450 million cubic-feet per day contribute 1.3 billion in taxes, whereas bpTT with five times the production of EOG producing 2.2 billion cubic feet per day contributed a mere \$480 million.

I do not have enough time to explain why. BP did nothing wrong, you know, it is the other side. Tax write off. They give them concessions to write off all the capital expenditure in three years. Fifty per cent, a staggering 50 per cent in the first year. Mr. Zakour, you are a businessman, you ever hear that? Thirty per cent in the second year and 20 per cent in the third year. And the exploration side, you could have written off 100 per cent of the expenditure in the year in which it was expended.

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Through you, Mr. Vice-President, this wide disparity in tax liability is the basis on which we had to justify the 12.5 per cent royalty on natural gas because natural gas is a depleting asset. It is a depleting resource base. And natural gas cannot only be subjected to corporation tax because you could be producing, in fact, this country produces virtually 1 trillion cubic feet of gas per annum and you cannot tell me the State has nothing to get from that, based on profit tax. So the royalty system is to take it from the top, 12 and a half per cent royalty on the volume you produce.

And I am proud to announce here of the first time today that this tax was implemented—this royalty—from the 1st of January this year, 2018, due every quarter to the quarterly payment up until March from having zero, that figure was a staggering \$534 million [*Desk thumping*] in one quarter, which is estimated to be in excess of \$2 billion per annum. And this royalty system was criticized by the same Kevin Ramnarine, you know, and Carolyn Seepersad-Bachan, you know, and the Energy Chamber of Trinidad and Tobago and Kamla Persad-Bissessar, you know. And Sen. Shrikissoon asking question and he is not here to hear the answers. And it was paid in US dollars equivalent. So it impacts on the revenue in terms of the foreign exchange.

Sen. Small spoke about transfer pricing. This is where we are hurting the most, Mr. Vice-President, because the prices you see quoted Henry Hub, Lake Charles, Chile, it is not what we get for our LNG, you know. It is non-transparent transactions between affiliates of the owner of Atlantic that the real value of the cargoes is net back to Trinidad and Tobago as Sen. Small rightfully said because we only tax at the well head.

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So they could be getting \$8 per MMBtu in Japan or South Korea and they declaring \$1.80, \$2.30 back to net back to the well head. It is obscene and this Government would not sit idly by and allow this to be happening. [*Desk thumping*] And when you confront it, when the Prime Minister because of his astute leadership decided that he has to take charge of this and he has a strong team with him, and we are well resourced now and to quote Shakespeare “we are armed and well prepared” for this battle because the lifeline of the economy of Trinidad and Tobago depends on this.

Having said that, we are in no war with the energy companies as it will be shown by their investment profile. BP has committed to spend US \$5.7billion over the next five years, Shell, EOC and BHP, the same amount because they know and they know that we know. So now we can sit down around the table as equals and thrash out this matter.

For the records, Mr. Vice-President, the gas forecast is now being updated 3.8 BCF in 2018, 3.94 BCF in 2019, 4.05 BCF in 2020 and 4.14 BCF in 2021 and 4.09 BCF in 2022. 2018 production is largely supported by the same Juniper project that Sen. Obika and the UNC boasting about. Yes, the tax incentive you gave did in fact bring Juniper on board. But as Sen. Small rightly said, you only own half of the child. Because it is because of the way you structured this deal that caused us not to have any money today in the Treasury. You threw the baby out with the bath water.

And that is the irresponsibility of that last administration. They did many wrongs, you know, and some of it hidden because the population does not understand the intricacies of petroleum taxation. So they will look at Beetham

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waste water and OAS highway and stuff. But these are more fundamental. You haemorrhage so much more money out of these hidden transactions. And I can guarantee you that it is not only ignorance.

We have Angelin on track now, Cassia Compression is coming on, Savannah and Cassia redevelopment, Shell has the Bounty field to develop, the Endeavour field to develop. There are prospects called Ginger, Jasmine, Coconut deep by bp. Shell has to develop MCMA 4, Block 22, and EOG the SECC and the Osprey blocks. These are just names that the average citizen does not know, but these are prospects that exist off the east and northeast coast of Trinidad and Tobago.

And finally, in terms of gas we are very close to signing the Dragon deal with the Government of the Bolivarian Republic of Venezuela. [*Desk thumping*] We are in cross border talks to develop the cross border fields off Loran-Manatee and Manakin Cocuina. Let me just make the point that this is a commercial deal between the Government of Venezuela and the Government of Trinidad and Tobago, it has absolutely nothing to do with the politics of Venezuela. It matters not to us who holds the reign of power in Venezuela, the deal is supposed to stand commercial scrutiny so that any administration that is installed in Venezuela could see the veracity of a deal like this. So we feel confident when the deal is signed within a month that it will stand the test of any administration who holds power and authority in Venezuela.

6.00 p.m.

Let me just deal quickly with two items. Petrotrin and the issue of the gasoline subsidy. Well, Mr. Vice-President, I am not speaking here to Sen.

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Ramkissoon. When I say Petrotrin, honestly, I do not know whether to laugh or to cry, because either sentiment or emotion I show will be very accurate, but Petrotrin is in deep problems. It has a high debt burden of TT \$11.7 billion, a bullet payment of \$850 million due next year in 2019—everybody knows that—it has a working capital deficit of TT \$6.5 billion. Of concern to us, more importantly, it has outstanding tax and royalty liability of TT \$3.2 billion to the State. So, in other words, if the State did not own Petrotrin, the State would have been \$3.2 billion richer. That is the long and short of it. I am not saying that in any loaded connotation. I am just quoting the facts that if the State did not own Petrotrin, the State would have been \$3.2 billion richer.

It is common knowledge that we have installed a new board—not so new anymore—and they are working on a major restructuring exercise and, more importantly, to transform the company into a viable commercial entity. But let me just say one thing. Petrotrin, as Sen. Small said, does in fact have potential, but to extract that potential will call for serious capital investment, and when I say “serious” I mean “serious”.

How can a company like Petrotrin get fresh capital? Recapitalize. You cannot borrow because you already, one, \$11.7 billion in debt. Your shareholders have no equity to inject, because the shareholder himself is struggling. He is now seeing the light at the end of the tunnel, so any lil surplus capital the Minister of Finance have, it is not going into Petrotrin. I can tell you that. It is only one way out, you have to seek equity with capital and work out some joint venture arrangement to take the company forward. I do not want that statement to be misinterpreted, but I am saying a statement of fact. [*Crosstalk*]

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Sen. Obika: So you are going to tell me, you are going to sell Petrotrin.

Sen. The Hon. F. Khan: No. “Yuh see allyuh only talking superficial things, you know.”

Sen. West: You need to learn English.

Sen. The Hon. F. Khan: This is not a joke, you know, Sen. Obika. This is fundamental to the survival of the economy of Trinidad and Tobago, you know. [Crosstalk] Good. And you guys deal with these things very flippantly. That is why sometimes I say nothing here, and sometimes I would just squib something. Okay? [Crosstalk] But you cannot treat these matters flippantly. These are very, very, serious decision-making notes that the country has to make. So we await to see how Petrotrin unfolds.

And, finally, Mr. Vice-President, in the 2017/2018 budget, October of 2017, where we adjusted the price of super and diesel, super was moved from \$3.58 to \$3.97 and diesel was moved from \$2.30 to \$3.41. However, that still had a small residual subsidy of 34 cents per litre and 45 cents per litre for diesel and 32 cents for super. We had kept that residual subsidy, because we wanted to capitalize on the petroleum levy which the oil companies pay and that would have been equivalent to \$260 million, so it would have netted off itself.

What happened? Because the budget was pegged on \$52 per barrel, we would have been in a no net loss position in terms of the fuel subsidy, because oil prices are approaching \$70 and it has crossed \$70 on a couple occasions—

Mr. Vice-President: Minister, you have five minutes.

Sen. The Hon. F. Khan:—if that trend continues, our subsidy liability, by the end of this fiscal year, will be TT \$900 million. How we will deal with it? We have

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options. The Minister of Finance had announced that he wanted to peg fuel prices based on market value as happened in Barbados and Jamaica, he had said that that may not be available to us until the end of the year. In the interim, we may still have that liability, but the subsidy is paid to Petrotrin and Petrotrin owes us. So we can have a handshake and an exchange of cheques and “call that George”, so to speak.

So, Mr. Vice-President, as I wind up, I think I have put some clarity to the energy situation and, in particular, the revenue side of the energy situation. I make no apologies for saying that a lot of the dire straits that we have experienced in the last two and a half years was a direct result of policies and programmes implemented by the United National Congress.

And let me close off like I started, “I can see clearly now the rain is gone.” [Crosstalk] No, no. Hear this next one. But the song went on to say, “I can see all obstacles in my way”, and the only obstacle I see to the development of Trinidad and Tobago is the United National Congress. [Desk thumping and laughter] With those closing remarks, Mr. Vice-President, I thank you. [Desk thumping]

Sen. Sean Sobers: Thank you, Mr. Vice-President, for allowing me to contribute this evening, on a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Bill, 2017. Mr. Vice-President, my contribution this evening is one based upon someone, who, being by profession, an attorney-at-law, and not an economist, not a financial individual, not someone who has worked in the energy industry, but just a responsible Trinbagonian citizen, who appreciated in 2015, that we were going through a precarious time.

Mr. Vice-President, I have heard hon. Senators on both sides of the divide

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make certain comments. I listened intently, like I am certain many of us here, as well as the viewing and listening public tuned in earnestly to hear what the hon. Minister of Finance had to say in the other place. And the constant theme that was proffered throughout his presentation was one of hope that better days were in fact ahead. And listening to all the economic pundits as the hon. Sen. Franklin Khan just mentioned, it shocked me to note, that they who are professionals in that field, in that particular discipline, had something contrary in their entirety to say to what was delivered by the hon. Minister of Finance.

Even today, having conducted some degree of research in 2015 and even last week, it took me by surprise to appreciate and understand the contribution made by the laying of the Bill by the hon. Sen. Allyson West, the Minister in the Ministry of Finance, because to be honest, Mr. Vice-President, her presentation this morning, in my humble opinion and in my considered view, was actually more in line with what I think the economic pundits proffered. And in my considered view, her presentation was diametrically opposed in certain regards and respects to what was proffered by the hon. Minister of Finance last week Thursday [*Desk thumping*] because—she, not she. I apologize—the hon. Sen. Allyson West, was more realistic in terms of the factors that affect oil prices, in terms of the fact that the current price of oil now, which we follow, which is West Texas Intermediate at \$70 or \$71 a barrel, can definitely change by tomorrow or next week—it can go higher, as well as it can go lower—and that was definitely not the sentiment that was put on the record last week Thursday by the hon. Minister of Finance in the other place.

In any event, Mr. Vice-President, as I mentioned before, I did some research

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and some reading back on this entire issue in 2015, because like many of us here in this honourable House, I am a child of the millennium. I was born in the late 80s, and I had not experienced any real economic recession, save and except for what transpired in this country maybe in and around 2007 I think it was, when the rest of the world plummeted into some level of economic recession, but Trinidad and Tobago weathered the storm.

At that point in time, I mean, I was still at college and I was still living at my mother's home—I still am living at my mother's home now—but it did not affect me as much to spur my interest to actually enquire as to what really affected the oil price then. But in 2015, it encouraged me, that based upon a situation wherein we had oil prices just about a year before, at levels of \$100 a barrel—I could be wrong—but plummeting to somewhere along the lines of \$26 a barrel, as a responsible adult of this country, I had to find out why. How could it be, that just shy of 12 months ago, we had oil prices soaring and now we were picking up scraps? And I conducted some research and I was very shocked and surprised, as to what really, in fact, affects oil prices. I think many members of the listening and viewing public ought to know, because if one conducts some form of empirical data in terms of research and asking members of the public: What drives the oil prices? You would find that most Trinbagonians do not know.

There are reports placed in the newspapers and placed in the public domain by economic pundits, but many of us do not pay attention. So I thought it fit, as I am here in this august Chamber, to make some level of contribution and insight. It may have been touched on before by hon. Senators, but I wanted to go into it a bit deeper.

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The first thing I learned in 2015 is that the oil price is affected in a market by forces of push and pull, which are sometimes referred to “bullish and bearish thugs on the market itself”. What does this mean? Mr. Vice-President, if you will allow me, there is an article by Carlene de Palmaz “Bullish and Bearish Stock Markets...” and oil markets, what do they mean?

“Bearish and Bullish are simply terms used to characterize trends in the currency, commodity or stock markets. If prices tend to be moving upward, it is a bull market. If prices are moving downward, it is a bear market. Of course, this does not have to refer to the market overall. A single sector, or even a specific asset, can be called bullish or bearish and the words are often used to refer to sentiment among traders, which can make the market go bearish or bullish even if the trend hasn’t started yet.

What makes a Bull Market?

Bull markets usually happen when economic indicators show that things are looking up.”—which in my respectful view is what is being proffered by the Government today that—“Consumer confidence is high”—which in my respectful view is not the position today—“usually thanks to high employment”— which is not occurring in Trinidad and Tobago—“and this causes consumers to spend more and invest more.”—this as well is not occurring in Trinidad and Tobago—“Not only does that make prices go up, it also contributes to high levels of confidence in the business sector”— which is also not present in Trinidad and Tobago—“which helps the market rise even more.

What makes a Bear Market?

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Bear markets tend to happen when market sentiment is very low”—which is what is going on in Trinidad and Tobago—“often driven by low employment rates”—which is what is occurring in Trinidad and Tobago—“and negative economic data.”—it goes without saying—“Of course, the most famous bear market is the Great Depression of the 1930’s which was triggered by the Wall Street crash in 1929. Like in a bull market, the sentiment in the market snowballs, so that negative feelings triggered by one event can lead to a long term downward trend.”

Based upon the understanding of bullish and bearish markets, I then decided to conduct some further research to really and truly understand, what affects oil prices. What really makes them fluctuate? I found that oil being a commodity and, as such, it tends to see larger fluctuations in price than more stable investment such as stocks and bonds. There are several influences on oil prices, a few, such as OPEC’s influence on the oil prices, supply and demand futures, contact impacts on oil prices, impacts of natural disasters and politics and oil prices production cost, storage impact on oil prices, interest rates impact on oil prices. The bottom line being that there are several factors, both economic and political, that can cause fluctuations in oil prices. OPEC is widely seen as the most influential player in oil price fluctuations, but basic supply and demand factors in production cause political turmoil and even interest rates can play a significant role in the price of oil.

That being said, I listened closely, as I mentioned earlier on, to what the hon. Sen. Allyson West said in her presentation that, in particularly, what has contributed, especially within the last six months, to the rise in oil prices or the

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steady rise in oil prices, would be pursuant to a certain degree of instability in the Middle East, a certain degree of instability in or high degree rather of instability in Venezuela, the recent demise or breakdown of communications with respect to this relationship or deal that was one shared between the US and Iran. And based upon that, other economic pundits, internationally as well pleased, Mr. Vice-President, shared a more realistic aspect as it pertains to what the future of oil prices would be, and that based upon an understanding of those future oil prices, one can clearly understand that the road or the direction or the picture that has been painted by the Minister of Finance in the other place is honestly incorrect.

Mr. Vice-President, I would want to share with this honourable House, an article by Nick Cunningham that was written on April 16, 2018. Within that article, Mr. Cunningham dealt with an analysis being conducted by Barclays Bank, an international organization. And he commented by saying:

“Oil prices could rise due to the ‘perfect storm of stagnant supply, geopolitical risk, and a harsh winter...”

He says that:

“The flip side is that the explosive growth of U.S. shale keeps the market well supplied, and ultimately forces downward price correction in the second half of the year’, Barclays says. In fact, the investment bank said there are several factors that could conspire to kill off the recent rally. One of the looming supply risks is the potential confrontation between the U.S. and Iran. The re-implementation of sanctions threatens to cut off some 400,000 to 500,000 bpd of Iranian supply.

Ultimately, the current price levels could be ‘as good as it gets,’ Barclays

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argues. The bank forecasts Brent will average \$63 per barrel this year and only \$60 per barrel in 2019.”

Granted that we in Trinidad and Tobago—subject to correction from my friends on the other side—peg our budget—I am saying this loosely—not on Brent crude which, I am told and informed, is a richer blend of oil that is extracted somewhere in the Black Sea—but we pegged our budget on West Texas Intermediate, which is less valuable on the market than Brent crude.

So, if Barclays is suggesting that the average price of Brent crude oil would be between \$63 per barrel and \$60 per barrel next year into 2019, then one would have to reasonably appreciate that West Texas would be lower than that. Currently, I believe Brent crude is \$80 or \$80-something a barrel, West Texas is \$70. You are looking at almost \$10 difference per barrel.

Mr. Cunningham went on to say:

“Of course, for oil prices, much comes down to what OPEC ultimately decides to do at its June meeting. All recent signs point to an extension of the supply curbs through the end of this year, perhaps into a good portion of 2019. OPEC countries appear more determined than ever to erase the supply surplus, something that the IEA said last week had likely been accomplished.

The cartel seems to want to take no chances, and has discussed keeping the cuts in place through the first half of 2019. Much of the motivation comes from Saudi Arabia, OPEC’s most influential member, who reportedly wants”—not is, they want it to be, they want—“\$80 per barrel to bolster the valuation of Saudi Aramco.”

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OPEC, the biggest player—Saudi Arabia, rather—sorry—the biggest player in OPEC is hoping, is praying, is forecasting that possibly the oil price would go up to \$80 per barrel, and we here in Trinidad and Tobago, depending on West Texas Intermediate oil hoping at this stage of \$70 per barrel are proffering to the people of Trinidad and Tobago, as pundits in our own right on that side, on the other side, that brighter and better days are ahead, that there are no more problems associated with the economy right now. In my opinion, nothing could be further from the truth. [*Desk thumping*]

Now, this economic forecast or this economic belief and understanding that has been proffered internationally, mind you, has also been shared by local persons here. I find for most times, sometimes, we do not give ourselves due credit for the level of local content and experienced persons we have in Trinidad and Tobago. As recently as three days ago, there is an article, I believe, this is the *Trinidad Guardian*. The writer is Sasha Harrinanan. “Couva/Pt Lisas Chamber: Mid-Year Review was simple politicking”. That is the head of the article.

“THE Couva/Pt Lisas Chamber of Commerce...says the Mid-Year Review ‘was simple politicking.’ CPLCC president Ramchand Rajbal Maraj told Newsday”—this is Newsday. I do apologize—“government ‘needed to put something out there that they are finally succeeding, while in fact recovery is weak.

The new gas production will only add to a modest recovery, for a while, because the non-energy sector is contracting.

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‘In other words, agriculture continues to shrink, tourism is shrinking, manufacturing is flat, the services industry is also flat. One sector alone cannot bring the economy back up.

You need a comprehensive diversification plan. Crime is another area. Government hasn’t really done anything about it yet crime affects the ease of doing business.’

In addition to Finance Minister Colm Imbert’s silence on crime during the Mid-Year Review”—which I would get to—“the CPLCC found it notable that nothing was said about ‘the next steps Petrotrin has to take to become viable and pay its public debt.’”

They appreciate the hon. Sen. Franklin Khan giving us some update on Petrotrin. Minister, I do apologize.

“The chamber also asked why the silence on policies needed to help ensure the survivability of small and medium-sized enterprises...as well as to address what it considers to be high interest rates and service charges at banks. Something the chamber said ‘is putting an unfair burden on SME’s and ordinary citizens.’

Taking an overview of the economy, Rajbal Maraj called for reform of TT’s public sector, saying this is the only way to effectively facilitate economic diversification and macro-economic adjustments ‘on the back of lower energy revenue.’

And as I reach this particular stage, I would have wanted to comment, and I am going to comment, but I would have preferred if the hon. Minister, Sen. Paula Gopee-Scoon, was present because in her contribution earlier this morning, she

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cited large amounts of excerpts or small amount of excerpts, I should say, given by the President of the Trinidad and Tobago Manufacturers Association head, Christopher Alcazar. I believe she was quoting from an article in the *Trinidad Guardian*. What she failed to do, I believe unintentionally, I dare say unintentionally, is that she failed to mention that the head of the article was: “TTMA: Manufacturers not seeing the signs of recovery” that—[*Desk thumping*]

“President of the T&T Manufacturers’ Association...Christopher Alcazar said manufacturers are not convinced that there is a turnaround in T&T’s economy.” [*Desk thumping*]

I thought it best that I place that upon the record, lest persons misconstrue what Mr. Alcazar really meant to say.

In any event, Mr. Vice-President, I really and truly, having understood all of these pieces of information, messages being placed upon various media by these economic pundits, it made me really wonder whether or not that budget presentation last week Thursday, by the hon. Minister, was really one of hope or one of blatant untruths. I appreciate that we are slightly turning the corner but, equally, I thought a responsible Minister would have put a caveat within that presentation to say, we could also easily slip and go back down the slope. Because the world right now, Mr. Vice-President, in addition to all else that has been covered by these economic pundits about instability and that the fact that instability in these Middle Eastern countries can change to equate to stability, and hence the price of oil will now start to go back down—that the situation between the US and Iran could change and Iran would now be able to resell oil openly on the market—that we must also appreciate that the world at large is moving away

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from oil, that many countries have heavily invested in wind energy—renewable sources of energy—solar, water, hydro. And with the advent of Shale as well too in the US, Mr. Vice-President, we must contemplate that this situation must change.

[MADAM PRESIDENT *in the Chair*]

So I expected, as a responsible Trinbagonian citizen myself, that the hon. Minister of Finance would have come to the House and inform, not only Members present, but the wider public at large, the viewing and listening public, that whatever little we make during this time period—whatever little we make with this increase in oil, for however long it may very well be—what we do intend to do with that money—we intend to use it to probably diversify the economy—that that money would have been put aside and placed and invested in certain sectors of our country to diversify the economy, that it would have been placed to assist fishermen, it would have been placed in agriculture, it could have been placed in the cocoa industry, in the tourism industry, in the shipping industry, anything to diversify the economy.

And many a times we here on this side are accused of not being innovative enough, but if the hon. Minister and the Government wanted, we have a whole 2015 manifesto on diversifying the economy that the hon. political leader on several platforms, she speaks about the green, silver and blue economy, [*Desk thumping*] we would gladly send one over to the various Ministries and offer the level of assistance required to diversify the economy for them.

6.30 p.m.

Madam President, in addition to not proffering proper ideas of

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diversification through the little profits that we would be making in the variation of the oil prices, I also found it not refreshing, that no mention would have been made, especially as Mr. Alcazar put it, in terms of assisting, not only the manufacturing industry, but local industries here as well too. I could recall, Madam President, that I had a discussion with a client of mine who has a company where they make these paper bags and these jewellery boxes—all handmade, well done, exquisite craftsmanship, and their company is suffering right now, because most of the jewellers that they used to sell to are importing all these boxes now from China. Most persons are now trying to import everything wholesale from China, and, I mean, competition is always good. The difficulty is that when things like that are done, they can close down businesses here locally. I remember, under a People's Partnership administration we took that into consideration, and that is why somewhere in 2013 or 2014, thereabouts, in terms of masquerading costumes, a tariff was put on the importation of beads and whole costumes so that it would encourage masqueraders—bands here, to continuously employ persons to create the costumes here and keep mas alive, and the mas-making industry here, locally in Trinidad and Tobago.

That is another page that we would have sent to the Government. You could put certain tariffs on import items to encourage local persons to continue to employ local people. These are not unimaginable situations. It has been done already, and I say time and time again, if the Government lacks the political will and aptitude to have these things dealt with and implemented, we will do it for them in 2020 or before. [*Desk thumping*] Madam President, I think I have spent some time—but let me just get into some aspects of the Bill presently. Madam President, Part I of

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the Bill dealt with expenditure to the Judiciary under Head 03 for an amount of \$18,193,195, and although it has not been said here, I did some reading and I actually listened to the Standing Finance Committee last week Tuesday, and I understood pursuant to what was said by the hon. Attorney General, the reason for this particular allocation. He commented that it would have been put in place because they would have opened up these two new Children Courts, and what not, and they had to, you know, pay for staff, and what not. And I, being a member of the legal profession, just like some other hon. Members here, I do, and I did, and I still do understand the need for the Children Court.

Many of us who now come out of law school, legal aid is something that we all sign up to do, and that there was a significant rise in terms of juvenile delinquency, that necessitated the construction of these Children Courts. As much as I appreciate and understand, and applaud the work that is being done in these courts, because there are good, great, excellent members of the Judiciary working in these courts, it still affected me greatly in that \$18 million alone was afforded to the Judiciary. I have been here maybe on about four or five previous occasions, and that all the Bills that I contributed to would have been Bills to deal with criminal matters, and other matters related to the Judiciary, and time and time again, in terms of the contributions that I would have made, I also stressed the need for money to be spent on other things associated with the Judiciary—other things that would have assisted in term of alleviating the backlog in the judicial system and in the administration of justice.

I spoke at length on several occasions about the need for money to be spent for the construction of other courts, other High Courts. I spoke at length for the

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need for the hiring of other judicial officers to stock these courts. I spoke at length for more money to be pumped into the DDP's office for the hiring of more prosecutors which would assist in terms of alleviating the backlog. I spoke at length about incentivizing the Legal Aid Authority, because many lawyers, unlike myself and many others who may be present in this Chamber, are not interested in terms of signing up for legal aid, because it just does not pay. I spoke at length about outfitting properly the courts that we have currently now, and it has been said in this place, it has been said in the other place, it has been said in the public domain, it has been said in the media. Currently, right now, Madam President, it hurts my heart, the San Fernando Magistrates' Court is no more, literally. The building in itself is not operational, and it has been so, for the better part of a year. The court is currently sharing a shift system with the San Fernando Supreme Court, that the First, Second and Third San Fernando Criminal Assizes operate from 9.00-2.00, and that the Fourth, Fifth and Sixth Magistrates' Court take over from 2.00-5.00.

We cannot be coming to this honourable House, and boasting about all sorts of things that we intend to spend money on and these things are being beaten constantly in the press, in the media, in this House, in the other place and nothing is being done about it. [*Desk thumping*] We cannot be serious or responsible when \$18 million has been allocated—yes, for the Children Court, I applaud that, but what about everything else? The San Fernando Court, up until when the court was actually functioning, there was no audio recording system in the court, everything had to be done handwritten. The last time that I was there they ran cords and infrastructure in the building, and they put up all the mikes and what not,

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on the desks, and I remember coming back and saying, “Yes, I actually made a difference, boy”, or others made a difference, only to find out by tapping and getting ready to do a rigorous cross-examination, that the magistrate had to inform me, “No, no, no, that isn’t working, you know, I doh even know wha dey put dat dere for”. We commented and we laughed—it is best we started to hang our jackets on it, but the mike would not be able to take it. That is a serious problem, please, Madam President. We cannot be serious.

The Forensic Science Centre is in a mess. I recently had a loss in my family and I know the extent of pain that persons go through when they have to line up like slaves and dogs in the hot sun, waiting for bodies to come up to the Forensic Science Centre for autopsies to be done, and you have one Forensic Science Centre. That cannot be the act of a responsible Government. [*Desk thumping*]

Madam President, I also looked at Head 23; the Ministry of the Attorney General and Legal Affairs was allocated \$30 million. This would have been done, I believe, pursuant to the—this is the variation and not the supplementation. I heard, or I listened rather, to Sen. Small and others comment on, in terms of this money being allocated and what the money was allocated for, and this Clico situation. And, again, I did in fact read and listen to the contributions in the Standing Finance Committee last week Tuesday, and I understood that this particular set of moneys are to go to the DPP’s office in furtherance of certain payments to be made with respect to the Clico enquiry.

I agree that that particular enquiry, or any enquiry—financial matter, fraudulent matter—requires mammoth preparation, mammoth services to effect certain degrees of success in terms of prosecution, and that such requests being

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made from the DPP's office, I tend to agree that, you know, the Office of the DPP is one that we appreciate for the work that is being done, as understaffed as they are. And that, albeit the amount for \$30 million was in fact allocated, I would still want to ask the question, because no names were given of the firms. I read that it was to be allocated for accounting firms and some legal services, and what not, but no names of these firms were provided to the House. The questions would have been asked, assurances would have been given that those names would have been provided, and to date we have not received any yet. So, I would very much be interested in receiving those names. I mean, for my part it is not a question as it pertains to value for money, but just transparency—\$30 million is not 30 cents for the Republic of Trinidad and Tobago and the people contained therein. We need to appreciate who these moneys are being paid to. Unfortunately, the current administration loves to call the names of all the lawyers under the People's Partnership who would have, in their words, fed at the trough, and made all sorts of ridiculous sums of money. But equally, now that "the shoe is on the other foot", please provide us with the names. Let us see who these moneys are being paid too, not to make any snippets or jokes, or quirks about, but just in terms of transparency.

Madam President, I know that I—not to run afoul of the time, but I also wanted to touch quite briefly on the fact that—as I said before, I am not an economist, not an individual in terms of finance or anything like that, but I appreciated what the Infrastructure Development Fund was set up to do, and that in terms of the moneys that would have been allocated to this fund for ongoing projects, this amount of 796-odd million dollars would have been amalgamated

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and taken from possibly some of these projects. I wanted to enquire because it was not provided to us, save and accept for just one line—

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

Sen. S. Sobers: Yes, please, Madam President. Grateful. Just one line that was circulated that certain contracts were not signed; I mean, you know, come on, that is insufficient explanation. What I want to find out is, what projects have been affected by the appropriation of this 796-odd million dollars [*Desk thumping*] that the people of Trinidad and Tobago need to know what projects have been affected. Because, personally, I find it very strange that in a midterm review in any budget that would traverse this House, that not a single cent in this midterm review was allocated to two particular Heads—subject to correction—and those Heads are Head 22 and Head 64, I believe. Head 22 being the Ministry of National Security and Head 64 being the TTPS, not crime being one of the most burning topics in this country, not a single cent being allocated to crime? It is obvious that the Ministry of National Security is failing in its war against crime, [*Desk thumping*] and not \$1, TT, US, bolivar, yen, rupee, dobra, whatever, being spent on the Ministry of National Security? And I say that because the Government loves to come and parade and say that we left—meaning the People's Partnership—left the borders porous and we take back the OPVs—“ya dere two-an-a-half years now, de borders still porous”.

You want to come and talk about statistics in terms of drug seizures and gun seizures, and persons—illegal immigrants that you are arresting, but what you are not telling the country is that all those seizures, all those arrests would have been made when the persons were already here. So, it would naturally mean the borders

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still remain porous, and yet not \$1 spent on the Ministry of National Security. I have documentation here, “man”, Cabinet Minute from 2014 where the People’s Partnership—\$50 million we put towards a particular unit that is training constantly down in Cumuto. Our version of the Navy Seals, trained particularly in sea, air and land interdiction to help stop and curb this level of violence, and the tools being used to commit these atrocious crimes against our own “Trinbagonian” citizens, and yet this Government finds it fit not to operationalize those men; 20-something of them there, “training their life out”, day and night, and not one of them, being allowed to come and work here and protect our citizens. [*Desk thumping*] They are complaining too. And many persons have complained locally, you know. I cannot get into all of them now.

There is an article by Dr. Roger Hosein who comments, no economic turnaround with this murder rate, and he goes on and on, and on about it. The Tunapuna Chamber of Commerce talks about the hon. Minister of Finance, Mr. Imbert, failed to deal with crime. So people are understanding, they appreciate that that is a failure, Madam President. Sen. Obika, in his speech this morning, he graded the Government and he gave them a grade D, I found he was being quite nice, very generous, because if it was up to me it would have been a grade F for failure, and it is not the first time. It is not the first time. Madam President, before I wrap up I want to be fair to the Government, you know, please, Madam President. [*Interruption*]

Sen. Rambharat: After all of that?

Sen. S. Sobers: Yes, after all of that, I want to be fair, because, I, as a millennium person was the beneficiary of good PNM governance. I must say, I am the

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beneficiary of Patrick Augustus Mervyn Manning. I passed through GATE, thanks to him; Atlantic LNG—but this particular administration slammed the GATE. [*Desk thumping*] Right. The hon. Leader of the Opposition, tangible growth, tangible deliverables to the people of Trinidad and Tobago. Patrick Augustus Mervyn Manning deliverables to the people of Trinidad and Tobago, nine new police stations, several bridges built, Children's Life Fund being set up, removal of VAT on over 7,000 items, right? Several schools, over 95 schools—[*Interruption*]

Madam President: Sen. Sobers, your time is up.

Sen. S. Sobers: Yes, please. [*Desk thumping*]

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

Sen. Melissa Ramkissoon: Thank you, Madam President, for the opportunity, and colleagues for the opportunity to speak today on the Appropriation Act, 2017, and as we are referring to it today as the mid-year review. Sen. Sobers made a plea for the Ministry of National Security, but in my opinion I think \$7.6 billion is more than enough, maybe too much, as Sen. Richards is saying, to not get it right. So, I do not think they need more money, Madam President, but I hear his plea. Today we are just looking at basically moving money from the Ministry of Finance to about 17 different Heads, so we are just moving money from the Ministry of Finance to increase different amounts varying for the different Heads. So, it is a simple shifting at this point in time. And, I do want to start with commending the Minister of Works and Transport, who is not in the Chamber, and I would have liked him to hear this because he would not only be known for the Minister of the sea bridge, but he will also be known for the Minister who has really increased the amount of work that is being done on the Solomon Hochoy Highway to Point

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Fortin, and I am for one, very grateful for the movements and the increased pace of the works that is happening there, and it is in the documents before us today.

So, the movements are greatly appreciated. I would ask him to get some signs, Madam President, because one time, coming from Senate, almost 11 o'clock in the night—in south they are working at that time on the highway, and I did not realize the road was closed because there were no signs, but I passed through only to be met with police officers saying I cannot pass. So, yes, we need to have progress but we need to ensure the safety of our citizens at all times. So, I did hope he would be here because I would also ask him: What is the status on the emergency plan on the Creek as well? I did raise a Motion here to talk about the event that occurred in October 2017 with the flooding, and rains are back, and this is a one-access route so, what is happening? I also learned during the mid-year review as well, about the CAF Act which we were asked to pass in the second term of the Eleventh Parliament, and that is to do with the Andean Development Corporation which is an external loan, or one of addition to our external debts. At that time we did learn from clause 3 of the Act that it will be used to provide the Government to borrow from the Corporation for the purpose of financing or promoting economic and social development in Trinidad and Tobago. And from the mid-year review, in the other place, we learned from the Minister of Finance that in October 2017 to March 2018, that this fund was used for internal financing, operations generated, and excess of resources which was utilized to cover the shortfall in the external financing requirements, and it was able to fill a gap of \$2 billion.

We also learned that the money from this Andean fund would be to support the modernization of the ANR Robinson International Airport at the cost of \$500

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million, and that would just be to source the technical advisory services. So, we did learn some information at the mid-year review in relation to what we were asked to pass then. Also in the mid-year review, Madam President, we learned to know that the non-oil sector is finally recovering and it was in reference to the corporation tax, and if you look at the Act, it is Chap. 75:02, and that really is an assessment levied by a Government on the profits of a company. And we learned that the recovery was due to a figure moving from \$1.8 billion between the period of October 2016-April 2017, to a figure of \$2.3 billion in October 2017 to April 2018. My question is: Is this a recovery, or is this due to the budget statement that taught us that more companies, the ones that would have an increase in corporation tax of 30 per cent on companies with a chargeable profit that is in excess of \$1 million, and the harmonizing of the corporate tax by increasing the base tax rate from 25 per cent to 30 per cent, effective from January 2018? So, is it the recovery or the increase of \$1 billion due to these incentives, or is it that the tax base rate is not the issue but it is a larger range of persons being taxed? What are we judging the recovery based on? And, that was not clear in the statements made by the Minister.

Madam President, today I want to speak just on three Heads, and that is, the THA, Head 15; the Ministry of Education, Head 26, and the Ministry of Agriculture, Land and Fisheries, Head 77, and that is how I would be looking at today's mid-year review. So, I would like to start with the THA Head which is 15, which deals with an increase of \$100 million that we are asking to put into this fund, and I am a bit reluctant, and I really would think that a Minister in the Ministry of Finance would also be a little bit reluctant, because the last laid

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financial report for the THA was September 2015, that was laid in May 2017. And if we look before that, the last laid report was September 2018 which was laid in 2016. So, we have no financial reports from 2008 to 2015. So, how is it that we would know what is happening with this particular Head, the Tobago House of Assembly, and now we know that we are asking for \$2 million to enable the National Commission for Self Help to assist individuals in Tobago whose homes have been affected by flooding and other damages. But, Madam President, if you just look at the Auditor General's Report, and if you look at the one that was laid in 2016, which deals with September 2008— and the Auditor's responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with the generally accepted auditing standards. But, if you look at the statements there is a disclaimer by the Auditor General that says:

I do not express an opinion on the financial statements because of the significance of the matters described. On the basis of this disclaimer I am not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

So, the responsibility of the Auditor General is to give an opinion, and he says because of the lack of information on the audited financial statements, that they cannot provide an opinion, and to ask to put more money, or to even give them significant money, because it is not like a few thousands, because if you look at what they were given in 2008, it was a sum of \$1 billion, approximately \$1.6 billion was received directly from the Ministry of Finance. And then, they even went on to say, because of other agencies they would have a sum of about \$2.2 billion goes into the THA, and that is the 2008 report. If you look at the same

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thing—and, again, you would expect better reports. Well, I would hope we would expect better reports and learnings from the past reports, but when you look at May 2017, Madam President, at the report that was laid in Parliament; again, the same disclaimer finds its way, that they are unable to make a statement because of the audited financial statements before them. They even went on to say that payment vouchers under the Sub-Item fees at a district lower division of the Assembly, were not produced for audit, and therefore, it is not possible to verify the expenditure of \$18 million. This is not a little bit of money that we are considering, especially when the Minister of Energy and Energy Industries is talking about Petrotrin and their debt, we should look at these agencies to see what they are really doing with the money that they have and they are expecting to have, every year, because the statement says—does not present fairly the receipts and the payments of the Tobago House of Assembly for the period, and we are looking at September 2015. I do not know what is going on for 2016, 2017, 2018 because it is not before us.

So, Madam President, in 2015 they actually got \$2.4 billion received directly from the Minister of Finance, and now, today we are asking for the Head to be increased for different reasons, and I think the Minister spoke about the \$20,000 that would be for the agriculture access roads. We are asking for \$20,000 for land management services. We are looking for another \$20,000 for agriculture, forestry and fishing, and I am confused to know why they even need more money at this time because there is so much money that is going into the THA right now. We do not know how they are really spending their money, and to come before Parliament now today to ask us, let us just increase it by \$100 million, it is not just right, and we need that to change. So, I am just saying that today that it falls on the right ears

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and something can be done about it.

Another Head that I wanted to speak about was the Ministry of Education Head, and I did not learn anything from the mid-year review in the other place, because it was not mentioned, but we are looking at an increase for the amount because they have the second largest budget allocation in our budget, and we are looking for an increase of \$159 million, and that was to look at paying arrears for salaries and cost of living for primary education. So, it is funds that are required to meet the payments of arrears for the upgrading, or cost of upgrading in the salary scale for primary school teachers, and that is the explanation given for this increase. Now, primary school education was allocated \$1.095 billion, and now we are increasing it by \$75 million, and that is what we have today.

7.00 p.m.

My concern today—and I never really hear the Ministry of Education or any of the Ministers really speak about what is going on in our primary schools today. Has an evaluation or an analysis been done on our primary school education? It is like an elephant in the room, because we are burning out our primary school students. Madam President, what does a Standard 1 child need to go to lessons for? It is not one or two, like the slow children, an entire class—an entire class—and if they do not go, they are victimized.

My parents were telling me that now they have to go half an hour before the school starts. So they have to reach there for half seven, so they go for classes and then they have an hour and a half after school, after three o'clock. That is what we are doing to our primary school students?

I understand teachers demanding more money because of what they have to

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deal with, because they always complain that they are not babysitters; they are there to give an education and not all the children want to learn. I hear that argument, but also at what level are we just allowing teachers to just do as they please, meaning, who is paying for this additional cost to the school to have the lights on for them to conduct their extra lessons class? And then who is paying for the extra lessons? It is not the Ministry of Education but the parents. So is primary education not free?

I could understand Standard Four and Standard Five and you want to have the push for SEA, but what does Standard 1, Standard 2, Standard 3 children have to do that they have to—entire classes now have to be forced to go to lessons, to be in this restricted manner to go to school? Listen, primary school is just the beginning, Madam President. You go into secondary, then you go into university level and then you never stop learning. And to put that kind of pressure on a student, I think you are burning them out before they even reach SEA. I have a very big concern about this. I think it is very, very unfortunate to have any child put through that.

I know from the books from the 2018 Budget that we learnt that from SEA students, that students were falling below 30 per cent in scoring in SEA. Now, 30 per cent, that is a simple thing. You identify the schools, you understand what are the issues, because not all students are meant to be doctors and lawyers and to whatever they aspire. It is the beginning of nurturing their minds, and to put children through this strict system where they have to be disciplined in a quiet room and sitting behind a desk from half seven to 6.00 in the evening, it is very unfortunate, and it can cause—that is why we are seeing all these suicide attempts.

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Children are lashing out at their parents. We are seeing bullying, because they are frustrated, Madam President, and it should not be an elephant in the room. The Ministry of Education really needs to do an assessment. Also we are not even looking at the parents who cannot afford the lessons, because it is not like they are stopping the class. They are actually continuing teaching the syllabus after school. So you mean to tell me that the syllabus cannot be taught between 8.00 to 3.00; that it needs to be taught after school? Why? That is just abuse, because it is \$40 a head, and a class is about 30 children or maybe 20 children. But not in grad school—those are bigger classes.

But anyway, the fact is that it was happening in my time, and I think now it has gotten worse. It is just ridiculous now. I could understand secondary school, but again, what is it that is happening with the syllabus or the requirements of the education system that we cannot teach it within the given hours of the school day? And that is why they are probably crying out for an increase in salary, because they are there for so much hours. So I have a big issue with children being forced to conform to these things, especially because a child who is not learning as fast as other children does not mean that they are unproductive, or they are not smart enough. It just means that they need special attention, and the whole class going to that just does not equate to that equation at all.

Well, we obviously saw that the Ministry of Education had security services. They are normally \$42 million increase, so we are summing up to \$141 million for security services. And from the social media we are not seeing those security services happening, so we are just hoping that we could see an improvement somehow.

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The other Head that I said I wanted to speak about is the Ministry of Agriculture, Land and Fisheries. But before I move to there, I just want to say before I move from Ministry of Education, the principals of the schools are aware of these things. They are aware of the children who need additional care, attention and they need additional push. They are also aware that these children are being restricted to this behaviour. Why are they not speaking out? Is it that the teachers are paying the principals to use the schools, and not the Ministry of Education? What is really going on there? And that is why the Ministry really needs to do an investigation about this, because too many parents are frustrated.

I see them day on day out rushing to pick up children from lessons, dropping them, picking them up. Why? This is necessary? No. So we need to look at revamping our system, our exam system, or the teachers we have because they have to go for training. Something needs to be done. It cannot just continue as operation as normal.

As I said, I wanted to speak on Head 77, which is looking for an increase of \$38 million. If we look at the *Public Sector Investment Programme 2018*, which is Building Globally Competitive Business. We would look at the Water Management and Flood Control Programme, which was an estimated total cost of \$2.9 million, which they get every single year. The projected expenditure for 2018 was \$2 million, and the Water Management and Flood Control in 2017 was \$1.8 million. So it was consistent, \$1.85 million in 2017, 2018, \$2 million.

Now, at this time, the Head 77, we are asking for \$7 million to go towards the relief of flood damage for about 1,083 claimed applicants. The funding is required to meet the cost of the claims submitted by the farmers for the loss of their

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crops as a result of excessive rainfall and subsequent flooding during the month of October 2017. But when we look at the *Social Sector investment Programme 2018* and relief of flood damage allocation, 2016, we had \$5.5 million, 2017 we had \$1.9 million, 2018 we had \$2 million, and now we are asking for 2018 to be revisited from \$2 million to—is it going to be \$7 million or is it seven plus two, \$9 million? I want to know why? Why is it that we have this massive increase? Is it that we are not budgeting for these Heads properly? Are we not allocating it? Is it that a trend line is not being established? What is happening? Is it that as the claims come then they supply the information—okay, great, and we need to increase it? But if you do not have the Ministry of Finance's allocation to increase this Head, what would happen?

We need to look back at the allocation, because we have the *Social Sector Investment Programme* that has a heading, Relief of Flood Damage. So how did they come up with a number, they did not guess it? They should have a technical manner in which they got its value. That is what I am saying, they are jumping now from \$2 million that was allocated for 2018, now to \$7 million increase. I do not know, it is \$7 million plus \$2 million, which is \$9 million for these 1,000 claim applicants. I would not have these figures of how much was claimed in 2017 or 2016, but again that is the information that the Ministry would have and use the data appropriately.

Another Head that I saw many Senators were touching on is Head 40, which deals with the public utilities, the lighting programme. If you look at policies being developed and finalized in the fiscal 2017, we would learn about the lighting programme policy. Well actually that is Head 39, I do apologize. Sorry, my

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apologies, Head 39, street lighting. Now again, 2018 budget documents; we need to read them. The 2017 fiscal they said they would have a policy, a lighting programme policy completed in 2018. If you look at another booklet, which is the Public Sector Investment 2018, we will see that resources in the sum of \$1 million was allocated to the Trinidad and Tobago Electricity Commission for its ongoing street lighting programme. Again, we are now looking at Head 39, and today's document says that street lighting for the provision for 2018 is \$50 million. So \$1 million in 2017, \$50 million in 2018, and now we want a revised amount for \$111 million, which is an increase of \$61 million—or approximately \$61 million. So am I to assume that we do not have a lighting programme policy, and because of that we have this vast increase in our street lighting programme? Well, I would hope so.

Then another policy—because in that same Head we speak about a response to WASA. Again, the policies being developed and finalized in fiscal 2017 has the revision of the National Integrated Water Resources Management Policy, 2005. Oh my goodness, 2005. So how should I say this? We are at the mid-year review. We are looking at where we were and where we are going. We cannot just write a policy and then say we are not going to complete it, or we are saying that it is going to be completed and then not follow it.

I know Sen. John spoke about it today, about policies and principles and following them. We do not write things just to say that our country has a policy. We write it to follow it. So what is it that is really happening with these policies? What is it that is happening with our budget allocations? Because the figures are just increasing and increasing and increasing. We already know that we are

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running a deficit, and we are not—I do not think enough is being understood by the state enterprises on what is really happening.

Now, I do want to now just touch briefly on my heart, which is Petrotrin, because I am a proud employee. But after Sen. Khan's contribution and talking not directly to me, I will take it a little more directed. We are talking about royalties. Yes we know that the company is in debt of about \$13 billion, but I think you were mentioning something by 1.7.

Madam President, we have an allocation of an increase here for the petroleum products, because obviously oil price has gone up and the price of the pump is a floating price, so that is why the subsidy is being asked for to increase. But what I cannot understand, our pride and joy, our backbone for over 100 years, cannot be spoken about like this in every single month in this Parliament. It is almost like Petrotrin is the child that we never wanted. I am very hurt, and that is why I do not talk about it, because I am very passionate for my company, because you cannot be spending money on one hand flowingly and wastefully, and then expecting a miracle.

We have so many square pegs in round holes that it is sad. And you know every administration for years have put their people in positions who do not understand the job, and have to be in charge because, you know, they have to have the highest salary, and then expect a different result. Obviously we will end up here—obviously. It is ridiculous. The sad thing, Madam President, every time we have a change we have brilliant minds. We are talking about this new board. In 2008 I believe it was the “Journey to Shell Excellence”, that was a different drive as well. So every time we have a change we have a different drive. So right now

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the drive is consultants will be coming on board. Okay, well maybe because my skin colour is a little different they are not listening to me, Madam President.

[Interruption]

Madam President: No, Senator, please, please. Let us not go down that road.

Sen. M. Ramkissoon: Okay, I apologize for that statement. Thank you. And this is why I do not speak about it because it is such a passion for me that I always—it really hurts to go to work sometimes and know the things that can easily change are not being changed, because of poor management decisions. Every week I hear different Senators speak about we want more, we expect more, we are in a deeper debt, and I am just thinking, do they understand what is really happening? Do they know the wealth that we are sitting on and we refuse to access, because they just do not understand? That is why I do not speak about it. I really just hold my tongue on it, because it is quite unfortunate.

I have been there for 10 years, and it is unfortunate that the changes are not where I think they can be. It can be so much better. But, Madam President, I agree with you. I would not go down that road. It is not a right road to go down, but I do pray that the right persons do sit in the positions, and the changes will come for what they expect to happen, and we would have a viable competitive entity.

Madam President, let us move away from my passionate zone and areas of concern. We learnt from the mid-year review, the 2018 review, that our core revenues from taxation are still fragile and still below \$40 billion. While we are running a \$50 billion economy, we are finally experiencing growth and recovery, and this is good. I always believe more can be done, where Government can reduce their spending and have better or proper assessments for persons requiring

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assistance, and really looking at persons who are not just dependent on the State.

I did listen to Sen. Jearlean John's passionate plea for persons who are unable to pay their rent, and they need their food card and the different avenues that the Government should look at. But on the other hand, I am seeing an area where there is also an abuse of the system, which is unfortunate. For example, we spoke so passionately about property tax just last week and about squatters, and illegal squatters, and then, Madam President, you learn that—well, I am a mechanical engineer and I work in the area of quality. When you do go to these illegal squatters on state lands you know that their front step is the gas line that we do have to inspect. We do not know that in these environments also people burn rubbish on the gas line. The thing is, this is a big risk that we are just closing our eyes on. And yes we understand that different administrations want the votes of these squatters, or they are in these areas, but at what risk?

If something is to happen to that gas line and the grandparent—and you know one person does not ever live in these houses, it is a group of people—what is going to happen? What is the administration of the day going to say about this? Are they going to blame the company? Are they going to blame the person who built their house there? I do not think so. So that is why it is important to understand when we encourage illegal squatting, what we are really encouraging. I do know also that there are persons who have concrete structures on these pipelines, and we have to spend billions of dollars to reroute lines. So it is not only these poor areas, but they are also some wealthy areas that take advantage of these things.

Madam President, there is an area that I particularly have a concern with,

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and that is in relation to the Social Development Ministry, which deals with just assisting persons who appear to be in a situation that is not of something that they would want to be in. If you look at a *Guardian* article by Sasha Wilson dated January 18, 2018:

“Mother, children get HDC apartment” —and I will not call the mother’s name. But they said:

“Three weeks ago, after the T&T *Guardian* highlighted the family’s poor living conditions, Dick was contacted by both the HDC and Social Development Ministry. The Minister agreed to pay her rent for six months once she is located in the apartment.”

This mother has five children. One of her children at 16 years old had a baby, and then at 20 had another one, and the mother cannot afford to pay the rent. Now, the Government of the day is being asked to pay her rent for six months. But what is going to happen after six months? Has this mother been educated on the lifestyle choices? Has she been provided means to get employment, an area of employment? Does she want to work? Because I also learned from the article that she has health issues. And this is one of the many families.

Now the HDC homes were not provided for that. It was for low income families. It was not sourced for people who are in uncomfortable situations. Now, Madam President, I think we are not doing enough in really educating people about their life choices, and we could see that happening and stemming into the school system, because the homes are not the family units that we knew of and they are definitely changing. If you could see a 16-year-old having a child, and at 20 having another child for unknown fathers and then living on the streets, something

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is definitely wrong and definitely needs to be done. You may say, okay, what can the Ministry of Social Development and Family Services, what can they do? And it is interesting to see, yes we are putting a lot of our tax dollars into these different Ministries to aid them, but how are you really aiding them?

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

Sen. M. Ramkissoon: Thank you, Madam President, for a time check.

It is not a nice thing to say, but we cannot encourage dependency on the State at any point in time. These families, something needs to be done, positively, for education. Unfortunately, some of them see this as a lifestyle choice. When we have to look at budgets running at \$50 million and then we are only having core revenues of \$40million, we just need to have some kind of change into what is being done.

I always challenge the Minister of Finance when he is here that we want some different thinking and different decisions, and he always delivers a very witty response to it. But the thing is we are asking state enterprises not to operate as normal, then we also have to talk to our citizens as well. They cannot have this dependency. I understand there are deserving families, I know many. They work three jobs just to have a meal for their family, and we admire that.

So, Madam President, this is the mid-year review of 2018. There are a lot of things. We will look back on the Public Sector Investment books, the social services books, and I am not seeing the materializing of those policies and those plans. I am not sure if they would have a kick off at the latter part of the year, but we are sitting here in oversight and this is part of the job of a Senator, to ensure that we are on track and we are going in a manner in we are proud of.

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I am happy with what the different Ministries are doing and trying to achieve, and I do understand the difficulties and the resistance that may be met. We have to always understand that local talent is also very deserving and very wise.

So, Madam President, I do thank you for this opportunity to speak today about the mid-year review. I do hope the points raised would bring some clarification or some clarity into how we go forward. I thank you.

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, thank you very much for allowing me to enter this debate on a Bill for an Act to supplement and vary the appropriation of the sum, the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017. I was not here in her first coming to the Senate, but I am very happy that I was here for the return of Sen. Jearlean John. At a certain point in her contribution it started to sound like a “lavway”. I felt myself somewhere behind her band with a bottle and spoon: “kling, kting, kting, kting”, going along with it, because that is how the UNC run their government, it is a “lavway”; make it up as you go along, “que sera, sera”. But there comes a point in time

Madam President—and one of my favourite Trinidad and Tobago sayings is this one, “What is joke for schoolboy, is death for Crapaud”, because for five years and three months the United National Congress was having a good time. “Kling, kting, kting, kting, with de lavway of Sen. Jealean John”, without regard to the fundamentals. And they come here today talking about fundamentals. I will tell them about fundamentals.

I have a lot of respect for Sen. John, and I listened to her names, because

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there is a feeling too in this country that it is only Laventille and Beetham have people in need of help, and it is only certain people know who need help. Well, let me tell you, I am from Rio Claro and I have people in my community who need help, and I am very familiar with HDC because, Madam President, where I was born in Enid Village, Rio Claro, when you go to the kitchen in the house and you look south, we used to see an empty parcel of land for a long time up on the hill. Everybody, school vacation, we break away and cross the river and go up on the hill. We used to call it Maraj Lands.

We lived to see that HDC reached in our town, and the Government acquired—I do not know if they finished the acquisition, but the houses build. The Government set out to establish a housing development up there called Mora Heights, and as far as I know, as the PNM left government in 2010 Mora Heights was substantially completed. I would stand by the kitchen window and look up at Mora Heights, and I would think about—I have my own names, Madam President, because as Sen. John was speaking I was getting messages from Daniel Duncan, who grew up with me, and would also look up at Mora Heights in expectation of a house. Jason St. Clair, Margaret Douglas, Virginia Paul, Tara Sahadath, Paul Maraj. I could use my 40 minutes to call the names of the 168 people who were waiting expectantly in 2010 for the Mora Heights, the house on the hill, and it never happened. The “lavway” was two sweet. United National Congress—and you came in. What year you came in, in HDC? Madam President, 2009, and you left in 2016. Your contract was dated 02 November, 2009. It was ended 02 March, 2016.

I lived to see in March 2015, one Friday night some big tents appeared in

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Mora Heights, and as I went through there about midnight, I see fellas with torchlights putting up street signs, and by the next day Dr. Moonilal appeared for a big key give away, and Daniel Duncan was not there, Jason St. Clair was not there, Margaret Douglas was not there, Virginia Paul was not there, Tara Sahadath was not there and Paul Maraj was not there.

Sen. John: I was not there, so what is your point?

Sen. The Hon. C. Rambharat: “You doh need to be there, your business fix.”

7.30 p.m.

Yes. Madam President. And Madam President, between 2010 and 2015, Mora Heights deteriorated substantially. The wrought iron fence in the gallery rusted out, the utilities all gone through, the place was covered in bush and grass, the tiles started to be uprooted, the cupboards started to fall down. And it is a shame, it is a shame that any citizen of this country would be called upon in such a ceremonial manner to take on the financial responsibility to pay for and live in that sort of rubbish. And that is what happens when you play that kind of politics, because those houses could have been, 2010, those houses could have been given out, and Daniel Duncan, Jason St. Clair, Margaret Douglas, Virginia Paul, Tara Sahadat and Paul Maraj [*Desk thumping*] would have been living in “dey” house. And it was not there.

Lake View Point Fortin had to be cleared from the bush to be brought back to life in 2015. Bon Air, the same Bon Air that Sen. John referred to, just left there, “que sera, sera” as the “lavway” played on the UNC side. And Malabar, Malabar, all these developments, all these developments just abandoned because the UNC believes in action, action, and when it is convenient to them, inaction.

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And as Sen. John talked about the corridor and the investment the UNC made in the corridor, well I am on record as saying that the thing that finally caused me to offer myself for election in this country is this thing called LifeSport. Let me tell you what caught my attention with LifeSport, Madam President, let me tell you what caught my attention.

As you know, and I have said so many times, I was writing in the *Express* from 2010 to 2015, and even before that when I was writing in the other places, every year I would write on the Auditor General's Report. And the Auditor General's Report of April 2013 caught my attention. And that is because, as I put into my column, the Auditor General's Report of April 13, 2013, disclosed a staggering 1,275 per cent increase in spending from 2011 to 2012 in the Ministry of Sport. That was a \$365 million increase. And I asked: What could account for this sudden jump in spending in the Ministry of Sport.

And then later on, Madam President, we would get to find out that it was the corridor. It was this thing called LifeSport that the Auditor General could not unravel. The audit committee, the Central Audit Committee of the Ministry of Finance could not unravel, and courts for years, courts both civil and criminal for years to come will not be able to unravel.

In fact, I wrote about LifeSport in this manner, I described LifeSport as the platinum standard of corruption in this country. [*Desk thumping*] Because for the first time, Madam President, I who had been in the state sector and had been writing and had been lecturing about corporate governance, it was the first time I saw allegations being made in relation to one project against the line Minister, the Permanent Secretary, the internal lawyers, the external lawyers, and the state

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agency affiliated with the project, LifeSport; it was the first time.

And when I thought about it, Madam President, there was no way that all these gatekeepers established to protect the resources of the taxpayers could be breached in support of criminal gangs on the East-West Corridor. [*Desk thumping*] I have said it outside and I have written it, and I will say it here today, LifeSport was the UNC's investment in criminal protection on the East-West Corridor. [*Desk thumping*]

And the Auditor General's Report is replete. The Auditor General went looking all over. Where there were invoices for 40 recreation grounds needing to be repaired, they could only find 17. The Auditor General was saying the same names appeared. This is what the Auditor General was saying; [*Interruption*] this is what the Auditor General is saying.

Stipends were paid to participants in St. Joseph for \$88,500 and were also paid to participants in Maloney. That is what Auditor General's Report was saying on LifeSport, and that is what was happening on the East-West Corridor, and that is what the eBeam contract was about, the other one that nobody could have unravelled because the UNC is a party of action, the [*Crosstalk*] "lavway" party, the "lavway" party, action without regard to proper procedure.

And, Madam President, there is a line in this mid-year review as it was delivered by the Minister of Finance, there is a line here that not many people paid attention to, [*Crosstalk*] but I will quote from page 10 of the Minister's contribution, and this is what the Minister said in his contribution, and I quote:

"Delays in project implementation and the careful processing of claims for payment in the context of our focus on prudent cash flow management are

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contributing factors to this reduced level of programmed expenditure.”

What the Minister is saying, Madam President, is that in an effort to clean up the mess and put things in place for proper procurement and proper management of contractors, and down the road in an effort to deal with payment, not in the way that the Auditor General described it, payment for gangs and ghost gangs and payment for things that could not be vouched and could not be found.

Imagine, Madam President, imagine taxpayers paying for something, cutting of grass and the grass cannot be found. [*Laughter*] That is beyond comprehension. And why as I said before, what is joke for my colleagues on the back bench is death for crapaud, because ultimately we find ourselves in a situation where we come here and we talk about “banding our bellies”, but all these things ride on the back of the taxpayers, and we have a responsibility to deal with it.

And perhaps Sen. John did not have the opportunity to examine the situation that we found ourselves in 2015. Because, Madam President, I cannot remember her names. I cannot remember the Senator’s names that she called in Beetham and the other place, and I am not disparaging the people at all. I recognize that we have a responsibility as legislators, as Ministers, we have responsibility to help the people who need the help most, but these are not the criminals and the ghost gangs. These are not the criminals who are doing these HDC contracts, painting contracts and painting the same paint and painting the same wall over and over every year. The vulnerable and we have responsibility to deal with that. And we would have liked and every politician would love to be able to give everybody who comes to your constituency office a food card, everybody would love to do that. And everybody would love to hand out a house and give out this and give out that.

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But, Madam President, the circumstances as we found it and as we have described it and we have not been operating in secret. This Government hosted a session for state board chairmen and directors to which the media was invited and that was publicized. And at that session it was not the politicians that spoke to the audience, it was the technocrats like PS Vishnu Dhanpaul who made the presentation and shared. And if you want to question anything, if you want to question the financial situation as it stood in 2014, '15, '16, '17, '18, you have to question the technocrats, you have to question the technocrats.

And then we went one step further, and I believe Sen. Shrikissoon was there at Spotlight and, again, put the technocrats to tell the country in a session that was broadcast and was available and could be seen and could be heard what was happening in the country. It was not a secret society. This was not down in Palmiste or on the helicopter, this was broadcast for all to see and hear, this was real, not imagined. And I asked PS Dhanpaul because I could not find it readily today, I asked him to send me a copy of the presentation he made to that session last year, and it was titled Central Government's Fiscal Operations, Ministry of Finance, Republic of Trinidad and Tobago, September 27, 2017.

Madam President: Continue.

Sen. The Hon. C. Rambharat: Thank you very much. 2017, and this is what we were told, and I will very quickly rush through some of the fundamentals that my friends like to hear about. The first relates—

PROCEDURAL MOTION

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, in

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accordance with Standing Order 14(5), I beg to move that the Senate continue to sit until the completion of the business at hand.

Question put and agreed to.

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Madam President: Minister, continue.

Sen. The Hon. C. Rambharat: Thank you very much, Madam President. And this is what—these are the key elements. I will point to about eight areas, the key elements of the financial performance and the financial realities and what my friends have been calling the fundamentals.

The first relates to the price of crude oil and gas, and from 2011 to 2014, Madam President, we were told that crude prices had flatlined, crude prices between that period averaged \$93, \$94 a barrel, and as we got into 2015, it started to plunge, eventually, settling in 2015, towards the end of 2015 at \$43 a barrel. Gas prices from 2012, when my friends were in Government from 2012 to 2016, gas prices flatlined in that area 2.5 to 2.8. Gas prices were not exorbitant, they had flatlined just like the crude prices and anybody looking at that, everyone is an expert on the politics in Iran and the Trump and all of that.

I heard a lot about that today, but know who was paying attention between 2011 and 2015 and 2012 and 2016, who were the ones paying attention to ring the alarm bells, instead of the bottle and spoon, to tell those in charge that something was coming our way. And when we came in, as PS Dhanpaul told us, we had to deal with the reality with oil at \$43, we had to deal with that. We had to deal with the fact we were not producing as much gas as we would normally produce, we

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had to deal with that. And as we had told the country over and over, we had to deal with what was described in the end-run scenario and currently being described in Tesla scenario that is developing as off-book transactions. We have told this country that in contracting to build the Arima hospital, the Government identified no source of funds. We have told, the Minister of Works and Transport has told the country, that what he found was about quarter billion dollars in claims which were not supported by contracts. So, you cannot account for things that in financial planning.

Now they are all experts, in the other place and here. Everyone knows how to do it by the book, but when they were in Government is “lavway time, bottle and spoon”, but we had deal with it. And we have not been conducting ourselves in any secret manner, we have been sharing with the—some people say we have saying the same thing over and over, but we have a responsibility to tell this country what is happening, and that is what we have been doing.

Madam President, real GDP growth and I am hearing about growth and microscopic growth and this growth and everybody is an expert on growth. And real GDP growth in this country between 2011 and 2014 flatlined at zero per cent except for what I described as a little blip in 2013. So what growth? If the Minister of Finance offers a positive growth of 1 per cent this time, we doing good. I would not do like him, Madam President, and say it booming because I “doh” like too noise. I am just saying, we doing good.

Madam President, when you look at the chart on expenditure versus revenue, the note I made was 2009 ER, expenditure is more than revenue. 2010, ER, that is like the emergency room in the hospital, that is the direction you are heading into.

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2011, E is more than R; 2012, E is more than R; '13, E is more than R; 2014, E is more; 2015, E throughout. From 2009, this country has been running on borrowed money and borrowed time. This country has been budgeting a deficit. This country borrowed money to pay into our rainy-day fund. Who does that? Who does that? Who goes by a money lender to borrow money to put in “yuh” piggy bank? And that is what they did.

The advisors, the people who have lined up here today, Madam President, as they are entitled to, to give financial advice, and not between 2010 and 2015, not for one financial year could they run a budget where they earned more than they spent. And what have we done?

Contracted—Madam President, I am a Minister; you were once, it is not just contract, you know, it is not reducing expenditure, you know. This has been like a “graa”, you just have to tighten and tighten until you cannot tighten no more because you have to deal with it. It is just like dealing with children. This is all I have, this is all we have, and we have to manage it. And this is what you call prudent management, fiscal management, this is not a textbook thing, you know. This is something that the Minister of Finance and the Cabinet and the Government of the PNM has been dealing with since September 2015 day and night. [*Desk thumping*]

And, Madam President, I have heard so much about we should be doing this and we should be doing that, and I wonder how people manage their household, because as a parent and householder with a very prudent wife, we have to manage on the basis of what is coming in, and there have been times in our lives and in our careers where nothing was coming in, and some was coming in, and a little extra

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was coming in. And when you look at the key element of our revenues, I “doh” know what is so hard to understand, and I will try one more time.

Energy taxes in 2010, \$13 billion; in 2011, \$16 billion; 2012, \$15 billion; 2013, \$14 billion; 2015, \$10 billion; 2016; \$1 billion. You move from \$13 billion to \$1billion, you move \$1,300 a week to \$100 and get worse; 2017, \$472 million. So if the Minister of Finance telling “yuh, ah collecting a little more tax, ah collecting ah little more”. You know what?—once he “aint teifing” it. Wherever whichever the revenue streams it comes from, it coming because we have to find a way to pay our bills, and we cannot change that overnight. You cannot move this \$1billion figure in energy taxes back to \$13 billion overnight, just like that; and is not tied.

I understand the public, Madam President, I understand the public when they see this oil price moving up from the 30s up to the 70s and they feel, well if 30, you know, we have it tight, if it double, things real good, you could loosen up your belt.

But the reality, as we have said, higher crude prices come at a cost that is closing in on a \$1billion, the subsidy, and I will come to the subsidy. The higher in the crude prices come to us as a cost, and I do not know if anybody has said it openly, but my understanding is that the higher the price that Petrotrin gets sometimes is more the losses that incur because they carry with them an overhead that is unmovable, that is unmoveable and in some cases uncountable.

But the reality, Madam President, the reality is that this midterm review and these allocations and the supplementations and the variations in the Bill reflect a time when, not that we are booming, but that are we moving around some money

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within the accounts and there is a supplementation of \$203 million, part of which is allocated to the Ministry of Agriculture, Land and Fisheries.

And to answer Sen. Sober's point about not allocating more to national security, these allocations, Madam President, and the supplementation is meant to pay bills already incurred, these are already incurred, this is not additional funds; we have already incurred. The Ministry of Agriculture, Land and Fisheries has already incurred a debt for incentives that is close to \$30 million, and this supplementation is the Minister of Finance making a commitment to be materialized, making a commitment to meet that expenditure through a supplementation.

We understand what happened, I have explained it before, we understand what happened with the flood; we understand Bret; when the Government made a commitment about making additional funds available so that those farmers will get back on their feet. And just when we thought the farmers were in a position to overcome Bret, came the bad weather in October 2017, and the losses are significant. So that \$7 million supplementation under flood damage is to pay claims, 1,083 claims already received. This is not money to be held for what lies ahead. This is money that may come in to deal with what already gone. And this is why national security because, national security what it means is that, they have not indicated that they have exhausted the original allocation. This is to supplement along those Heads where the original allocation has been exhausted and you do not have the power to move funds internally.

Madam President, and I heard some talk about the public servants and the wage increases and some of those things, and the reality, again, in 2007 to 2009,

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the public sector wage bill was \$6.7 billion. In 2015, it got to \$10 billion. That is what we are paying out, we are paying out that. Whether there is productivity, my friend Sen. Obika quoted Valmiki Arjoon, but while a lot of people focus on Arjoon's assessment of the growth, and he used the word "microscopic", not a lot of people focused on what he said after that. His comment was, if you are going or if you are earning additional, whenever you are earning and whatever you are spending, I want to see it in the context of productivity, value added and quality of life; that is what he said.

In other words, he was saying to you over there, if you are spending billions on box drains and that is not improving productivity, it is not adding value, and it is not improving the quality of life, then you are misdirecting the funds. That is what he is saying, and he is not denying the growth, but he is saying, I want to see it in the context of this.

And we have said it so many times, that when you consider, I said have said as a Minister, Madam President, that when I look at the Recurrent Expenditure and see 65 per cent being allocated to wages and salaries, and then you have utilities and you have maintenance of vehicles, and you have other things that you are stuck with, it does not leave any room to do anything new or innovative, but that is what we have to do when we have to get ourselves through a period like this.

And when 2010 to 2017, Madam President, when you look at that period and you see during a period of escalation as the public sector wage bill moves from \$6.7 billion to \$10 billion, there were three backpays paid in that period, three backpays, 2013, 2015 and 2017; three backpays paid.

So we are paying front pay, we are paying backpay, and are we seeing the

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improvement in the productivity? Are we seeing this ease of business being done? Are we feeling an improvement in our quality of life that we can safely leave, we could safely leave home and go to a Government office to transact business, obtain a service or purchase a goods and be confident?

Somebody talked about business confidence, Sen. Zakour talked about business confidence. Are we instilling confidence in the public that we are heading in the direction where we could improve what we do? But we are certainly heading in the direction of skyrocketing public sector wage bill, and that is what PS Dhanpaul on September 20, 2017. That is what he said to us. And that is what this midterm review, and that is what the budget, and that is what we spend time here when we deal with matters relating to finance, that it is not a “lavway”, it is not give away, it is not “de gih me, gih me”, this is not LifeSport on steroids. This is what the Minister of Finance said on page 10 and I quote, again:

“Delays in project implementation and the careful processing of claims for payment in the context of our focus on prudent cash flow management are contributing factors to this reduced level of programmed expenditure.”

And Madam President, on this contribution I will make one more point, that is to say, in 2014 the UNC administration had the resources to pay a fuel subsidy of \$7 billion. The subsidiary, and we will reach to a stage where we are not even earning anything like that in taxes, so that by 2017 with the changes in the pricing structure that we implemented, recognizing the need to roll back from the subsidy position, not only because of affordability, but because of prudent fiscal management into the long term that the subsidy payment went down to under a billion. But there was time in this country when on the back of good revenues

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from the energy sector we could have paid out \$7 billion in fuel subsidy. And say what you want, we would like to give out free gas.

And look what happened with Venezuela. We would like to give out free gas, but if you are planning for tomorrow, you have to be doing something positive today, and that is what this Government has been doing. [*Desk thumping*] This is what this Government has been about. Because my friends built over that they were action oriented, they were building all over, and they took CEPEP in the Beetham—what is the lady's name?— Marjorie Sylvester in the Beetham. She would have loved to be part of a CEPEP, holding a CEPEP contract or in CEPEP a crew, but they gave the CEPEP contract to their well-heeled friends, some of them holding six contracts.

Not only that, there was somebody who levied on CEPEP recently, and when you checked what contract that person was holding, that company was holding a contract to do construction work in the health sector. Because somewhere along the line in the action that Sen. John spoke about, somewhere along the line, CEPEP was proposing people to the health sector, the RHAs to do contracts. And you know why the person could not be paid? Based on newspaper reports they were saying that we could not find the documentation to support this.

And when we go in 2013 there was a by-election in Chaguanas West involving my colleague, Sen. Singh and, Madam President, one of the first things that I received as a Minister was claims close to \$100 million for this thing called URP in agriculture, contractors, one contractor with a claim for \$45 million. And, Madam President, I am amazed that the contractor from then to now has never made an attempt to get the Ministry to pay him, has never made an attempt, no

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pre-action protocol letter, no nothing, no effort to be paid, and those files and claims sit on my desk today, close to \$100 billion.

8.00 p.m.

Madam President: Minister, you have five more minutes.

Sen. The Hon. C. Rambharat: So, Madam President, I want to choose one municipal corporation. One. One regional corporation, Couva/Tabaquite/Talparo, my friend the Minister of Rural Development and Local Government is there, where it is alleged, as Ian Alleyne would say, on a Wednesday morning you go and contracts being handed out like bara in Couva/Tabaquite/Talparo. *[Laughter]* That is action. This mid-year review and this Bill is about prudence. Madam President, let me just talk about—

Sen. Sinanan: Contracts, slight or heavy. *[Laughter]*

Sen. The Hon. C. Rambharat: Madam President, let me answer Sen. Shrikissoon who asked a very important question, and Sen. Shrikissoon, I have already said on a few occasions that I recognized that the incentives, there was no—in the 15 or 20 years of the Incentive Programme nobody has measured whether these incentives were actually producing the returns. I will tell that over a 15-year period over \$500 million was paid out. More than 50 per cent towards the purchase of vehicles.

So, a lot of people driving pickup trucks, and vehicles, and so on. Some may be producing and some may not be producing, and we commissioned Dr. Seepersad from UWI to do a review for us. It was a substantial exercise involving the farmers, the Ministry, and all the stakeholders. In August 2017 he tendered a first report. The Ministry provided towards the end of 2017, the comments, and

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from the start of this year to now, we have been reviewing it, and out of that exercise came this programme announced in the budget of 2017/2018 budget, last year. The Minister of Finance announced its Agricultural Financial Support Programme, which is an incentive up to \$100,000 for those persons who are in agriculture, determined by the Ministry, to be in need of a specific support. And that is the direction we want to go. We want to move away from this one size fit all, and we want to move to a point where incentives, reward, production and incentives target the things that we believe we want to do, including value added on farm processing and export oriented production

Sen. Mahabir raised an issue with the organics, and neem. I took note of it, and he made his comments about marijuana, and I just want to tell him, Madam President, that under the Dangerous Drugs Act, there is a provision for regulation. It is already set out there, that we could do certain things in relation to marijuana and its health uses, that we could build on that if the population is so minded, and eventually we will come to that day when we have to confront more widespread use of marijuana for medicinal purposes. I do not think we as a Government have gotten to that point as yet.

Madam President, I want to close, just quickly, by referring to an article written by Nadaleen Singh in the *Guardian*, May 23, 2013, and it was a quotation from my friend, Sen. John, where she said:

“With \$19 billion to be spent on 74”—UDEcOTT projects—“in the coming months.”

Madam President, clearly those days, \$19 billion being available to one state entity for 74 projects have gone, and this country has to manage, under different

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circumstances, and thank God we have the People's National Movement in Government. [*Desk thumping*]

Sen. Anita Haynes: Thank you, Madam President, for recognizing me to participate in this very important debate after a rather exuberant contribution by the Minister of Agriculture, Land and Fisheries.

Today I saw more fire from Ministers Sinanan, Khan and Rambharat than I have ever seen since I have been in this Senate, and I would like to believe that is the John effect. The John effect [*Desk thumping*] because it took the Minister of Agriculture, Land and Fisheries three quarter, more than that, almost to the end of his contribution to remember his substantive post as a Minister of Agriculture, Land and Fisheries because for a second there I thought he was the Minister of Housing and Urban Development. But you would know that he was not the Minister of Housing and Urban Development, because he was not aware of who the project manager was of the development of the Mora Heights development, and, had he known maybe he would have steered clear of that particular, but he may find out pretty soon, because the Acting Prime Minister is not one to mince words.

So, what we have, the Minister of Agriculture, Land and Fisheries, who, in his 40 minutes chose—and again, I would like to believe, because of the John effect—not to address anything to do with his Ministry, despite the allocation, and the Minister quoted an article from 2013 to talk about what Sen. John said in 2013, ignoring an article from Friday, May 11, 2018, where they were talking about, not enough incentives for the agriculture sector. I would think that this may be where the Minister would have liked to focus, but, I guess not. I guess on a day like

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today where changes on our bench have their bench in a state, in a bit of a state, it is an anything goes kind of day.

And, Madam President, coming in later on to the batting order on a debate on a Finance Bill, usually you have to find a way to be very flexible, because persons take the opportunity to put quite a lot of things on the record, whether they be accurate or figments of their imagination and what we will see, is that there was quite a bit of what I would like to call political friction going on here today. There was a bit of storytelling, and creativity, and it was delivered in very interesting manner. But, I sense that it is coming from a space of political desperation, and when you are a desperate man you tend to act out, and that is what we are seeing here today.

So, coming into the debate, I have had the benefit of my Senatorial colleagues as well as looking at the debate in the House, who have addressed a number of substantive issues. And Sen. Obika opened our line-up for us today, and gave what I thought was a very well-reasoned contribution, and had to be applauded for that today. [*Desk thumping*] We then had two fresh faces who, and one of them who really, really caused, like I said, a shake up on the Government bench, because there was—[*Interruption*] yes, and there was a point in time in Minister Rambharat's contribution that I thought that there was a Jearlean John clause in the supplementation and variation Bill, but I could not find it.

And you know what was interesting about all the contributions on the Government Bench, is that if I were a political fiction writer I could not have written a better story than the one that the Government presented here today. You see, if you look at their 2015 PNM manifesto you would see a story of crisis. A

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nation in crisis. That is one of the segments. They spoke about a crime rate, an economy in free for all, problems everywhere; this abysmal state. And there was the whole heaping of blame on the previous administration, talking points which continued here today. And they used this imagined state to embark on systemic cuts to several programmes, and tell us it was absolutely necessary. And whether it is necessary or quite simply reflective of their political philosophy, we would find out.

But after almost three years of licks for the population, three years of being told that it is patriotic to increase Government power, three years of being told that the sky falling and that we the people need to help the Government prop up the sky, three years of increased taxes with no delivery, three years of no direction, three years of no plan, we come in here now today in a very important midyear review, because it is in their midterm in office, to be told of a recovery, a miracle. Like I said, an excellent work of political fiction. You see the Government is living in a screen play, and you could not have imagined it better if you tried.

So, you start with a nation in crisis. You come in here and you said miraculously on the eve of an election year, because 2019 is an election year, you are hearing now about agricultural subsidies, public utilities rebate, and all of a sudden people are seeing clearly. How fortunate, Madam President, that all of a sudden there is the miracle and the Government wants to convince us that our economy is Lazarus, rising from the dead all of a sudden. [*Laughter*] [*Desk thumping*]. A work of pure political fiction.

Is there an economic recovery, as the Government would want us to believe? We here have the benefit of—this was debated in the House on Thursday of last

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week, and we have the benefit of the weekend, and a lot of political commentary and commentary by economists and other commentators in the aftermath of the presentation. And you had the economist Arjoon saying that the review is short on plans. A mid-year review that fell short on plans to move the economy forward might sound familiar. I know some of my friends opposite are getting tired of hearing it, but it is true. It is true. He added that the country was simply reaping the benefits of capital investment decisions taken by energy companies three to four years ago. Who was in power three to four years ago? You see, another thing that is true, that they do not like to hear.

The Minister of Trade and Industry quoted quite liberally from the TTMA release, and as my friend, Sen. Sobers, forgot to read the headline that there was no turn around yet in the local market. So that we are seeing that many of our manufacturers and our persons who are in the business sector not agreeing with the signs of that there is a turnaround in the local economy. So, when I say, Madam President, that we are existing in a PNM screen play, a work of pure political fiction, I am clearly not alone if all of these people, including the Tunapuna Chamber of Commerce, are agreeing that the turnaround call is premature. So, we in the Senate have had the benefit of hearing what the commentators had to say, and as many have said before, the Government has also had the opportunity to hear these. And they have had the opportunity now for several speakers to show they are working, to show us how the magic happened. Instead, Madam President, they did none of that. They decided it is more prudent to pick a fight. So that anyone that disagrees with the Government all of a sudden—or disagrees with the economic prognosis, or anything the Government has, as a matter of fact—is now

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painted as Opposition. So, to be fair, Madam President, the Government must be quaking in their boots if they think that everyone that disagrees with them is a UNC, because that is quite a lot of people. [*Desk thumping*]

And as a matter of fact, if by their logic, Madam President, we on this side have to adjust our membership numbers, so instead of the 100,000 that we noted for our internal election last year, it is probably almost all the citizens of this country minus the 23 in the House, and some of them in the Senate. You cannot be sure if it is all, but some for sure. [*Desk thumping*] And so, Madam President, we are, like I said, existing in a screen play where they expect us to believe that everyone is out for the hero, that they are the hero, and that anyone who disagrees is somebody that has an axe to grind with one of them. I saw an interesting phenomenon, as a matter of fact, Minister Rambharat said, everybody all of a sudden knows about Trump, and you are seeing “Trumpion” politics playing out here, with all of a sudden people are on Twitter.

Sen. John: Trump get things done. This Government does nothing.

Sen. A. Haynes: But he gets a lot done on Twitter as well, and twitter fingers are working overtime right now to defend yourself. It is amazing what we are seeing, that the Government can be so set in wanting to pursue this narrative that there would be an attack on independent commentators to broad brush and paint everyone as an Opposition, or to highlight what they may have said several years ago, where they may have sat, what they may have done, instead of just quite simply showing you are working, and telling us what you did to achieve this economic recovery that you claim is here, that so many people disagreed.

So, when you come here, Madam President, for a mid-year review in the

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middle of their term in office, with the same old plot lines, and then “wanna” get vex when nobody is impressed, you have to do something impressive to make the case, but if you cannot do that, and then you just want to assume we are all drinking the same juice to believe this political friction that is going on. But, we on this side have more sense than that, and so does the population. Nobody is believing it. You see, Sen. John noted that before us, what we see in this document, what we see here in the supplementation and variation is basic Arithmetic. Lloyd Best noted that there is a core distinction between what he calls the Algebra and the Arithmetic. The Algebra is the overall governing philosophy, or the plan, and when we have heavy just moving of numbers, basic, basic moving of numbers, and then telling us that is your economic recovery.

The Minister of Energy and Energy Industries also came here today, two and a half, well, more than two and a half years later, with a very dated and unbelievable rhetoric again, listing out all these things that they have been listing for years now. I do not know if they measured the impact on the narrative, but I just do not think it is making the impact you think it is. So, telling us now that we on this side do not want to believe the positive picture that is painted, that we wanted to believe doom and gloom, and that we are upset that there is a positive picture now. But, Madam President, believe it or not, if you had asked me in September 2015 what song they were going to be singing by 2018, I could have told you this. There is no ingenuity in this strategy. It is not that bright. I really hope you did not pay for it. Minister Sinanan, as campaign manager if you paid for this strategy you have some change to collect. Right. [*Desk thumping*] You have some change to collect, because it is really not that good.

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Sen. Sinanan: Thank God you all did not win the election. [*Laughter*]

Sen. A. Haynes: Tell your Attorney General that. So, as a matter of fact, I have a title to the screen play, and a letter to the editor from Sen. Ronald Huggins, here comes the boom. It is as creative as the political fiction that they have tried to create all this time.

And so, Madam President, I hope that you would give me an opportunity here to address the contribution of the Minister of Works and Transport, because I thought that one was particularly good by way of political fiction and storytelling. The Minister came here today to give us yet another chapter in the fairy tale. [*Laughter*] Right, another chapter. [*Desk thumping*] As a matter of fact, today it was an action movie because he was the action man, telling us about our actions, and their actions, and PNM style; it was very entertaining. So, as I was taking the notes, because I had looked, and we have been doing—I have done very detailed research from looking at their manifesto, the 2016 budget, 2017 budget, the budget for fiscal 2018, the Vision 2030. A lot of it is repetition. And so far you have not, because you cannot scratch anything on the list, because quite frankly you have not done anything. So, so far you would see planned removal of traffic lights from Port of Spain to Arima promised in the manifesto in 2016/2017. Nothing about that today. \$62.5 million to the Ministry of Works and Transport, and the Minister of Works and Transport comes to tell us about the Moruga Road, and that the Moruga port would be completed by 2020 and that the Minister reported that the award for the design had gone out. Imagine this, Madam President, that this is a port that the Minister of Energy and Energy Industries was speaking about in 2007, but I will tell you what he said in 2007. He said:

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The port would be the largest in the Eastern Caribbean, and that will accommodate 175 pirogues, and most importantly—and this is where it gets really good—the work is expected to start in the first quarter of 2008 and be completed shortly thereafter.

—2018.

Sen. Sinanan: It started.

Sen. A. Haynes: Well, you know, I am just saying, action speaks louder than words, and we are just hearing all these words, and we “ain’t” seeing the port yet; 2018. PNM action movie, political fiction at its very best. And the Minister, I feel for the Minister of Works and Transport, because he has been trying very, very hard to brand himself as the action man. But if you are in a government of ole talk, it is not going to be believable. [*Desk thumping*] It might not be your fault, but you cannot help it. You cannot carry them on your back, I guess.

Madam President, if you take out the big ticket items and you look at just the small things like the roads, and as Sen. John said, who feels it knows it. Driving home three weeks ago, actually no, the first week in April, a man was swerving from a pothole and knocked my van off the road. So who feels it really does know it. So when you tell me about the road repair system, I can tell you I have not seen it, and I certainly am feeling it now. And we have been seeing the actions, but it is just part of this creative writing that is going on here.

The Minister was also very careful to protect himself, because he knows flood season is coming. You see, Madam President, after 2015 there was no longer a dry season and rainy season. It is guava season and flood season. Those are the two seasons we have now. So that the Minister tried to exercise a little bit of

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political dexterity by protecting himself from the onslaught that he knows is coming, because no dredging took place in the dry season. I guess that is also action PNM style, so protect yourself because once the flooding comes, they blame poor planning. Not poor planning by the Ministry of Works and Infrastructure to deal with the dredging problem in the dry season, but the most interesting and amazing part of the Minister's contribution here today was that the Minister said something that I really genuinely did not expect, which was referenced, the Port Authority and what is going on, on the sea bridge. Amazing, because I certainly would not have done that if I was him. I would have left that alone. But, there is an obsession with this administration and boats.

I do not know what it is, but it is clearly something—as a matter of fact, the Minister of Trade and Industry, in dealing with the entire administration's obsession with boats, talking about the yachting regatta, that the country has so desperately missed, apparently. I mean, talk about out of touch with the reality of Trinidad and Tobago, woefully out of touch with the day-to-day reality of the people of Trinidad and Tobago [*Desk thumping*] to come to tell us today that the yachting regatta is going to return. Who is missing that?

Sen. John spoke about jobs, Sen. Obika spoke about the decline in the economy, Sen. Zakour spoke about the impact on the business sector, Sen. Sobers spoke about the impact on crime and national security, and the Minister of Trade and Industry telling us about the yachting regatta that is coming back. Amazing. Amazing. But, in his obsession with boats, the Minister of Works and Transport, again, to my amazement, came here today with a Minute from February 2015, and with much exuberance telling us, talking about the collapse of the sea bridge

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started before. I do not know where the Minister thinks that we have all been for the last two years. It is a little too late for that, you know, because I know that you know we have all been here while this saga unfolded.

As a matter of fact, there was an urgent Motion that was debated here, something that just does not happen every day, be it on the collapse of the sea bridge. So, why would you bring that up today? Amazing. However, because he brought it up, I have to now correct the record. You see, the collapse of the sea bridge between Trinidad and Tobago resulting in the devastation of the Tobago economy, that the \$100 million allocated to the THA in this supplementation and variation will not fix, stands as a defining moment of this administration, and this Minister of Works and Transport, and no amount of fancy foot work coming here today is going to change that. You see, history will show that it is their refusal to listen to the advice of stakeholders. Their dogmatic all or nothing approach to negotiations, and total disregard for the welfare of the people of this country is what led us to this point, and the evidence is there in the Joint Select Committee.

Again, truly amazed that you would come here and try to create a new story, like this whole thing has not been televised, and is not already in the public domain, that it was the refusal of the Minister of Works and Transport to renew the contract of the *Superfast Galicia* despite warnings from Tobago stakeholders, that they cannot afford for a vessel to leave with no plan to fill the gap. And to come here today to bring it up and introduce it in a debate where, quite frankly it would have been left out. All of this—the John effect, because you open yourself up for licks, and I do not know why? Why you would do that? [*Desk thumping*] You see, this to me—

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Sen. Sinanan: She did not watch the debate.

Sen. A. Haynes: Yes, I was here. I was here for the debate. I was there. That is another one where Sen. John's name was very popular, and I guess it happens. Imagine, Madam President, that today, well the Minister of Agriculture, Land and Fisheries tried to convince us that everything is done out in the open, and they are so transparent.

The fact is, this entire ferrygate scandal was shrouded in all kinds of transparency issues and accountability issues, and that the administration took the simple task of acquiring vessels and turned it into a whole new plot. That is a TV series of its own, from who owns Bridgeman's to where in the world is the *Galleon's Passage*, to what could go wrong next. I think Minister Rambharat said there is a "graa". Yes, we agree. It is you.

So, Madam President, again, I am shocked at this, that in the excitement of the day, Minister—

Sen. John: They go and caused all kind of confusion.

Sen. A. Haynes: Yes, caused all kind of confusions for themselves.

Madam President, there is something even more troubling from when you look at the supplementation and variation. You see, again, and know it sounds like I am repeating myself, but if nothing has changed you have to repeat yourself. Where is your developmental philosophy? When you do things why are you doing it? Simple question to answer. Do not come and tell me it is because "all yuh" do so and so. That is just not going to cut it in 2018. It is not going to cut it in 2019. It is certainly not going to cut it in 2020. So, change course now, because it is not working.

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And, Madam President, if you look at the increase to the Ministry of Education, it is absent of any developmental philosophy, because it is all to Recurrent Expenditure. You see, when the United National Congress speaks about national development, we say it over and over that we believe for our country to grow and for our country to move forward, you have to invest in the people of Trinidad and Tobago, [*Desk thumping*] investing in our citizens, investing in our greatest resource. And when the Minister in the Ministry of Finance in her opening remarks talks about walking the walk, I will tell you what walking the walk is. There was a tertiary education participation rate of 65 per cent—60 per cent that was set by a previous PNM administration. With our programmes and incentives we surpassed that participation rate of 65 per cent. It is going down now.

As a matter of fact, we expanded and strengthened GATE. We included creative programmes such as idea to innovation and illumination, so that—a young scientist programme to promote entrepreneurship and innovation. Because, Madam President, the world knows, maybe not the PNM, but the world knows that the future lies in research and development, and in your people's ability to be innovative and forward thinking.

And so that what you need is a robust intervention into the education sector to create citizens who are not only educated but employable and capable of driving Trinidad and Tobago forward.

8.30 p.m.

Sen. Obika: That sound like a plan. [*Desk thumping*]

Sen. A. Haynes: We looked at things like when we looked at funding, you looked

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at the Higher Education Loan Programme that was established through the consolidation of the Student Revolving Loan Fund and the University Student Guarantee Loan Fund. And that is a way to help people to help themselves as well and create access to opportunity and access to education.

Madam President, we had established a National Commission for Higher Education to guide sector reform. So that, it came from the understanding that policy is a dynamic thing and that needs to grow and change as the needs of the nation grow and change. So that, while the Minister of Trade and Industry came to tell us today that we are on hold because they are creating a policy, we have already shown you that work can be done while you are creating a policy. You do not have stop everything and wait for your policy to finish before you could start to work. It is possible to do the both at the same time.

We increased access to tertiary education and skills training. And why is this important, Madam President? Because once you expand persons' access to opportunities you have more economic players. You have more people capable of moving your country forward. So the construction of the University of the West Indies, South Campus, that this administration would like to have you believe is a bad thing, would have opened up even more spaces and more opportunities for people. The Integrated University Campus in Tobago, the construction of the UTT Campus in Chaguanas, the new COSTAATT Campus in Sangre Grande, the UTT Aviation Campus in Couva, the Academy for Nursing and Allied Health in El Dorado, the COSTAATT Main Campus in Chaguanas, the NESC Drilling Academy in Ste. Madeleine, the YTEPP Centre in Diego Martin, the MIC Centres of Technology in Diego Martin, O'Meara, Tobago and Penal.

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These things, Madam President, were an algebra approach to the education sector, something that this administration simply does not know anything about. So, when you look at where we are at with education today, when you look at where, and that is a key pillar in human development; education. You have an increase of \$159 million and I think Sen. Ramkissoon asked: What about primary schools? Well, I can tell you what is happening is that they have stopped the construction of several primary schools that were 90 per cent complete. So much so, that the students of Princes Town Presbyterian School are on a shift system. You have primary school children going to school late in the afternoon on a shift system because of this Government's inability to find any money to finish their school.

So, Madam President, you have a move from a developmental fund to Recurrent Expenditure. That simply means there is no architecture, there is no plan, all you have is the most basic approach to economics that you can find and the most basic approach to development. If we go back to their 2015 manifesto, Madam President, there were some promises made. And I will remind them because they seem to have forgotten what the promises they made to the citizens of the country in 2015 were.

So the first one, when you look their education segment, is to, preserve, maintain and expand where necessary our system of free education and training at all levels. This has proven to be pure fiction by them because they certainly did not preserve or maintain and to say expand is almost laughable at this point. They go on to say that they will ensure that the Government's Assistance for Tuition Expenses (GATE) which, and again they boastfully said they created in 2004

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remains relevant, easily accessible to all citizens who need it. GATE has been slammed shut as Sen. Sobers said. But even more so, it is the exact opposite of what they promised the citizens that they would do in 2015. And now you come here with a brand new rhetoric about economic recovery. Who is going to believe you? Well, none of us and none of the citizens because you are already on record, you are on record as showing that you cannot be believed.

As a matter fact, imagine, Madam President, after all the licks for the laptop programme, “licks like peas” for the laptop programme; as a matter of fact in my first contribution when I even said the word “laptop”, before the Minister of Trade and Industry knew where I was going she started to laugh, because laptop was—

Sen. Ameen: It was a joke.

Sen. A. Haynes: Yes, it was—to hear that laptops coming back, but “oh”, wait, wait, they cannot take it out of the schools. So it is laptop as desktops and as a matter of fact it is evident of the confusion that goes on across there. So you are giving them laptops that they cannot move around with? Pointless. All right. And when the Minister—

Sen. Obika: Logic PNM style.

Sen. A. Haynes: Yes, logic PNM style indeed. The Minister of Education is on record as saying the book bags of the students are too heavy. We have to find something to do about it. And you know, Madam President, I said to myself, what about eBooks? Guess that did not factor in, because they spent too much time attacking that laptop programme that at least, at the very least, there is a semblance of shame to bring it back now. So they are trying to reengineer and do all kinds of political dexterity to find a way to stick it back because they knew it made sense.

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[*Desk thumping*]

So when you look at the allocation, there is no talk about the future of our nation, there is nothing that speaks to taking Trinidad and Tobago forward, but we cannot blame them, Madam President. They just simply do not know how to do these things. They boast all the time about being the oldest political party and having been in Government longer than any other party in Trinidad and Tobago. But I learnt something here today, that you cannot half own the child. So if you have been in power for the longest and you have governed through economic booms, times of wealth, for you to come here today and say all the problems in this country is the UNC fault, amazing. You cannot half own the child, right. So this political fiction that you are choosing to live in, you are going to need to come better than that now, because your time is quite frankly up with that narrative.

You see, Madam President, it pains me to look at what was done in the last, well, over two and a half years now. It pains me to know that citizens who work hard to provide for their families, who work hard to build their homes, to educate their children, people who have worked hard to build this country and make this country run are the ones who are being maligned and blamed and told that they have to suffer the most.

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

Sen. A. Haynes: Thank you, Madam President. And that they have to tighten their belt. So even in the talk of the economic recovery there is no belt loosening talk yet and I know they will say that it is being reckless and you have to be careful. But if you are coming here to tell us about turning the corner in part two of your political screen play, that none of us really wanted to see, if you are

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coming here as a false saviour to try to mamaguy an entire nation of sensible people, it is a very disingenuous act. As a matter of fact, it is an act of plain old election engineering and not a very good one.

So when you starve the population to now come and say in 2018, like I said in a very basic attempt at political strategy, to say, better days are coming and all of a sudden people are seeing clearly. This is not a cover for your incompetence, because who feels it, knows it. We are not a nation with Stockholm syndrome. We are not going to look at you now and believe that you have saved us, because we have lived through the last, almost three years. And for what the Dr. Keith Rowley-led PNM administration has done to Trinidad and Tobago, the people of this country are saying your time is up. Never again for the PNM administration.
[Desk thumping]

Madam President, people have election countdowns like they would have Christmas and Carnival countdowns, and we are just waiting for the date, because they cannot wait to see the back of you for the damage that you have done. And then, Madam President, you come here to say that we do not like hope and we do not like good news. We are a party built on hope and good news. Every time we deliver a speech we talk about our plans and policies and how we want to take Trinidad and Tobago forward. All we know is hope over here. We just do not believe you when you say there is hope, because quite frankly, you do not know the first part of growth and development. You only know political mamaguy. And when the United National Congress returns to govern this country, there will be hope and there will be growth and there will be development, and better days are coming, just not under them. Thank you, Madam President. *[Desk thumping]*

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Sen. Sophia Chote SC: Thank you, Madam President. Allow me to reassure my colleagues that my contribution will be very short, and it will amount to more of a query with respect to the allocation of one of the Heads of proposed expenditure, that is to say, Head 03. That is the \$18 million or so which is proposed to be allocated to the Judiciary.

Now, the reason I ask for clarification is because the latest report of the Auditor General, under the Public Accounts of Trinidad and Tobago, highlights certain matters which caused me concern, and indeed appear to have caused the Auditor General some concern as well. The Auditor General took the trouble of identifying individual areas of concern in his report, and under Head 03 if we look at 2.21, we see that there was a disparity between the figures provided by the Judiciary and what the Auditor General's department found in terms of total outstanding commitments and the disparity was in the amount of \$1,082,515.52.

Another area of concern was to be found at paragraph 2.22, and this involved 32 contracts. Again there was a disparity in the figure provided by the Judiciary and the figure which the Auditor General approved. And the disparity was \$1,007,726.25. 2.23, another area of concern. There was a disparity in the amount of \$1,596,000. This was the disparity in the amount stated in the appropriation account in relation to the figure stated by the Judiciary in the contract register.

Now, these words, really, I must confess, do not mean anything at all to me except for the fact that the Auditor General has identified these as individual areas of concern. And I can glean from what is said here, that these areas of concern, when you add them up, actually come up to, you know, a significant amount and ought to be looked at. 2.24, the amount stated as contract balances differed from

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the amount in the contract register, in the amount of \$1,670,000 plus. The Auditor General found that paragraph 2.25, that, there had been no Cabinet approvals for 21 properties apparently rented or leased by the Judiciary, and this was at an annual cost of over \$16 million.

Paragraph 2.26, there was rental of an unoccupied property from the 19th of August, 2016, to the 6th of March, 2018, and \$3,135,000 plus had been paid out for that. This property was occupied on the 7th of March, 2018, but it had been paid for over this period. Paragraph 2.27, contract agreements between the Judiciary and 12 contractors for projects totalling \$1,188,218.41 were not produced for the auditor's perusal.

Now, I bring these matters to the attention of this honourable House, because I would like to have some clarification on this, especially in the light of the fact that I see that the Judiciary's money is held in a trust fund and the trust documents, some of the trust documents were not produced to the Auditor General under the Exchequer and Audit Act as required. And we have not had any annual report, I think, for the last three years from the Judiciary, if I am not mistaken.

Now, it is either the Judiciary is not getting enough money or it is not using the money that it has adequately. Either way it is something we must address because the court system, the judicial system is the second to last step in crime fighting. The justice system must work before you could have punishment and before you could even start to talk about dealing with crime. Now, what I see as a practitioner is that Sen. Sobers has referred to the part-time sittings of the courts in San Fernando. The main building, the Head Office, the Hall of Justice in Port-of-Spain did not have air conditioning for weeks. We have had a depleted law

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library. In the Magistracy they are down to bone; they have no paper for their photocopiers. The traveling allowances for administrative staff had been held back and not paid for several months. Judges' medical expenses were not reimbursed expeditiously or even within a reasonable period of time.

Now I do think that this is something that is absolutely crucial for the consideration of the hon. Minister, through you, Madam President, because if these moneys are being held in a trust fund and I think in 2016 there was something like—over \$200 million in the trust fund. So I would imagine all of that has not gone. And if so, I would like to know why we are asking for \$18 plus million when it appears as though there is considerable leakage if the Auditor General's Report is to be taken into account.

Now, we cannot continue like this. I think we must have some measure of accountability and transparency and the Judiciary fought long and hard to be able to control its own funds. And I think with that responsibility comes the duty to account to the country with respect to how those funds are spent, because we need to have a court system which works and which does not work at the pace of molasses.

So with all due respect, Madam President, while it is a little embarrassing as an attorney-at-law who practises at the Bar to have to stand up in a Parliament and to, in public, bring these matters to the attention of the Senate and members of the public. But sometimes hard things need to be said and these things need to be looked into.

So I wish to thank you for the opportunity to contribute to this debate, because I would be most grateful, Madam President, if the Minister perhaps could

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shed some light on the state of affairs that I have highlighted. Thank you, Madam President. [*Desk thumping*]

The Minister of Public Utilities (Sen. The Hon. Robert Le Hunte): [*Desk thumping*] Madam President, as always I am honoured to stand before this House in defence of the:

Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017.

But before I start my defence I will like to congratulate the Minister of Finance, the hon. Colm Imbert, not just for his sterling presentation and also the presentation of the Minister in the Ministry of Finance, Ms. Allyson West, [*Desk thumping*] but specifically on the astute handling of the economy under the guidance of the hon. Prime Minister, Dr. Keith Rowley, which would have brought us to this point. [*Desk thumping*] You know, as always and I want to refer to when I heard and I sat and I listened with pride the statements made by the hon. Minister of Works and Transport and I realized that one word that came to mind was, you know, “performance beats and trumps old talk every single time”.

Hon. Senator: Basdeo Panday.

Sen. The Hon. R. Le Hunt: That is true. You know, and I was really proud to hear about the activities that we have been under and that is being undertaken by the Minister. We talked about—the last Senator, Sen. Haynes—there is a new narrative; she talks about this play book. But there is a new narrative that clearly some of the advisors have put them up to and we know about Cambridge Analytical and all these high price advisors that they have. But we know—clearly the new advice for some where there seemed to be on this mood that, just like that.

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I heard Sen. John would also make us believe that, that the economy was really not in a mess. That is the theme that seems to be coming out.

As a matter of fact, Sen. Obika even said, well listen to me: How could the economy be in a mess when you had \$5 billion in your Heritage Fund? That made sense. Somewhere inside there is economic something, all right. The next plan that they seemed to be planting, of course, every time they speak they talked about, the PNM is just all about taxation and that is all that they want to do, just tax the economy. So that is another play, that is another plan that they seem—and then the new one is that PNM has no plan. And again they seem to be putting that out there and again, the advisor seems to be saying that if you continue saying it over and over people will believe it. And that is all. That is all you need to do. Just say it and it will just happen.

Well, you know, I am going to give you a little history lesson about this whole—let us go back, let us start with this first point about the economy was not in a mess. You know when a country has a drop in revenue the way we did between 2014 and 2016, the outcome is usually not favourable. It is not usually a favourable one. Madam President, as a country we cannot control externally determined situations, so we recognized that there are factors outside of our control as it relates, especially when you are a small open economy. However, our tactical, and we have full control of our tactical and strategic response.

Madam President, it is a pity that the difficult decisions made by some of the oil producing countries during the 2014/2015 period were not made by the previous administration. As a matter of fact, not only did they not make the difficult decisions, but the Minister of Finance at that time actually was on record

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when things, when we were all around and we all were seeing what was happening in this economy, he came up in June 2015 and actually said that the economy was actually not contracting but actually expanding. This, in spite of the data that was before us that actually showed that the economy did not grow by December 2014.

Interestingly enough, it was the Governor of the Central Bank, when we won the election in 2015, in spite of all of the plans and all the achievements that the UNC supposedly did, clearly people knew what was happening and people knew and people were smart enough to see through all of that, that the Central Bank Governor actually came out at the end of 2015 and he admitted that the country was indeed in a recession. What the previous administration did instead of taking precautionary measures to deal with the oncoming recession was fuel what the Finance Minister called the false economy.

Madam President, the gun went off and we were caught frozen in the starting blocks, in the race to macro-economic recovery. And when they were unable—during those times, when they were unable to get funds, because of the sharp drop in revenue they got the money by, as we know fully well now, well documented. So as much as we want to say that it did not happen; it is well documented. They raided NGC, they created more overdrafts, they postponed payments owed to contractors and the list went on and on and on. As a result, when we came into power we met basically and literally an empty Treasury. We met millions of dollars being owed to contractors and we met unresolved wage negotiations.

Sen. Obika, again, in his contribution spoke about and he was making comparisons about the level of overdraft and where it went to during the PNM and

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under the UNC. What he failed and he did not bring out was the fact that that same overdraft, let us understand, when they came into power in 2010, they met an account, and the Current Account at the Central Bank, it was not in overdraft. It actually had close to that time over \$6 billion in credit. They took it to negative 10 billion in overdraft. That was the state of economy that we were facing.

You are talking about—at the time what it is. At the time in 2014 this country had core revenue, total revenue and grants. Core revenue was in the vicinity of \$57 billion, \$57 billion. That is the type of money we had. Compare that to the figures that we have been talking about and we have been talking about figures in the vicinity of 37 billion. That is \$20 billion less, \$20 billion less. That is the type of money that the UNC, the previous Government had at their disposal to spend and to do as they want. And when you talk about, what were the types of budgets that you are talking about that was spent during that time?

During that period you had budgets in the vicinity of, and I go through, you had budgets of \$53 billion, \$58 billion, \$63 billion, \$60 billion, all deficit budgets, of course, but you had the revenue and what did you do? You spend, spend, spend, and spend. You compare that now to the kind of expenditure that we are talking about, when we are talking about 49 and 50, when you do the maths, you are talking about budgeted expenditure and spending to the tune of over \$30 billion more, \$30 billion.

9.00 p.m.

Madam President, what the previous administration did was demonstrate their lack of financial responsibility and they played politics with all of our futures. They played politics and they intended—and they spent money in spite of all of the

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warning signals before them so as to try to mamaguy the population into winning an election which they eventually lost. Instead of managing what was, in fact, a recession, they allowed the economy to free-fall. Those are the facts, and you could try to say what now, and it does not matter how much you try to put on the records that the economy was not as bad and that, we tried to create something when we came into power that it was something that was not there.

The facts are there. The technocrats, the people in the ministries, are the ones that are presenting the facts, and those were the facts. You cannot hide from them. Those were the facts that you—in the past regime you had a situation in this country where you spent tremendous amounts of our money, and the fact is, as Sen. Shrikissoon has always said, what did we actually get for it? And that was the problem. We spent the money and we did not get value for the money, and therefore, what we got, as was said, a few box drains here or there. It is very difficult to spend the type of money that you had at your disposal and actually get zero. I remember—[*Crosstalk*] I remember—[*Crosstalk*] I remember—please, Madam President, protect me.

Madam President: Sen. Ameen, please, please. Continue, Minister.

Sen. The Hon. R. Le Hunte: You know, again, we hear about the projects. I heard Sen. John talk about some of the projects and she mentioned about eight police stations, I think it was—I heard in the contribution—along the East-West Corridor. Do you know what the big question is there, Madam President? At what cost?

Sen. John: They were tendered by the PNM.

Sen. The Hon. R. Le Hunte: At what cost? What did those police stations—and

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I am sure if you ask, and it comes out, we will find out that the cost at which it happened to build those police stations under the UNC, what we are seeing now is that the same stations are being built at 50 per cent of the cost. And it is not just about change. It is not just about changing the scope of work. [*Desk thumping*] It is not just about changing the scope of work. It is about proper and prudent management and it is about getting rid of waste. That is what it is about. So it is not about changing the scope of work. And, therefore, when you talk about what has happened, [*Interruption*] why did the people and the citizens of Trinidad and Tobago, in spite of all of the—

Madam President: Minister, just one minute. It is now getting very late. Sen. John, you have spoken. So I like would that we all remain silent when the Minister is speaking. Okay? Continue, Minister.

Sen. The Hon. R. Le Hunte: Thank you for the protection, Madam President. So when I hear the Leader of the Opposition, Mrs. Kamla Persad-Bissessar, trump up accusations against this Government, I cannot help but be amused. The truth is, whether you like it or not, that despite all of the negative things and the naysayers, and so forth, we have turned the corner. Admittedly, there is still a lot of work to be done, but the statistics are showing that we are definitely moving in the right direction. Inflation has hit a record low, dropping to 1.3 per cent—

Madam President: Sen. Obika—excuse me. You have to learn to whisper. You have to learn to whisper, and I am not going to caution you again. Minister, continue.

Sen. The Hon. R. Le Hunte: I want to repeat that. Inflation has hit a record low, dropping to 1.3 per cent at the end of last year. And, again, this Government has

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taken a position—and one of the major reasons for that, we had, in dealing with this difficult time, we had a number of levers that we could have moved, and one of the levers that this Government stood firm with, was that we were not going to interfere with the exchange rate. In spite of what everyone said about devaluing the dollar, we said, no. And as a result of that—we did that—we took that position because we wanted to keep inflation low, because we wanted, and we recognized the impact on the poor people in this country, what would have happened if inflation was allowed to go where it was supposed to go, if we had moved the dollar, as people were recommending to us, to 9 and 10 to one.

So we managed and we took that position, and we took that hard position. We also, if you recognize, if you look and see countries that have had to make the types of adjustment that we had to deal with, of what we inherited as the fundamentals in this economy, we have maintained employment in this country at a vicinity of 4 to 5 per cent unemployment. Unemployment is 4 to 5 per cent. Again, when you look at what had to have happened—because, again, that was a lever that we decided not to touch. So a lot of people who want to recommend what to do and what not to do, and they talk about the taxes that we had to impose, yes, because the bottom line is, you had to balance your economy. We had to bring this economy in line with our new norm, and therefore, if we did not do that, we would have been in a very dangerous position.

The net asset value of the Heritage and Stabilisation Fund is now higher than it was when we took office, over \$200 million higher. As of March this year, our net public sector debt-to-GDP ratio is now 55 per cent, down from 62 per cent, because we are, at this point in time, starting to see growth in our economy. In

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addition to that, I remember when we were talking about the budget, one of the things that was very high on the agenda by the Chamber and a number of people, they were saying, “But wait a minute. You know, you want us to adjust. You are raising taxes in certain areas. What about you? Is there not anything more that you could do in your expenditure?” And we defended that position to say, “Listen, we moved expenditure from \$63 billion down to \$50 billion; \$13 billion reduction, and there was no set of loss of jobs.

We did that, and people were saying, “Yes, but you need to do more.” And you know what? If you would listen to what was said in the mid-year review, we are projecting to actually curb that expenditure even a little bit more, because we are trying to bring that budget, and bring the fundamentals of the economy into balance. And that is important. Discipline in managing the economy is important because you have people’s lives that are dependent on how you manage your economy.

As I said before, I must, however, re-enforce what the Minister of Finance would have said when he noted that we are not yet out of the woods and that prudent financial management on all fronts is still necessary. As a former banker, I am a strong advocate for moderation, even when things are going well, and especially on the road to recovery. Efficiency and careful management of our levels of expenditure need to be a part of our modus operandi, so we can continue to develop in a strategic and sustainable way. What usually happens here in Trinidad and Tobago, however, is that when revenue is coming in, we balloon our expenditure. And yes, as a developing country we need to invest in capital and projects, but we also need to get value for money, something we did not get under

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the UNC. And this is something that we are doing, that we did not get under the previous administration.

Madam President, turning specifically to the Ministry of Public Utilities and the funds that we got in this year's appropriation, we got \$169 billion in funds for three items: \$48 million for the refund of T&TEC in replacement of the rebate on the electricity bill, and I will answer the question by Sen. Shrikissoon. The reality is, we had a carry-forward balance of about \$33 billion. We got \$30 billion in the initial budget, and, therefore, we are now getting an additional \$48 million. We have \$61 million for street lighting and illumination of parks and recreation grounds, and \$60 million for the refund to WASA in relation to the water improvement rates.

Interestingly, I have often sat in this Senate and heard Members of the other side accusing us and this administration of taxing the country in our attempt to balancing the economy. But, Madam President, as you would see, the Government's approach towards rebalancing was always that of ensuring that the burden of adjustment is shared by all. And, therefore, we felt that people who could pay, must pay. We facilitated that, and where we felt that people needed assistance, we put our hand out and we made sure that they got it. And, therefore, two of the increases they would have received point to that very fact.

The first increase came out of a promise made in the 2016 budget where we made the promise in spite—in the midst of all of the pressures that we were under, we, caring as we are for the people, and the poor people of this country, again, hence the reason why we have kept inflation at only 1½ per cent. We decided way back in 2016 that we will give a rebate of 25 per cent for everyone who had a

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T&TEC bill of over \$300 and less. To date, that affected over 105 households receiving this rebate on a monthly basis. And if we average, as we know, using the statistics, about four people per household, you are talking close to over 400,000 persons benefitting from that particular measure. You know, that is one-third of the population of Trinidad and Tobago. The intervention which started in February 2017 has cost this Government, to date, over \$62 million so far.

In this year's Appropriation Bill you will also recognize that even as we adjust our current economic constraints, we are still focused on developing communities. That is another thing that we decided. Again, we recognize that we have to adjust, but look and see what we did. And these are things, when you want—again, the rhetoric that this is an uncaring Government; this is a Government that does not care about the poor people. Again, it is rhetoric. These are things that we did way back in 2016.

In this year's Appropriation Bill, we have been allocated an additional \$61.27 million for street lighting and the illumination of parks, recreation grounds and public spaces. Over the past three years T&TEC has illuminated over 52 grounds, and I would like to put on record the fact that—and it is not widely known, which is the fact that the Government pays the light bills for these spaces at a total cost of over \$10 million per month. If these two initiatives are not examples of a caring Government, I do not know what is. [*Desk thumping*]

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

Mr. Vice-President, I have always said that there is no free lunch. As you can see, initiatives like these come at a cost to the public purse, but we do them because we believe that the true development must come from the ground up, and

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because we wish to empower people to build their communities and to create the kind of lifestyle that they deserve. So you see, it is in our times of greatest adjustments we continue to put people first.

Mr. Vice-President, you know, in my maiden address I spent a lot of the time chastising and speaking about the past Governor who was a temporary Senator, and I remember saying to him, and making some of these same points, that at the time when the country needed the type of economic leadership, it was absent. And, therefore, at a time when the whole world—the whole world at that time—was contracting and recognizing that things were not going right, this Government, through its chief economist, was encouraging to spend, spend, spend. And at that time I used another word which I will refrain from using here now, but we all know what other word went with “spend, spend, spend”.

Hon. Senator: Tax, tax, tax, PNM style.

Sen. The Hon. R. Le Hunte: I am sure it was not that. And, therefore, I spent so much time doing that, that I was distracted at the time to give exactly what were some of the other activities that we did, or we had planned to do, in my Ministry, which I will take some opportunities now to do.

Mr. Vice-President, SWMCOL: One of the agencies under my control is the Solid Waste Management Company of Trinidad and Tobago, and we have just finished our strategic plan. And in that plan we deemed our 2018 to 2020 plan—and we gave it a title: Turning Waste into Gold. The plan is based on the following pillars: Engineering landfills; recycling; public education and commercial activities. Some of the initiatives that are based on these pillars include—and I recognized and I heard somebody was mentioning the fact that, you

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know, we would like to see the Beverage Containers Bill. And we are committed to bring the Beverage Containers Bill but we also believe that there is a lot that could be done in the whole idea of public education and in promoting recycling within the communities of Trinidad and Tobago, with both public, private and in our schools, encouraging us how to manage waste even without the Bill.

Therefore, we are working on the Bill and it will come, but the focus of SWMCOL over the last six months has actually been launching and getting involved in a number of these activities, promoting the whole concept of recycling and reducing waste. So you would have probably heard over the last six months we launched the Public Sector Recycling Programme and, to date, we have 10 of the Ministries that are involved, working with SWMCOL in recycling in the Ministry. We have expanded that programme to something—a programme which we call the WRAP Programme, which we are now working with the private sector. And last week you would have heard that the Central Bank has actually joined in as the first company. And we also will be launching, within the next month, a number of other private sector companies who have joined in and want to partner with us in promoting recycling and reducing waste. [*Desk thumping*]

We are working on expanding, again, the Curbside Recycling Programmes. This was a programme that started last year, jointly with the Ministry of Local Government. We started it with the Tunapuna Regional Corporation and we are now expanding that programme. Discussions are far advanced with the Diego Martin Regional Corporation, San Juan/Laventille Regional Corporation, Couva/Tabaquite/Talparo Regional Corporation, and all of the corporations. And within the next three months, again, that recycling, that ability to get the private

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and the citizens involved in recycling, and encouraging them to change that lifestyle, is something that we will be rolling out.

We also recognize, as part of the programme, that we cannot do this alone. We talk about recycling, but this is not something—SWMCOL is involved and we do, presently at this point in time, recycle our PET bottles at two of our sites, and we export about 30 tonnes of the material as far as China. But, recognizing that we cannot do this alone, we have gone out there and decided to partner—and that is one of our strategic directions, to partner with different companies through private/public partnerships to be able to turn our waste into gold. So we have selected—we went out with an RFP and we have selected someone who we will partner with regarding the PET bottles, and that aspect. Next, we will be going out with an RFP dealing with the tyres, and how are we going to deal with the tyres and how are we going to recycle those tyres. We are also looking to going out with RFPs dealing with other areas. So we are partnering with the private sector in getting this whole idea and turning waste—that concept of turning the waste into gold. Because if you recycle, it means you have less waste that you have to deal with at your engineered landfills.

Mr. Vice-President, a big part of SWMCOL's activity over the last six months and going forward, is the whole idea of education. And, to date, I am pleased to advise that we have reached, through our outreach programme, as much as 16,000 students in the last six months, getting out to them, getting to the schools. Compare that to the same period last year. The same period was 4,000. So we move from 4,000 at that outreach, to 16,000, again spreading the message of recycling, spreading the message of changing, because we recognize that you have

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to deal with this from the kids' perspective, getting them to manage waste and recognize the dangers that are associated with the type of lifestyle that they have. It is a change of lifestyle and, therefore, we are moving in that direction. So SWMCOL is well on its way. We have set up our recycling agency and we are staffing that agency. So SWMCOL is well on its way in executing its plans of turning the waste into gold and monetizing our waste.

Mr. Vice-President, I now turn to WASA, and I take a deep breath for that one. The facts are that WASA, as an organization, suffers from, broadly, a supply/demand imbalance in water to the citizens of the country, a revenue expenditure imbalance in the Authority that sees them being subsidized to the tune of about \$1.8 billion a year and an aging infrastructure that requires significant capital investment. Some of the facts about WASA—so you put everything—when you talk about WASA you put it into perspective. The Authority, as I said before, receives an annual subvention of about \$1.8 billion. About 50 per cent of the water produced by WASA is lost as non-revenue water, either stolen or just lost via leaks. WASA has a workforce of over 5,200 workers and carries a wage bill—a wage and overtime and all salary-related activities—somewhere in the vicinity of \$1 billion to \$1.2 billion.

WASA's total expenditure is about \$2.5 billion. So close to 50 per cent of the expenditure goes to paying wages and salaries, and overtime and staff-related benefits. And, sadly, WASA's income is just in the vicinity of \$700 million. So you have income of \$700 million, your income that you get is not even sufficient or enough to pay your workers, of \$1.2 billion. So you need one-and-a-half times your income to pay just your salaries and your workers. And, again, you end up

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with an expenditure which is almost three-and-a-half times bigger than your income—is your expenditure.

In spite of that, over the last 10 years, WASA has spent over \$3 billion in capital expenditure. But, again, we did not get value for our money with that money that was spent, and, therefore, hence, this is where we are. So based on where we are financially, as a country, we all would love to be able to fix WASA in the morning—

Mr. Vice-President: Minister, you have five minutes.

Sen. The Hon. R. Le Hunte: The reality is that this is not going to happen just like that. The focus of the activities that we have been doing over the last six months centred around trying to reduce our non-revenue water, because that is a critical element. We identified in January—we launched a programme. We identified that there were 2,600 leaks in the country, and we had an ambitious target of bringing that down to 800 by the end of the year. I am pleased to advise that we have we have moved from 2,600 to 2,100. We have achieved, over the last four months, a 500 leak reduction, and, therefore, I think we are on target.

We also launched, in our communication—and I got the feedback from Sen. Small about our new app which allows us to get the population involved, because the fixing of WASA is not going to just happen like that. We all need to get involved. And, therefore, we have been using the app and getting a tremendous feedback from the population in helping to identify the leaks for us. And we hope now that we have the app—the app is now going to be available for iPhone users. It was therefore available only for Android users. We hope that they will now be able to assist us even better.

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We are also working very swiftly to putting in place in the next six months, something called Bulk and District Metres into WASA. That is critical in helping us to identify the flow of water and better able us to isolate where the leaks are. Because in addition to the surface leaks, we suspect that there are a lot of leaks on the transmission lines where we are losing also a lot of water. So we are doing that in the next six months which will help us in our situation. But we, the population, also have a role to play. The reality is, as a country, we waste a lot of water. Our use of water—for those of you, a lot of people do not get water and we are moving towards trying to have innovative ways in seeing how we could expand the drilling of wells to get new water production in and how we could expand the refurbishing of the wells with our limited resources. But we also need to manage, and we have an education programme in place to help people to try to conserve water, because those who get it, our consumption patterns are over three to four times the international standards.

And we are moving on. We are drilling a number of wells now. We are looking at increasing the production in the Diego Martin area by about a million gallons a day, and we hope to see that happen in the next six months. We are working at increasing the water production in Tobago, and therefore, we hope to see increased production in those areas, for service to the people of Trinidad and Tobago.

I assure you, I understand and I sympathize with the frustration of the people regarding WASA, but fixing WASA, as I said before, it is like turning a *Titanic*. It is not going to happen. WASA's problem has come about over years and years of neglect. We need to take a transformational approach with WASA. We need to do

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a lot of things differently and we are working assiduously with a number of our partners—the IFC, the IDB and the CDB—in looking at best practices around the world and trying to bring best practices in WASA so as to increase the supply of water.

We are working also in fixing T&TEC. We are working in fixing TSTT. The reality is, as a country, we have spoken a lot about our utilities. We are now a mature—we are getting to be a grown-up as regards to our independence as a country, and, therefore, we have to spend time in ensuring that our utilities get efficient. It is not about whether we have money today or we do not have money, we have to try to make these utilities efficient and more productive.

And, Mr. Vice-President, that is what I am working on and that is my challenge, and that is the goal that I have set for myself, as to make these utilities, for once and for all, efficient. The same thing we are doing with TTPost—TTPost, as a company, needs to find new ways of generating new revenue.

9.30 p.m.

Mr. Vice-President, again, I have run out of time. I want to thank you for my contribution and I again, stand in support of this Bill and the fantastic work done by the Minister of Finance in moving Trinidad and Tobago from rough waters into calmer waters, where we could see a lot more clearly. [*Desk thumping*]

Sen. Khadijah Ameen: Thank you, Mr. Vice-President. Mr. Vice-President, very often when the Minister of Public Utilities speaks, I am so amused, but let me say that I am pleased to join in this debate, on an Act to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2018) Act, 2017. And the matter for consideration really, is the

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provision of supplementary funds in the sum of \$213 million to fund what this Government calls, urgent and critical recurrent and capital expenditure, to take them to September 30th of 2018, in areas where insufficient or no allocations were provided.

I listened to the Minister of Public Utilities and I want to just respond to him briefly. Mr. Vice-President, you know, I want to try to say something positive. It is good that he tried to give a report on his Ministry, and it was amazing that he seemed to have recently discovered that pipelines do have leaks. When we were in government there were so many—we expanded the network of areas WASA provided water. For the first time, so many areas were getting water and that was done by the People's Partnership government. [*Desk thumping*] A lot of your work has been done. I listened to him talk about the economy and I really would like to know, when did he become so au courant with the Trinidad and Tobago economy? I mean, was it before or after you were a citizen of another country?

I also listened to him talk about the police stations. You mentioned police stations that were opened, built on the East-West Corridor, those projects initiated under the previous PNM government. In fact, some of them were tendered already, and the management of the project, and the successful completion, and the delivery to the people, was done by the former government, led by Kamla Persad-Bissessar. [*Desk thumping*] Then you go on to cast these aspersions, and I want to just warn, when we sit in this House there are Standing Orders against telling untruths, and you make these allegations that police stations were built for less than half that price. Which police station? Call the name of the police station. Put the proper thing on the record. Do not come with misleading things to tell the

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public. [*Desk thumping*] Those police stations are tools in fighting crime for regardless of which government is in power, and they were tendered under the previous government. You were probably not even in the country, but those things were tendered under the previous government.

So, if you have an issue with the price, pick it up with the Members of your Cabinet who were part of that government. Pick it up with them. [*Desk thumping*] And, I can tell you that those projects were delivered to the people of— [*Crosstalk*] I do not need protection from them you know. Sorry, Mr. Vice-President.

Mr. Vice-President: Continue, Senator. [*Desk thumping*]

Sen. K. Ameen: Thank you, Mr. Vice-President. And, I have two words for the former speaker, the Minister—when he wants to talk about cost overruns—Uff Commission of Enquiry. [*Desk thumping*] I do not want to spend my time, because when you start to talk—and in response to the Minister of Works and Transport earlier as well talking about corruption, and so on—when you start to list PNM corruption scandals you go down a very deep rabbit hole, and I could spend my whole contribution talking about that, but I would not waste the time because I think the public is very aware.

You had Calder Hart giving a \$368 million contract to his brother-in-law. You had a \$576 million rapid rail feasibility study, scandalous, no returns. You had \$30 million being given to a church in Guanapo, and if anybody knows Guanapo and you know the structure, it is totally collapsed now. Total waste of money. This UNC government inherited your debts. The Petrotrin \$12 billion World GTL scandal. The present Attorney General has terminated all legal proceedings against the wrongdoers in that situation. It was the UNC who

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inherited the Clico debt. We inherited a number of—one of the speakers on the other side spoke about the fact that so much back pay was paid. Hello, back pay is not a favour. The back pay is the moneys owed to the public servants that you denied them. [*Desk thumping*] When we came into office there were so many negotiations undone, and it took this government—in fact, there were 75 negotiations that were completed by the former government, and the public servants and the public officers got the moneys that were due to them, that were denied because of the lack of negotiations.

Mr. Vice-President, you know, I sat here today and I looked on to the Ministers and I expected that this is the Senate and we would get a more sober discussion in terms of Ministers accounting for what is happening in their Ministry, because this is also a mid-term review apart from the mid-year review of this year's budget, but this is the halfway mark in this Government's term. And, while there were a few Ministers who did mention things going on in their Ministry, there were many of them who, I think today, they just missed the mark. Either that, or they “doh” have much to talk about because they have not achieved much in their Ministry. But I saw a reflection of the presentation of the Minister of Finance, in the Lower House when he was piloting, indulging in lavish self-praise for this Government's handling of the economy, and that is a far cry—that rainbows and sunshine picture that they are trying to pave is a far, far cry from the truth.

The Minister stated that—and a couple Ministers would have quoted him here today, the “economy is turning around”, “revenue collection is up”, “energy sector is booming”. Boom? There is a definition for a “boom”. We are not

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booming. He also said, that the “non-oil sector is growing”. Mr. Vice-President, those statements are totally contrary to the statistics and the actual data, and the negative effects on the citizens are undeniable. You cannot deny what the citizens of Trinidad and Tobago are feeling. I can tell you what is booming, unemployment is booming. Unemployment, contrary to what was said by the Minister of Public Utilities in his contribution, is not either 4 or 5 per cent. It is 5 per cent. It has increased since you came into office, and there are a number of retrenchments and terminations that are not accounted for when you consider—and I think my colleague, Sen. Eli Zakour, mentioned the trickle-down effect. When you have ArcelorMittal and you have subcontractors and they have employees, and you cannot just count the employees from ArcelorMittal who were dismissed from ArcelorMittal, you must check that domino effect.

Just this week you had 30 employees being dismissed from UTT, and we are advised that the Government plans to dismiss about 200 employees including academic staff, and they will be on the breadline. Mind you, Mr. Vice-President, I recall right here in this Senate in January—January 23rd, I went back to the *Hansard* to check—January 23, 2018, there was a question from the Opposition to the Minister of Education, and Minister Garcia informed the Senate that there would be no retrenchment of UTT workers. He is either misleading us or totally clueless himself.

Mr. Vice-President, you know what else is booming? Crime is booming. The murder rate is at an all-time high and there are three Ministers of National Security. I do not know if all of them sleep on the job. I know one for sure sometimes sleeps on the job, but the fact is that they are not effective. The murder

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rate as of this evening—and it could have changed since the last couple of hours when I checked the figures, was 206; 206 people murdered in Trinidad and Tobago for the year 2018. The PNM must take responsibility.

The recent announcement by the police of an alarming increase in stolen vehicles, violent crime on the rise, and there is no apparent solution coming from this Government. It seems that they just choose to bury their heads in the sand, and I am appalled—and it was mentioned earlier—that there was not one mention in the mid-year review, on how the Government intends to deal with crime. To me, that is one of the most pressing issues in Trinidad and Tobago now, because crime affects business, crime affects investor confidence, it affects productivity of our citizens, and it is having a negative effect on the economy. Even now, there are police officers who do not get paid for overtime and they work 24, 48, sometimes more, hours at a time.

Mr. Vice President, I just want to share an experience. The iPad that is issued by the Parliament, I misplaced it and I had to report it to the police. I went to the station at around 7.00 p.m. and the officers who took the report immediately went out because they could find the location on the app. They retrieved the item, they brought in a person for questioning, they took statements from myself and the parliamentary personnel, and the next day, after they had gone to court, they indicated that we could collect the iPad. I went to the station, close to lunch time the following day and I met the very same officers still working, and they are working sleep deprived, their concentration, of course, will be compromised. If they are in a situation with gunplay, a delay in their reaction could mean the loss of their lives, and we are putting the men and women who are fighting crime, and

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who protect and serve us, at risk, by subjecting them to these conditions at work. To me, this is one of the issues that must be highlighted and I want to ask the relevant Minister to take note so that perhaps in their Cabinet discussion that could be remedied.

As I mentioned crime, I must mention—I think it was Minister Le Hunte who spoke about Life-sport—[*Interruption*]

Sen. Haynes: Minister Rambharat.

Sen. K. Ameen: Oh, Rambharat, sorry. Minister of Agriculture, Land and Fisheries. Mr. Vice-President, every government has a prerogative to change and to have different programmes, but the needs of the people must be addressed. Mr. Rambharat indicated that he lived in Rio Claro and their problems may be a little different from where I live. I live on the East-West Corridor too, and I can tell you for a fact that the programme had a positive impact on the lives of especially young, at-risk youth—well, young, at-risk persons, and I know for a fact that it played a role in erasing gang borders, for example. I know for a fact that it gave communities that had negative reputations, something to smile about. And even if there were faults in that programme, or you just want to close it down because it was a Partnership programme, that is your prerogative, but the needs that those programmes addressed still exist, and to me, you must find ways—and we are yet to see initiatives from this Government—to reach young people in at-risk communities, with activities through sport and culture, and so on.

I move on now, Mr. Vice-President, to the Minister's indication that this Government will be eliminating waste and duplication. He cited advice from the IMF technical team who seem to be advising him, and they intend it seems, to cut

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funding for education, health, national security and social programmes, and to me, when you do that, you are cutting people. These are the programmes that have significant impact on people not only now, their well-being now, but also in the future when you consider education.

Mr. Vice-President, the assault on education and development of our human capital in Trinidad and Tobago, is booming. There are numerous manifesto promises in areas of education that have just been thrown out the door. There are long lists of schools—Sen. Haynes spoke about a school operating on shift, but that is not the only one, and it is because of the failure of the Government to complete school repairs and complete construction projects. There are Early Childhood Care and Education Centres that are completed. The construction is completed, but the buildings remain closed and they are not in use. The United Nations made special mention to Trinidad and Tobago for having universal, free preschool education, and that was a hallmark achievement of Trinidad and Tobago under the Kamla Persad-Bissessar-led government. [*Desk thumping*] That is an achievement of Trinidad and Tobago, and it cannot be that out of sheer spite—or the only other thing it could be is incompetence, that this Government seems to want to take us as a nation, backward when it comes to education.

Mr. Vice-President, I am also seeing that type of sabotage taking place with regard to public health care, and earlier today—if it is okay to mention this—sorry, let me tell you the—for example, we spoke earlier today in our question session about the infant mortality, and I had asked the Minister of Health if there were plans to utilize the facility, the Couva children's hospital, for the programme that he outlined where units in different public hospitals were upgraded and there were

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ICU beds, and so on, neonatal beds. And, a neonatal intensive care unit is really only required where you have an obstetrics unit. The Couva children's hospital was never really intended to be dedicated for obstetrics, but provisions were made for a few beds for emergency deliveries. You have a Maternity Hospital at Mount Hope. In San Fernando, Port of Spain and Sangre Grande, you have maternity units, and it is a fact, contrary to what the Minister of Health said to this Senate earlier, that on level 2 of the Couva children's hospital there is a unit for obstetrics, nursery and paediatric ICU—

Mr. Vice-President: Senator, I just want to offer some guidance. That matter was dealt with at a particular section of the Order Paper earlier, and as much as this is a relatively open debate, in relation to a budget review, boundaries are still there—

Sen. K. Ameen: Okay.

Mr. Vice-President:—so I would just ask you to sort of stay away from that. Just because we dealt with it earlier and then that section is closed, if you could move on to another point, that would be great.

Sen. K. Ameen: Mr. Vice-President, I just want to say independent of—I take your guidance—that matter, that the Couva children's hospital remains closed and to me it seems like an act of spite by the Government. The unit that I mentioned earlier, there are in fact 13 rooms, 25 beds and four neonatal ICU beds at Couva children's hospital, and the longer that facility remains closed by this Government, I do not think Trinidad and Tobago will forgive you for that.

One other example that I see, again, either spite or incompetence, under the previous government, the Children's Life Fund was established, which saved many sick children and gave them the hope to have lifesaving surgery. Today, there is

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no board for the Life Fund and children are dying because they do not have funding. Mr. Vice President, one of the other programmes that I see is mentioned in terms of supplemental funding—under the previous government there were 8,500 individuals who benefited from the implementation of the prepaid dialysis programme—because this issue is a serious issue in Trinidad and Tobago—and it allowed patients to receive free dialysis treatment. In fact, in this budget and the previous budget, it was observed that there were significant cuts to that allocation, and today I see that even though they reduced the allocation to it, even though we advised them not to, today they are seeking to supplement—that is the Head 28 the Ministry of Health—\$121 million, and the explanation given is that the funds are required to pay private institutions for the provision of critical health care services, inclusive of renal dialysis treatment. This move is similar to the laptops for children situation, where you come in, and because it is an initiative of the People's Partnership, because it is an initiative of the UNC, you chop it off, you cut the programme, you stop it, and then when you see the negative effect it has on people and you see the sense in the programme, then you decide, well look, you have no choice but to put back the funding.

Mr. Vice-President, we delivered on a number of key projects that were under public health care. When we came into office in 2010, I remember the whole scandal surrounding the incomplete Scarborough General Hospital for the people of Tobago, and it was that UNC-led government that completed the Scarborough Hospital for the people of Tobago, in spite of the scandal. Another Member on the other side spoke about staff shortages at the hospitals, the El Dorado Nursing Academy, the San Fernando Teaching Hospital. You must

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reinforce your human capital in order to address those issues, and to me, I am seeing the sabotage of many of these programmes in public health care that the PNM will have no choice but to return to, when they see the negative effects.

So, Mr. Vice-President, by the PNM's rationale and by their definition of "boom", I suppose the housing sector is also booming. You know, in two and half years this Government has not constructed a single house. [*Desk thumping*] They come every time to talk about what was done under the previous government and so on. They failed to build a single home in 33 months, but you know what is happening? There are dozens of tenants in HDC, who are on the Rent to Own Programme and they received eviction notice because they cannot afford to switch to the mortgage programme. Who they have to evict, they "cyah" evict, because Clifton Hill Towers' residents have been complaining about illegal activities and the HDC is yet to evict the criminal element there, but they are evicting people who—really, I feel they should have a heart, because the purpose of the HDC is to provide low-cost housing.

Hon. Senator: Senator, would you give way?

Sen. K. Ameen: And when—are you going to be contributing, "or you in public gallery today, as usual"?

Mr. Vice-President: Senator, focus. Focus the contribution here, please. Thank you.

Sen. K. Ameen: Mr. Vice-President, many of the projects that were done under the People's Partnership government, were done after we had to fix and clean up the mess of the previous PNM government.

One week ago the Prime Minister and now, Minister of Housing and Urban

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Development, announced plans to inject \$9 billion into the housing sector. We must ask, where this money is coming from. Is it out of the empty Treasury by the magic wand? Are we borrowing it? Are we putting ourselves into further debt? I thought an explanation would have come out by now. I hope that someone could tell us. The Prime Minister himself, was quoted in the *Trinidad Guardian* as boasting that there is over \$2 billion worth of housing projects going on in Trinidad and Tobago today.

The Prime Minister distributed 50 keys at Real Spring. Real Spring has 408 single units, townhouses, and two and three bedrooms apartments—“they give out 50 keys, eh”—and when the Prime Minister spoke to the media, he told them that there were 19 active housing projects spread across 15 sites and that he expected to deliver more than 3,000 homes. He should tell them, thanks to UNC, because those were projects that were initiated when we were in government. [*Desk thumping*] Many of our projects were completed and it was only for them to complete and distribute. So, when you send blame you must send thanks as well, because the fact is that you are giving out keys but you have not built a single home. So, who built those homes?

There are many sites—those 19 sites the Prime Minister mentioned, that are not yet completed, and still, Mr. Vice-President, this Government seems to be intent on bulldozing prime agriculture lands at the St. Augustine Nurseries, to plant housing. I am all for affordable housing, and land-owning democracy, and home-owning citizens, but I wholeheartedly condemn the use of land at St. Augustine Nurseries, for housing.

Sen. Rambharat, in speaking of housing, you mentioned Mora Heights. You

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know again, this is one of the projects that— [*Interruption*] I want, Senator—you see, “dey beggin for yuh, dey asking meh to spare yuh”, but you see, I “doh” like to spare untruth and misleading information. So, I want—

Mr. Vice-President: Senator, just throughout your contribution, I am hearing you saying that. I just want to remind you and guide you in relation to the Standing Order with imputing improper motives. So, I am sure there is a better way that you could rephrase it if you are going down that road. And secondary to that, when you are referring to Members, please refer to them by their ministerial portfolios, and Senators that do not, then you refer to them by Senator and their last name. Continue.

Sen. K. Ameen: Thank you, Mr. Vice-President. Mr. Vice-President, just for the record, I think the hon. Minister of Agriculture, Land and Fisheries should find out whether it was the wife of a present Government Minister, who was the project manager at Mora Heights. [*Desk thumping*]

[MADAM PRESIDENT *in the Chair*]

And then speak about the competence of your project manager and the shoddy work that was done at Mora Heights.

Madam President, there is a long list of housing projects where there was shoddy work done that was fixed by the People’s Partnership Government but I will not go down your rabbit hole this evening.

10.00 p.m.

Madam President, the social safety net in our country is shrinking. Poverty is defined as—poverty is an issue in Trinidad and Tobago. The former Government set up a National Poverty Eradication and Reduction Research Policy

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Unit which used specific indicators to determine what the level of poverty that the people in Trinidad and Tobago were experiencing and to inform Government of best policies and programmes to reach the needs of the vulnerable. This Government has eradicated the poverty eradication programme. They have disbanded the Unit. They fired more than 30 employees. [*Desk thumping*] So now, nothing informs their policies to address poverty. That is another issue. I have a long list of the issues here but I know my time is running short.

Madam President, I want to ask a question with regard to the supplement. In October of 2017, mention was made, thousands of citizens were affected by flooding. This flooding was caused by neglect of the water courses and the failure of this Government to maintain these water courses. [*Desk thumping*] So many people—in fact, I read somewhere that there was a release from the Ministry at the time that there were 2,300 households affected. Many people applied for relief, many local government councillors were on the ground grappling with scarce resources. There was an announcement from the Government that the Cabinet approved \$35 million as a flood relief fund. They never said where the money was coming from.

Today, I see under Head 77, under the Ministry of Agriculture, Land and Fisheries, \$7 million towards covering the claims submitted by the farmers for the loss of their crops. I also see under Community Development, \$2 million funds required to enable the National Self-Help Commission to assist individuals in Tobago whose homes were affected by flooding. “I ain’t reach up to \$35 million yet.” There are still thousands of people waiting to get compensated, waiting to get assistance who are in dire need, and some explanation should be given about

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this \$35 million flood relief programme.

Madam President, we, in the Opposition, have asked many questions about the situation with unpaid CEPEP contractors and I was happy to see a supplementation to the Ministry of Rural Development and Local Government to pay CEPEP contractors. I did not see anything for regional corporations. For many months, regional corporations are being told by the Ministry, “We have no funds”. Many of their critical projects have been on hold. While they have an allocation in the budget, no releases are being made and it is either that the Ministry is not on top of it or that the Ministry of Finance is not making the release available for the regional corporations. I want to call on the Minister of Finance to ensure that all regional corporations get their moneys that they request based on their allocations in the budget so that they could complete their projects before the rainy season starts.

I have an issue with the fact that a large part of the source of funding for the supplementation of Heads in this mid-term review of the budget is from depleting the Infrastructure Development Fund. They have indicated that savings have been identified under this Infrastructure Development Fund, \$796,297,635. Funds provided for capital projects which will not be utilized as initially projected and they drawdown on the funding based on overall cash management issues. This was the very same explanation that was given last year when a similar amount was used from the IDF. The purpose of the IDF—in fact, the IDF was initiated under a UNC Government, Brian Kuei Tung was the Minister of Finance. And while there are provisions for funds not utilized under the IDF to be used in other places, if this keeps happening year after year, it is an indication of very, very poor planning or a

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deliberate abuse of the funds by placing money in the IDF fund with no real intention to use it for infrastructural development. To me, that is a deceit of the population or just improper planning.

Madam President, there are a number of manifesto promises that I wanted to touch on that I know I would not have the time but this is something I mentioned in our budget debate. Security in schools, the Ministry of Education.

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

Sen. K. Ameen: Thanks. Security in the Ministry of Education, we told you that cutting the allocation for security services would not bode well. Madam President, education in Trinidad and Tobago is no longer free. When the Ministry terminates the contract of the employees of the schools, the schools are asking parents to send money for security, for office staff, for cleaners, and so parents, every day, are putting more and more out of their own pockets to pay for their children's education. So this Government is reversing the free education that we are supposed to have.

Madam President, I want to touch, in the last few minutes that I have, on some of the elements of the commentary from the Moody's Investors Service given to this Government, and while there are many on the other side who said "we have not been downgraded", "just ah lil, yuh know, is ah like ah lil fleck, ah lil 1 per cent". It is good that you are looking at it optimistically. I want to point out a few things. The agency said that those credit features mitigate—well they spoke about large financial buffers and the presence of large financial buffers, high wealth levels and significant international reserves and they warned that those credit features mitigate credit challenges related to a policy response that has been

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unable to offset the impact of low energy prices on the Government revenue. The policy response is totally in the hands of the Government and it is clear that the Government has failed in their policy response. The Moody's also said that the stable outlook is based on the expectation that capital revenue related to asset sale will help reduce borrowing requirement. That is a one-off. That is for this year only. What next? So again, the Government has to—while that give them “ah lil one year, ah lil push”, it really is not anything concrete.

They also said that Trinidad and Tobago could suffer a rating downgrade if limited fiscal consolidation leads to significantly higher deficit. A reduction in assets held in the Heritage and Stabilisation Fund would undermine credit worthiness and lead to a downgrade. A reduction in the assets. It was mentioned by the Minister in the Ministry of Finance in piloting in the Senate. It was in 2013 that you had the last injection of funds into the HSF. She did not say it but it was done by the UNC-led Government. She also mentioned that there were two withdrawals totalling US \$627.2 billion; that was done in 2016 and 2017.

Sen. West: What kind of dollars?

Sen. K. Ameen: Billion US.

Sen. West: Billion you said?

Sen. K. Ameen: That is what you said. I was writing as you spoke, so if there was an error—million? All right, so I am guided by the Minister. Because it sounded—but in any case, it is very clear that the UNC would have made contributions to the HSF and the reduction in assets held in the HSF which was one of the things mentioned by Moody's, that could undermine our credit worthiness and the Government should take heed.

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They also spoke about growth prospects. They spoke about the non-energy sector which many persons have mentioned, and again, I want to add my voice to the treatment of that economic development board which was appointed, which was a voluntary board created by this Government, and experts, well-respected persons, in my view, were totally humiliated by putting forward their recommendations for the sake of Trinidad and Tobago and then getting no thanks and being dished out. And of course, the increase in gas production, I am very happy that the Minister of Energy and Energy Industries, in his contribution, thanked the UNC Government for their investments in the sector that would have led to the positive—that little ray of sunshine that we are seeing.

Madam President: Sen. Ameen, your time is up. Sen. Richards.

Sen. K. Ameen: Thank you very much. [*Desk thumping*]

Madam President: Sen. Richards.

Sen. Paul Richards: Thank you, Madam President, for the opportunity to contribute to this Bill, the Finance (Supplementation and Variation of Appropriation) (Financial Year 2018) Bill, 2018. It is 11 after 10 which means we have crossed the 12-hour mark [*Laughter*] so which means I will not detain you long. I know Minister West chuckles when I say that. My original plan was to speak for 25 minutes but I am hoping to be seated by half past 10. Let us see if we could stick to that.

Just a couple quick points I just wanted on the record in terms of some Heads in the Bill and some commentary on those. Let me start with the issue of—there has been quite a bit of debate on the substantive Minister's commentary about: I can see clearly now, the rain is gone and the optimism and the turnaround

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of the economy. But, you know, I think it is very important for the country and leaders to understand that narrative is important and if we are to—whether it is a decline in the gradient of the trajectory we were on to a more gentle slope, a turnaround of sorts, it is important for leaders to understand that their words have power and the power not only resonates in the Parliament, in this honourable House and the other place but certainly to the people of Trinidad and Tobago, the business community and the world at large. So I welcome any commentary that imbues a sense of hope and optimism to the people of Trinidad and Tobago and certainly by extension, the business community.

But with that said, I think we also need to be careful not to be unaware that the messages that we send can send the wrong signal of a turnaround and a new boom. Because for quite a while, we have been hearing “ban yuh belly”, “tighten yuh belt”, saying that “I can see clearly now” than there is a boom could send the wrong message to the population to start a particular behaviour pattern, again, that is counter-productive to sustainable growth. So I think we should be careful with that. But as I said in the opening commentary, I welcome any sign of optimism because it is important to send that message to the business community and to the population at large.

I want to focus a bit on the fact that, and Minister Khan went into quite a bit of commentary, through you, Madam President, about the Petrotrin and my colleague, Sen. Ramkissoon, that the role of the energy sector still and even if we have seen some growth—and it is debatable in many quarters—in the non-energy sector, I do not think there would be any commentary about a turnaround. If we did not see a turnaround in the commodity and energy prices globally. So, it is still

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the underpinning of whatever economic situation we have in Trinidad and Tobago and to me, that needs to be very carefully looked at, and which means the exogenous conditions, we are still at the whims and fancies of those without real diversification of Trinidad and Tobago in the economy which we have heard about for eons without real success.

But I want to talk about a different kind of diversification shortly and that is diversification of the private sector profile in Trinidad and Tobago. In most of the countries that have shown economic stability, we have seen a lot of focus on the support of small and medium-sized enterprises in developing countries. I want to quote from quite 2006, March 16th, then Governor of the Central Bank, Ewart Williams, in his contribution to the Nova Committee of the Trinidad and Tobago Chamber of Industry and Commerce and his theme was “Supporting the Growth of Small and Medium Enterprises” and the need to do that, even at that time when the energy sector, as he puts it, was:

“...leading one of the strongest expansions in our post-Independence history...”

And that is in 2006, going into 2008 when we saw really strong energy prices, and I do not think we have focused a lot on that. Mr. Williams focused on the fact that that is the area which Government usually has to play a critical role creating the essential cradle for the expansion of the SME sector.

And I know in the 2017/2018 budget, there was an allocation of \$50 million, I think, to 500 small businesses but we have not heard a lot of how that has been doing in terms of the objective of that in really creating a base and facilitating environment for small and medium-sized businesses and Mr. Williams also

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indicated:

“...Governments which are committed to SME development focus on making funding available...”

As we saw in that case. But also, placing a lead in the adaptation of the education system to needs of business and in particular, small business and training those people, not just giving them the money but training them and monitoring their success to see what areas that we can see growth in. Because very often, there is a particular profile of an entrepreneur in Trinidad and Tobago and that really does not go across the board, so we really need to look at widening that as we have seen and I am going to quote some figures from other countries in terms of their contribution to GDP and the national economies.

In Trinidad and Tobago, we have a couple of state agencies: NEDCO, BDC at that time, and they are the main state drivers of what is supposed to be that entrepreneurial education and development. But we also have no data on how well they are doing and if we really want to start a really low-hanging fruit in terms of diversification, that is one of the areas we can look at and taking the burden off the state sector and also widening the tax base for the Ministry of Finance, passed just the energy sector and also taking the burden off the state to provide employment. We know the level of our national budget that goes into public sector salaries and if we do that, we can provide a kind of buffer to the economy and also imbue that spirit of entrepreneurship in our citizens and provide a wider base for the economy.

I want to quote also from the *International Symposium on Sustainable Development June 2010 on The Importance of SMEs in Developing Economies*.

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“World Bank’s definition of SMEs is that micro scale; less than 50 employees, small scale; 50 employees; medium scale; 50-200 employees.”

And there is quite a bit of information in terms of the importance of SMEs on employment including they contribute to 55 per cent of GDP in over 65 per cent of total employment in the high-income countries. SMEs and the informal enterprises account for over 60 per cent of the GDP and over 70 per cent of total employment in low-income countries, and they contribute 95 per cent of total employment and about 70 per cent of GDP in middle-income countries. I am just reading a bit, by your leave, Madam President, for accuracy. In the European Union countries, for example, there are some 25 million small businesses constituting 95 per cent of all businesses that employ almost 95 million people and providing 55 per cent of total jobs in the private sector.

So we see what that is doing for those economies and diversifying them away from dependent on what may be their core competencies in terms of economic contribution. And there are several advantages of championing the cause of these SMEs in any jurisdiction, particularly one like Trinidad and Tobago, which as I said before, is so vulnerable to those exogenous conditions and we do not know what is happening around the world. Yes, there is a prediction of the stability at around US \$65 to US \$70 per barrel but as my colleague, Sen. Small indicated, a year ago, we would not have predicted this now. So if we would not have predicted this boost, we do not know what may come six months from now or a year from now and a lot of what has happened now in terms of what we are touting as a turnaround is as a direct result of what we can do with this \$70 a barrel oil. So I think focusing on these SMEs is also a way to stabilize the economy.

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They have a different competitive structure. They are more efficient because they are smaller. They keep up with the demands of new technology easier and they are more enduring in economic crises. They also play a more successful role in increasing employment and arranging income diversity in any jurisdiction.

We also like to compare ourselves a lot with Japan and in terms of SMEs in total enterprises in Japan, they form 99.4 per cent of total enterprises. SMEs in total employment of Japan, 81.4 and in terms of total investment, 40 per cent of investment and there is a list of countries including the USA, Germany, France, England, South Korea, India and Turkey which also have seen significant stabilization of their economies because of their focus in the development of SMEs. So I am really hoping that we can go down that road. And it also, as I said before, provides a stronger tax base for the Government.

I heard one of the economists in the post-budget fora talk a lot about even going as far as taxing doubles and how much tax may be escaping in those kinds of small business enterprises across the country which the Government is not benefiting from. As Minister West said, in her contribution on the Property Tax Bill and Valuation of Land Bill, that cadre of possible tax income has not really been monetized in Trinidad and Tobago effectively, so we may want to look at formalizing that, not necessarily doubles vendors but certainly a wide cadre of SMEs in several different areas in Trinidad and Tobago.

The other section I want to move to quickly—because I see I am running out of time to end at 10.30—is the issue of improving public sector efficiency and that is something that I have not seen dealt with in the last two budgets or the last 10 budgets quite frankly and certainly not in this mid-year review of sorts. Minister

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Le Hunte spoke about a lot of programmes that are being introduced, you know. Minister Sinanan spoke about all the initiatives of his Ministry. But if we are not looking at our productivity issues in Trinidad and Tobago, we keep adding more programmes and more work on broken systems that are not efficient and expect them to work and we are not frontally dealing with this issue of productivity and efficiency of systems in Trinidad and Tobago. So when we put the money in and we do not get the results, we wonder why.

I am going to quote from the *Journal on Budgeting Volume 7, No. 1, OECD 2007* and they really focused on what we can take a page from in terms of performance information in budgeting processes and the general idea behind it is that we use data, we use KPIs, key performing indices and matrices for measuring success in every particular Ministry and their budget allocations are based on that, as opposed to just throwing money into Ministries year after year without the resulting outputs that we have projected.

Sen. Ramkissoon spoke earlier on in her contribution about—she referenced the Ministry of National Security. There are two Ministries that have gotten huge allocations year in, year out, generally in budgets in Trinidad and Tobago over the last 15 or so years and they are the Ministry of Education and the Ministry of National Security. Are we measuring what objectives we want out of those allocations in any particular Ministry? Are we measuring the efficiency of those systems in those Ministries to deliver or are we just saying, okay, we are going to settle at \$50 million budget, we are going to prioritize which Ministries we think need the most and we just throw in the money at those Ministries and hoping for the best? This approach of performance information in budget processing:

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- “• ...generates...sharper focus on the results within the government.
- ...provides more and better information on government goals and priorities, and on how different programmes contribute to achieving these goals.
- ...encouraging greater emphasis on planning...”—monitoring—“and acts as a signalling device...” to governments in terms of whether or not the allocations to these Ministries are working effectively or whether or not you to tighten up and make them do better.

I know there has been quite a bit of success in the tax collection arena and that is commendable but we can translate whatever matrix was used there to other Ministries, particularly the state agencies because we cannot just keep in perpetuity, throwing money at these agencies and just throwing up your hands in the air and thinking they are going to fix themselves. Every time Minister Khan speaks about Petrotrin, you could see he goes into a near depression. You could see the frustration on his face. It is almost like we do not know even how to start to tackle Petrotrin in a comprehensive way, and we cannot continue that way. Petrotrin is just one state agency that is in that state. What about the scores of others that collectively may be as bad as Petrotrin? And we have to have a different approach in dealing with that in the context of budgeting, Madam President, through you.

I just want to go through quickly some of the issues in the Heads. Head 06, Service Commissions, there has been so much said over the years about the efficiency of many of these Service Commissions in Trinidad and Tobago and how effective and efficient they are and we are asking for an increase \$1,376,570. And

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the Tax Appeal Board, Head 09, I do not know if this is reconciled against the recently passed Valuation Tribunal and if that is going to change given the projection to start the valuations at the end of this year into 2019 and how that is going to be reconciled in terms of the Tax Appeal Board and this \$908,770 that is being increased here.

The Ministry of the Attorney General and Legal Affairs, \$30 million and that has been touted particularly to deal with the Children Court, et cetera, but I would like to hear a response. I know he is not here, I do not know if he is in the country, but the hon. Attorney General, in his budget contribution 2017/2018, gave an assurance that there was an allocation for remedial work and rehabilitation of Remand Yard in the context of restorative justice and we have heard nothing about that since that and we are heading in four or five months to a new budget and that has a significant impact on recidivism rates and general criminality in Trinidad and Tobago. So I would really like to hear an update on that and if that is part of what this is for, it was not stated in the line items.

The Ministry of Education, the line item states what it is for and I just want to touch on the issue of general education. Sen. Ramkissoon spoke about primary education and the changes that need to happen there, but I am talking in context right now of tertiary education and are we getting, again, value for money. We have three state-funded universities now: the University of the West Indies, COSTAATT and UTT and we have now an imbroglio where there has been a moratorium placed on the termination of some contracts and because it certainly was not planned where there were duplication of programmes; that could not continue. I know of programmes that there was one person at the end of a

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programme after three years. So when you think about a programme that started with 12 and ended up with one person, you realize how much of a waste of time and money that was.

And I know there are several other programmes in UTT and quite frankly in COSTAATT, I understand, where we really need to reconcile whether these programmes are working. If it is worth the expenditure and if we cannot consolidate, maybe the students from these programmes into UWI with the duplication programmes and shut it down in one institution, and also a solution to the termination issue may be to absorb some of those lecturers from UTT into the programmes in UWI or COSTAATT so that more people do not go on the breadline, if they suit the application requirements. But we certainly need to look at reconciling the issue of those tertiary level institutions and finding out what is COSTAATT for, what is UWI for, what is UTT for and we cannot have duplication of programmes because it is a waste of state funding.

The Ministry of Rural Development and Local Government, I really think we are doing a disservice to a large cadre of the workforce in Trinidad and Tobago by leaving make-work programmes, like CEPEP, the way they are. It is an underestimation of potential of people and I do not think it was ever—from DEWD to CEPEP, it was never intended to stay like that.

10.30 p.m.

So we need look at the evolution of those programmes, in terms of getting those people to achieve their full potential and not maintaining a status quo of dependency or three hours work or four hours work in some limited areas that are really unsustainable.

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We spoke about—quite a number of people contributed on the employment rate, but what about the underemployment rate in Trinidad and Tobago, with all graduates coming out of universities that do not have jobs commensurate to their qualifications, which the State paid for? Are we creating those jobs? And that goes back to me again with the creation of SMEs and encouraging that entrepreneurial spirit, so that the State does not have to hire all those graduates and we can more productive employment of them and not have persons with one undergrad, postgrad degrees, two postgrad degrees doing what accounts to, in some instances, clerical work. What is the point of the investment in that person's development if they cannot contribute in a more meaningful way to Trinidad and Tobago?

The Ministry of Community Development, Cultural and the Arts, \$2 million. It is not a big subvention, but in a context of monetizing the creative industries—and Carnival is coming up again and we are going to have those interest groups going hat in hand without having a national policy of how we are going to get those groups to understand they have to operate like a business, in a sustainable manner, and start to wean those interest groups off the national purse, and not wait until there is some sort of tacit blackmail: "We ain go play, we go strike" a week before Carnival and end up in the same cycle we have ended up in for the last 15 years, because we all know what the playbook is by now. But it is not moving towards sustainability in those creative sectors, and we need to look at that.

I was going to talk about the Ministry of Agriculture, Land and Fisheries, but I am on 10.31, so I am going to stop. In closing, I really want us to look at how we go forward in terms of budgeting in Trinidad and Tobago, and really take a

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look at productivity and address it frontally, because I do not think in any sector we are doing that and that, no matter what programmes we create, no matter what new sectors we create, if we do not deal with the mindset of productivity and productivity levels in Trinidad and Tobago, we will not be able to have a sustainable economy.

There is a great politician, his name escapes me now, who said: you really—taxation is important. There are no two ways about it. Countries have to have a proper taxation regime to sustain the delivery of goods and service, but you cannot tax your way out of economic crisis. You have to think your way out economic crisis. And with that, Madam President, I thank you. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): Thank you, Madam President. We sat here for 12½ hours, listening to various contributions from various Senators, and the thought that came to me was that it is amazing the convenient amnesia that resides in the Members of the Opposition.

Sen. Obika, for example, started off, Madam President, by calling this Government irresponsible for moving money out of the IDF to Recurrent Expenditure. So obviously, his Government never did that. Right? I would like to point out, Madam President, that as recently as 2015, the total variation that came before this House was \$2.1 billion, of which \$1.4 billion came from the Ministry of Finance, and of that \$749 million was a movement from the IDF to Recurrent Expenditure. [*Desk thumping*] So, I do not know if the party of which he is now a part is the same party that led the Partnership during 2015, and whether his leader is being called irresponsible for doing the same thing that the PNM Government is doing today? Obviously not. It must be two different parties.

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He talks about the fact that we abandoned the CDAP programme. What the Minister of Health would have clarified in his contribution at the other place was that we are tidying up the CDAP programme because under that Government that operated through 2010 to 2015, CDAP gave out \$26million in drugs a year, but it spent \$46million distributing \$26 million in drugs.

And then, in either 2013 or 2014, it gave out a management contract to operate CDAP, of \$30 million. So that is \$76 million in one year, operating a programme that gave out \$26 million in drugs. It would have been cheaper to put the drugs in “de Square and tell people come and take”. That makes no sense whatsoever.

The other side keeps taking credit for universal education and keeps taking credit for GATE. Universal education was the baby of—as my colleague would have reminded us on the last occasion—our first Prime Minister, Dr. Eric Williams. [*Desk thumping*] The future of the nation is in the book bag of our children. And GATE was the creature of a PNM Government. [*Desk thumping*] What was done on the other side? Dollar-for-dollar was what was done on the other side. So what we did, I will remind you is that we brought some control to the GATE programme and determined that we would provide relief to people in need, which is a reasonable approach, especially given our current economic situation. We are still in support of education and we are still going in that direction.

Sen. Obika again commented on the fact that the money spent by the PNM Government in the first two years exceeded by \$1 billion what was spent by the PP in its first two years. I would give you one of the many reasons why that was so.

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Having negotiated and concluded public service salary negotiations in June of 2015, you paid no back pay. We had to pay \$5 billion in back pay in the first two years. If you take that out, we would have spent less than you.

Sen. Khan: Do not respond to him anymore. That is enough.

Sen. The Hon. A. West: But he said so many things. I have to comment on the categorization of our trying to protect our national heritage as expenditure on vanity projects. Are you saying that we should abandon Stollmeyer's Castle and let it fall to the ground? Are you saying that we should abandon the Red House and let that crumble? Are you saying that we should leave our national treasure of Cazabon pictures out there so that our future generations do not have access to these things? We are not of that view. Okay. So it is not vanity projects at all. It is essential for the maintenance of the history of Trinidad and Tobago. [*Desk thumping*]

There were questions raised on what was happening with the housing project, and I am happy to tell you that having launched the Housing Incentive Programme, that we currently have seven applications from seven individuals who have either brought their own land or hoping to use state land. We have a combination. They are bringing their own financing, and we are in negotiations currently with them, in terms of how many units, what prices and so on, and we expect construction of those projects to start within the next three months.

I also have to ask Sen. Obika again: How on earth an individual paying tax at a rate of 30 per cent could have an effective tax rate of 45 per cent? I am at a loss. I am at a complete loss. When the tax rate was 25 per cent, which is when I was doing taxes, the standard, the average effective tax rate when the tax rate was

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25 per cent was between 12 and 16 per cent. That was the effective tax rate. I cannot see how a 5 per cent adjustment in that could double that. I cannot see it. Not doubled, almost tripled. I cannot see it.

The other side is suggesting to us that we are carrying up the debt and doing all kinds of crazy things with the economy. But on the other hand, they are saying: Why do we not back the loans to our manufacturers? If we back loans to our manufacturers we have to add that to our liability, and that is not going to improve our debt position. You cannot blow hot and cold. You have to make up your mind as to what you go about what you are going to do. Sen. Obika, I would beg you to stop saying the economy has crashed, because it has not.

So let us move on to somebody who made a little more sense; Sen. Shrikissoon. [*Laughter*] Senator, I would like to commend the real economist and business people in this place who recognized that we have made positive movements. The Opposition has been trying to suggest to the public that we have made up these figures about the economy moving in the right direction. So I would like to read an extract from the report issued by the International Monetary Fund in April of 2018. It says:

“Low commodity prices over the last few years contributed to recessions in *Trinidad and Tobago* (2015—17) and *Suriname* (2015—16). They are expected to return to modest growth in 2018 and 2019, benefiting from somewhat higher commodity prices.”

So the IMF recognized that the economy was on a return to economic stability and growth. It was not something that was made up by the PNM.

Sen. Shrikissoon asked about the fact that we have not reached more than

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the halfway mark in the taxes, and he was concerned about the fact that property tax has not got off the ground, the game incentive tax has not got off the ground. But I would like to think, well he knows about the status of the property tax because we just passed that, and we are moving swiftly to operationalize that. The gaming sector tax has in fact got off the ground. What we need to do is pass the gaming sector legislation to better regulate the sector, so that we can collect more taxes and we are moving towards that.

He questioned why we had shifted from the proposal to focus on local borrowings only, to include foreign borrowings, and I would like to remind him that we never indicated that the borrowings that we would have to undertake would only be local. It was expected to be for both sources.

More importantly though, he was concerned about the fact that the rate of interest would be negatively impacted by the fact that we have credit rating not at the best rate that they have been. I would like to assure Sen. Shrikissoon and the national public that notwithstanding the fact that our ratings could be better, although they are stabilizing and hopefully improving, that while the UNC borrowed in 2013, at a rate of 4.75 per cent, in 2016 our borrowing was at 4.5 per cent lower and our current borrowings are at 3.82 per cent. So, notwithstanding the fact that the credit rating is not where we would ideally want it to be, although it is improving, we have been fairly successful in our negotiations and have managed to secure better rates than were secured earlier when the credit rating was better.

Sen Shrikissoon asked for an update on the royalty regime. I would like to advise him that the royalty regime was in fact introduced effective January of this

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year. The budget—the expected income from that source we have estimated at \$3.15 billion for the year. So far, for the first quarter of the year, we have actually received \$1.35 billion from that measure that was introduced in the last budget. So it actually is doing better than expected currently and that has moved our revenue from oils, which was revenue from oils as a percentage of total revenue, which was 2.3 per cent in 2016, to 1.2 per cent in 2017 to an expected 14.2 per cent in 2018. So it has had quite a significant impact on our revenue from that source and also our Forex earnings.

In terms of the Heritage and Stabilisation Fund, let me remind you, what my colleague on my left indicated earlier yes, the UNC contributed to the Heritage and Stabilisation Fund once during its five years, in 2013, and it borrowed to do that. That makes no sense. While we have in fact withdrawn funds from the Heritage and Stabilisation Fund, let us look at the performance of that fund.

We started out with income of \$5.1 billion in the fund in 2015. We withdrew \$700,000 and the fund is today at 5.88, which means that the fund, actually without the withdrawals, would have been in the region of \$6.4 billion, which shows a return on that fund over two years, of 25 per cent. That is an indication of the kind of management that has gone into the fund and the excellent performance of that fund over that period. So, we are cognizant of the importance of the fund. The IMF recognizes that the existence of the fund is one of the things that is working in our favour to give us a favourable rating. We recognize that as well and we are determined to continue to build on that fund.

In terms of why we have not made a contribution in the fund, in light of the increase in oil prices, I will repeat for you what was said in response to a question

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in this place maybe a week or two ago. I do not know if some of you missed it but what we explained to you is that the performance in the energy sector is not such that would have triggered the requirements of the legislation to make a contribution to that Fund.

The average oil price for the first quarter of 2018 was \$56.2 per barrel. The budgeted price was \$52, so it is a \$4 difference. The actual petroleum revenue for the period was \$787.9 billion less than the budgeted revenue from that source of \$1.079 billion, leading to a deficit of \$291 million. This means that the section 13(1)(a) of the Heritage and Stabilisation Fund Act has not yet been triggered, at least not for the first quarter. It is still to be determined whether it will be triggered sometime later this year. But so far, there is no requirement on the Government. We are not in breach of the legislation, as has been suggested during the course of this debate.

A couple of people have expressed concern about the contribution to be made under the heading of the Ministry of the Attorney General and Legal Affairs, in respect of the Clico matter. Just to say very briefly, because it is out of our hands, that the matter is still being pursued. We are also hoping that something will come of it but it is not for the Government to act. This is a potential prosecution matter. The DPP, it is solely within his discretion as to what is done.

Similarly, with respect to the FCB, we are also hoping that something will come out of it. That is also out of our direct control. All we can do is supply the funds and hope for the best.

Sen. Sobers asked why no work was done with respect to the judicial system, and why there was no recording system, and why the level of employment

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in the DPP's office has not been addressed, and so on and so forth with respect to the legal system. I could ask him why was nothing done during the period when his Government was in power and had billions and billions more dollars coming in. But, but, having asked that question, I will say that, with respect to the Forensic Science Centre, we have embarked on a project to build a proper forensic science centre. The land has been identified and we are currently finalizing discussions with the proposed partner to get that started as soon as possible.

Sen. Sinanan: Action PNM style.

Sen. The Hon. A. West: Action PNM style. Thank you, Minister of Works and Transport.

Sen. Ramkissoon asked if the increase in tax revenue was solely due to increase in the tax rate. I will remind this honourable House that the increase in the tax rate that came about as a result of the 2018 budget resulted in an additional \$50,000 only from each company. And, therefore, the increase that resulted would have had to come from about 10,000 companies for it to only be related to the increase in the rate. So we believe it is more than that. We believe it is evidence that there is increase in income.

If you look, for example, at the companies that publish their accounts. The ones I remember offhand are Republic Bank and First Citizens Bank and they both indicated that their profits for the last year was significantly greater than they earned previously. So there is indication that there are companies that are earning money and they are not the only two. Okay? And it is not only the banks. I know you have a particular pet peeve, Sen. Small, through you, Madam President, but it is not only the banks. There are people who are earning money.

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Sen. Chote asked about the disparity in the figures for the Judiciary and I do not—I am unable to answer all your questions. But I can tell you that the information that you have as you admitted, was dated. This Government has been trying to get the reports of the various entities that are required to do reports up to date, and it is a struggle. We are making some headway, but we are working on it.

The money that is going to the Judiciary is largely in respect of the Children Court. And while there may be issues and discrepancies to be addressed, the questions raised by the Attorney General are being looked into and worked on. So we should have those shortly by the Auditor General. We should have those shortly and be able to address them. But in the meantime we had to operationalize the Children Court because it was seen as important, which is why we are moving the funds across.

In the meantime, while we do that, I must recognize and give credit to our hard-working Attorney General who has been moving mountains. He has opened two courts in his short tenure. He has passed 19 laws for the operation of those courts, all within the span of 18 months. So, yes, we are seeking to address the problems that exist while we move ahead with doing what needs to be done.

A lot of heavy weather was made about the fact that this Government is putting the country more and more into debt, and we acknowledge that we have had to borrow to deal with our economic circumstances. But let us not forget that in the days of plenty, between 2010 and 2015, the then Government moved the debt from \$32 billion to \$49 billion, an increase, and this is percentage of GDP. And the GDP that applied when they were in office were much more significant than the GDP that operates now, at a 17 per cent increase. So let us not forget that

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is where we are started.

Sen. Zakour talked about the fact that the business sector needed more support and more incentives. Sen. Zakour, both in my prior life as a tax advisor, and since I have come into Government, every time a budget comes around the business sector says: “We need incentives.” And when you ask them: “What incentives do you need?” Either they cannot answer you or they call for an incentive that they already have. The business sector, especially the manufacturing sector and the agricultural sector, replete with tax incentives. So many tax incentives, they do not even know that they exist. And they do not take advantage of them.

So, while I appreciate that we need to improve the ease of doing business and create circumstances that facilitate business more, the one thing that you cannot say that has not been provided is incentives. We have gone way above board in providing incentives. And we have gone past that and move to providing grants. We are actually giving people physical money to promote their businesses, to promote their agricultural activity, to promote building houses. So we have been providing the support.

Sen. Ameen talked about us doing away with the poverty eradication programme. We may have done away with the poverty eradication programme as designed by her Government but what we found was that the poverty eradication programme undertaken by the UNC alleviated poverty for a certain few and not for the country at large. So we have our own approach. We are trying to identify exactly who needs assistance and to provide the assistance to those people.

There was also a reference to reduction in assets held in the Heritage and

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Stabilisation Fund. Let me disabuse you of that. The Heritage and Stabilisation Fund has more in it now than it had when we came into office. We have not depleted the fund.

Sen. Richards, as always, you have made some very reasonable comments during your contribution. Diversification of the private sector, we are working on that. As I said, one of the grants what we would have approved in the 2018 budget was the measure to promote the shark tank initiative, which was to help SMEs to get them off the ground. Give them seed financing and while that has not yet quite started, the background work is being done and we are expect that programme to be launched very shortly. One of the reasons it is taking so long to launch that programme is we are trying to put together the strongest team that we can, to not only identify the viable projects but to provide the support that you recommended.

11.00 p.m.

Because we do realize that we have a lot of bright people in the country and that they do not only need help to start up, but they need guidance in terms of how to prepare books and records, how to prepare proper project plans and all these kinds of things. So the intention is to provide that kind of support, so that we are contributing to viable long term sustainable businesses. That is the intention. So you should see that being launched very shortly.

Improving public sector efficiency; you are preaching to the choir. We are with you 100 per cent on that. But that requires a large scale review of what we have and what we should have. Whether we should move away from the very thing that Sen. Mahabir said earlier that we should adhere to, which is the whole Public Service Commission structure. That needs to be reviewed because we do

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appreciate that we cannot continue to just throw tons of money without getting a return for it. So we have started in discreet areas, where we can look at what we do and measure the success and then we will broaden it out when we have some more bandwidth to get there.

In respect of the Valuation Tribunal and the Tax Appeal Board, it is not an either or situation. The Valuation Tribunal is very specific to that activity, valuation of land and so the Tax Appeal Board will continue to have a role to play in respect of corporation tax, income tax, customs duties all—they have a wide range of things. So there has been an issue with getting a third member to sit, but we have come up with a strategy to deal with the backlog and reduce it while we look for the right person to fill that role and hopefully that solution will materialize very shortly.

Remedial work on the Remand Yard. Cabinet approved that sometime ago and as far as I am aware it has started and should be completed in the not too distant future.

You hit the nail on the head when you said that there is a duplication of programmes at the tertiary level. That was the very reason why the Minister of Education commissioned a review of the programmes at the UTT because during the period 2010 and 2015, UTT lost its moorings. It was set up for a particular purpose, and it just went haywire. So that, it was duplicating what was happening at the University of the West Indies, and that could not be allowed to continue. So that, yes, we did embark on an exercise to review and adjust the programmes and as a result, the staffing at the UTT and there is a big hue and a cry about that, but let me tell you of the hypocrisy of the hue and the cry.

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In 2012, the then Government engaged in rampant firings of professors and other staff. From May 2011 to February 2012, the UNC fired 85 members of staff at the UTT, [*Desk thumping*] from housekeeper to vice pro. So 85-30, apparently 85 is less than 30, because we are the ones who are the demons, leaving research students in a quandary. Did anybody hear anything about it? No reaction from anybody or the public.

Professors—[*Crosstalk*—no they could not have. Professors who were contracted from other countries were told they had to return home or face the Immigrant Division.

So this is what happened in 2012 but after the PNM Government undertook a review of the UTT, determined there were duplications in the programme, determined that we had to address those because the programmes were under-peopled, we are the demons. We had two people in a programme but we are supposed to keep these 30 people on, continue to pay them although the University if the West Indies is offering the same programme, and we are throwing good money after bad, we are the demons. But when you fired 85 people in 2012 there was no problem with that.

We hear about mass firings and retrenchments and people on the breadline. So let me tell you, the unemployment rate for the first quarter of 2017 stood at 4.5 per cent which compares favourably with the rates that prevailed in times of plenty between 2011 and 2015. It also compares favourably with the international labour organization's estimate of a global unemployment rate in 2018 of 5.5per cent.

We have been able to maintain a low unemployment rate through a mix of social, economic and labour policies which place people and jobs first. As the

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largest employer in this country, this Government has not embarked on any separation of staff from the Public Service. [*Desk thumping*]

In addition to that, in a release issued by the Ministry of Planning and Development it was stated that five on June 30, 2017—we do not yet have the 2018 figures, we will bring them to you as soon as we do—5,275 jobs were created through [*Desk thumping*] through the 2017 PSIP Programme.

The hon. Camille Robinson-Regis, stated that 5,275 new jobs were created based on projects undertaken by various Ministries through the Public Sector Investment Programme. These figures were cited from the job creation report as at June 30, 2017. As I said, when we have the 2018 report, I will bring that to you as well.

In addition to that, we have been working on getting increases in employment through the private sector and to that end the Ministry of Labour and Small and Micro Enterprise Development entered into a memorandum of understanding with the Caribbean Gas Chemicals Limited for the management and recruitment of labour during the construction phase of the National Gas Petrochemical Complex in La Brea during the period 2015 to 2018. For this purpose an office of the NES was established in La Brea to facilitate the efficient implementation of the project. The NES has been involved in the registration and referral of suitable candidates based on employers' request. Thirty five hundred and sixty-three persons registered for employment, of which 1,482 candidates were from the La Brea community.

The NES referred 1803 persons for employment and based on my information a total of 822 persons were hired on the project. This is just one of

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several projects that we are involved in, and one of the things that we look at and focus on when we are negotiating projects is how many of these people will be local people who the project will employ. So we are very concerned about employment. We have kept the unemployment rate at a reasonable level and we expect it to improve as the projects that we have embarked on get more fully off the ground.

So, Madam President, there is strong sound basis for the Government saying to the country that things are improving. We see the evidence that it is improving. The oil price may have helped us to get there, but our policies, our programmes, our approach to financial management is what really has put us on this sound footing. And notwithstanding the fact that things are improving to Sen. Shrikissoon's point, we do propose to continue to exercise sound and proper financial management so we do not go back to the days of indiscriminate spending and waste. We want to continue to bring value for money to the people of Trinidad and Tobago to take us where we should get to and to do that in a responsible manner, in a sustainable manner.

So, Madam President, Sen. Obika has this obsession with taxes; an obsession with taxes. As Sen. Le Hunte would have said, we have only imposed taxes on people who we think are able to bear those taxes. There has not been a widespread imposition of taxes, and we will continue to be responsible in that regard as well.

So, Madam President, as I said, this Government has taken a responsible approach and we are seeing it beginning to pay off. There is light at the end of the tunnel—we still may be in the tunnel, but there is light at the end of the tunnel and

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we will continue to progress steadily and firmly towards that light.

Madam President, with those few words I thank you and I beg move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. A. West: 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: That the Bill be read a third time.

Bill accordingly read the third time and passed.

Madam President: Leader of Government Business.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, Madam President. I beg to move that this Senate do now adjourn to Friday, 18th of May, 2018, at 1.30 p.m. During that sitting we will be debating the Insurance Bill, 2016.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 11.13 p.m.