

SENATE*Thursday, March 26, 2020*

The Senate met at 2.30 p.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**COVID-19****ADDITIONAL MEASURES ENFORCED IN PARLIAMENT**

Madam President: Hon. Senators, I have today advised the Leaders of the Benches and the coordinator that in our continued efforts to provide a safe environment to conduct parliamentary business, further interim measures have been adopted in this Chamber in keeping with the guidelines by the World Health Organization.

These new arrangements, together with the measures adopted at the sitting on March 17, 2020, will continue until further notice. The new arrangements are as follows:

- The number of Senators permitted in this Chamber at any one time shall be 15, eight on the Government Bench, three on the Opposition Bench, and four Independent Senators.
- Senators are reminded of the need to maintain the quorum of 10 during the sittings. These numbers that I have indicated do not include Ministers from the other place who may be present to answer questions or contribute to the debate.
- To facilitate these new arrangements we have provided suitable accommodation for Members throughout the parliamentary complex. These areas include the offices assigned to certain Members, the

- Members' dining room, the Opposition and Government caucus rooms, and the meeting rooms on level two of the Cabildo building. Television screens or computers have been placed in these spaces so that Members can monitor the proceedings in the Chamber in real-time. In addition, Members are free to utilize the various lounges throughout the building.

Hon. Senators, in the event that a division is called, Senators would be asked to return to the Chamber within a maximum of three minutes for the conduct of the division. In accordance with general practice, should the Clerk pass a Senator not in the Chamber during the usual voting sequence, he or she would be called upon to vote once present in the Chamber before the results of the division are announced.

I have also advised the Leader of Government Business, the Leader of Opposition Business, and the coordinator, that there will be reduced staff capacity from 6.00 p.m. In this regard, hon. Senators are urged to be conscious of completing the business of the Senate today in a reasonable time so as to permit the conclusion of the proceedings of today's sitting by 7.00 p.m. The 7.00 p.m. deadline is to facilitate the fact that we started our proceedings today later than usual because we have started at 2.30 p.m.

Please be further advised, that there would be no suspension for tea, but Members are free to avail themselves of same, any time after 4.30 p.m. I ask you to bear in mind that these arrangements that are being made, are being made for the safety of all of you, and the safety of our dedicated members of staff. May I thank you at the outset for your continued cooperation.

**MISCELLANEOUS PROVISIONS (HERITAGE AND
STABILISATION FUND, GOVERNMENT SAVINGS BOND AND VALUE
ADDED TAX) BILL, 2020**

UNREVISED

Miscellaneous Provisions (Heritage and Stabilisation Fund Government Savings Bond and Value Added Tax) Bill, 2020 (cont'd)

2020.03.26

Bill to amend the Heritage and Stabilisation Fund Act, Chap. 70:09, the Government Savings Bonds Act, Chap. 71:41, and the Value Added Tax Act, Chap. 75:06, brought from the House of Representatives [*The Minister of Finance*]; read the first time. *Motion made*: That the next stage of the Bill be taken later in the proceedings. [*Hon. C. Imbert*]

Question put and agreed to.

PAPERS LAID

1. Annual Audited Financial Statements of the National Schools Dietary Services Limited (NSDSL) for the year ended September 30, 2019. [*The Minister of Public Administration and Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]
2. Annual Audited Financial Statements of the Caribbean Industrial Research Institute (CARIRI) for the financial year ended September 30, 2014. [*Sen. The Hon. A. West*]
3. Administrative Report of the Ministry of Planning and Development for the period October 2013 to September 2014. [*The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat)*]

JOINT SELECT COMMITTEE REPORTS

(Presentation)

Sen. Wade Mark: Thank you, Madam President. Madam President, I have the honour to present the following reports as listed on the Order Paper in my name:

Public Administration and Appropriations

TTPS Expenditure and Internal Controls

Twenty-Second Report of the Public Administration and Appropriations Committee, Fifth Session (2019/2020), Eleventh Parliament on an

Examination of the expenditure and internal controls of the Trinidad and Tobago Police Service (TTPS) for the financial year 2018/2019.

Expenditure and Internal Controls

Ministry of Communications

Twenty-Third Report of the Public Administration and Appropriations Committee, Fifth Session (2019/2020), Eleventh Parliament on an Examination into the expenditure and internal controls of the Ministry of Communications for the financial year 2018/2019.

Human Rights, Equality and Diversity

Education of Children re Special Education Programmes

Sen. Hazel Thompson-Ahye: Madam President, I have the honour to present the following report as listed on the Order Paper in my name:

Fifteenth Report of the Joint Select Committee on Human Rights, Equality and Diversity, Fifth Session (2019/2020), Eleventh Parliament on the Current Provisions for the Education of Children who require Special Education Programmes and Services in Public Primary and Secondary Schools.

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, I have the honour to present the following reports as listed on the Order Paper and Supplemental Order Paper in my name:

National Statistical Institute of Trinidad and Tobago Bill, 2018

Second Interim Report of the Joint Select Committee appointed to consider and report on the National Statistical Institute of Trinidad and Tobago Bill, 2018, Fifth Session (2019/2020), Eleventh Parliament.

Cybercrime Bill, 2017

Second Interim Report of the Joint Select Committee appointed to consider and report on the Cybercrime Bill, 2017, Fifth Session (2019/2020), Eleventh Parliament.

Miscellaneous Provisions (Local Government Reform) Bill, 2019

Second Interim Report of the Joint Select Committee appointed to consider and report on the Miscellaneous Provisions (Local Government Reform) Bill, 2019, Fifth Session (2019/2020), Eleventh Parliament.

URGENT QUESTIONS

Senior Citizens Homes

(Protection from COVID-19)

Sen. Paul Richards: Thank you, Madam President. Good afternoon colleagues. To the Minister of Health: What, if any, special monitoring has been instituted for senior citizens homes to ensure that this vulnerable group is being protected from becoming infected with COVID-19?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, I seek your indulgence in relation to the urgent questions. The Minister of Health and the Minister of National Security are currently at a press conference that is taking place. I am asking for those two to be stood down. The Government will answer the other three urgent questions.

SEA, CSEC and CAPE

(Decision to Reschedule)

Sen. Paul Richards: Madam President. Thank you, Acting Leader of Government Business. To the Minister of Education: Can the Minister indicate whether a decision has now been taken to reschedule the SEA, CSEC and CAPE Examinations?

The Minister of Education (Hon. Anthony Garcia): Thank you very much

Madam Speaker—Madam President, my apologies. Madam President, the situation with COVID-19 virus is extremely fluid, and it changes constantly on a daily basis. As a result, the dates for the SEA and CSEC examinations are difficult to forecast. However, as it stands today, the Ministry of Education is working towards a date somewhere during the middle of May with respect to the SEA exam. This however, is subject to change.

With respect to CSEC and CAPE examinations, CXC initially has put forward three options for consideration by Caribbean governments since these examinations fall under the jurisdiction of the Caribbean Examinations Council. Again, since the situation is so fluid, we cannot hold ourselves to any specific time or date. Our decisions must be guided by the advice we receive from the Ministry of Health. Thank you.

Madam President: Sen. Richards.

Sen. Richards: Thank you for the response, hon. Minister. Can the Minister indicate if consideration is being given for other formats of the examination even in May given the projections of the World Health Organization in terms of the duration of this pandemic and the incubation period required for citizens of various jurisdictions, including possible online applications; if they are to be considered?

Hon. A. Garcia: Madam President, there are two basic types of exams. The SEA which is administered, although by CAPE, but it is run by the Ministry of Education in terms of the children writing the exams and the correction and so on. And then, there is CSEC and CAPE. Those exams are totally under the control of CXC.

Let me look at CSEC and CAPE first. Any decision that must be taken must be taken after consultation not only with CXC, but with the regional governments. Our Ministry has been in direct contact and conversations with both CXC and the

regional governments in an effort to decide our next step. And therefore, at this time I cannot say until a decision has been taken.

In the case of SEA, no decision has been taken as yet. As I said just now, the initial period that we have projected was, or is, during the second week of May. As the situation stands today, we are hoping, keeping our fingers crossed, that schools can reopen on the 20th of April. If this does not happen, then we have to move forward. But I can tell you, our Ministry of Education is very proactive, and we are looking at all the different permutations, so that hopefully we will have something that will be of the benefit to all. Thank you very much.

Madam President: Sen. Richards.

Sen. Richards: Thank you again for the response, Minister. Minister, can you finally say if there are monitoring devices put in place—monitoring mechanisms sorry, put in place by the Education Ministry to ensure that those CSEC students in particular, are being engaged even though this period is disruptive, as they build up to that possible new date of the SEA examination? Because one would hate to think that in all the situation that is going on, that there is some fall-out with their continued monitoring and engagement by their tutors.

Madam President: Sen. Richards, that question does not arise. Next question, Sen. Richards.

Denial of Pandemic Leave

(Course of Action Available to Employees)

Sen. Paul Richards: Thank you, Madam President. To the Minister of Labour and Small Enterprise Development: Can the Minister indicate the course of action or recourse available to employees who are being denied pandemic leave by their employers?

The Minister of Labour and Small Enterprise Development (Sen. The Hon.

Jennifer Baptiste-Primus): Thank you very much, Madam President. Madam President, may I state on the onset that this matter is presently before the Finance and General Purposes Committee of the Cabinet. However, I would want to implore the employers out there to be compassionate, flexible, and reasonable, during this most stressful and unusual phenomenon sweeping the world that we call a pandemic as a result of the coronavirus, also called COVID-19.

Where such a situation exists, I would want to advise either the recognized majority union, the employees, or the employer, to contact the Conciliation Unit of the Ministry of Labour and Small Enterprise Development at conciliation.mol@gov.tt or call 299-0300, extension 2043 or 2124. Thank you, Madam President.

Madam President: Next question, Sen. Mark. [*Desk thumping*]

Salary Relief Grant

(Process to Access)

Sen. Wade Mark: Thank you, Madam President. To the hon. Minister of Finance: In light of the Government's decision to provide a salary relief grant to workers who have become unemployed as a result of the COVID-19, can the Minister inform the Senate of the process to be used to access said grant? [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. At the press conference on Monday held at the Office of the Prime Minister, we made it very clear that the procedures and guidelines would take approximately seven days to develop. We are still working towards that target of seven days, which would be at the close of business on Monday the 30th of March. As a result, I am unable at this time to inform the Senator of the process, because the process is currently being finalized.

Sen. Mark: Can the hon. Minister indicate whether the Government has determined the number of possible individuals who are most likely to benefit from this salary relief grant, when the final guidelines are established, Madam President?

Hon. C. Imbert: Again, at the press conference on Monday, I indicated that the calculations at this time came up with a number of approximately 80,000 workers who might be eligible for the salary relief grant. But I want to stress that it was published in the Tuesday newspapers and the Wednesday newspapers, and was the subject of a press release from the Ministry of Finance yesterday, which enjoyed wide circulation that we are currently finalizing the procedures for persons who may wish to apply for this grant, and we will publish the procedures in the daily newspapers.

2.50 p.m.

Madam President: Sen. Richards, I think the Acting Leader of Government Business may be in a position to answer your question, but your time is running out very quickly, so if you can pose it.

Senior Citizens Homes

(Protection from COVID-19)

Sen. Paul Richards: To the Minister of Health: What, if any, special monitoring has been instituted for senior citizens homes to ensure this vulnerable group is being protected from being infected with COVID-19?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you, Madam President. Madam President, senior citizens homes accommodate elderly individuals and provide a spectrum of services. The Ministry of Health, as part of its COVID-19 prevention treatment and control strategy, has issued guidelines for residents and the facilities in terms of personal

hygiene, respiratory etiquette, social distancing and creating a supportive environment for prevention and control, through in the first instance, a limit on visitation, and greater vigilance and supervision by these homes by the Ministry of Health staff, in particular, the County Medical Officer of Health and the Public Health Inspectors.

Further, the Ministry of Health is partnering with the Ministry of Social Development and Family Services to implement and monitor these guidelines and to ensure the compliance with infection, prevention control standards, through routine assessment of the facilities. It should be noted, Madam President, that the Trinidad and Tobago Residential Care Association has already instituted a ban on visits to these homes. I thank you.

Madam President: Yeah, go ahead.

Sen. Richards: Quickly. Can the Minister indicate if there is a hotline, given the industry is an unregulated one, for institutions that are flouting and putting these persons at risk?

Madam President: So the time for Urgent Questions has expired but I will allow the Minister to answer.

Sen. The Hon. C. Rambharat: Madam President, the Ministry of Health at a recent press conference announced some numbers, hotline numbers, for anybody needing to report matters relating to COVID-19. Thank you.

ORAL ANSWERS TO QUESTIONS

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, we are in a position, just seeking your indulgence to go back to Urgent Questions, we are in a position to answer Question No. 4 that is directed to the Minister of National Security. Oh, time has expired, sorry. Madam President, even better news, we are in a position to answer all eight

questions which are on notice today.

**AgustaWestland AW139 Helicopters
(Resumption of Maintenance Contract)**

51. Sen. Wade Mark asked the hon. Minister of National Security:

Given the recent decision of the Court of Appeal to award a UK based company approximately US \$10.6 million, in a matter against the State, for breach of contract in relation to the four Agusta Westland AW139 twin turbine helicopters, can the Minister indicate if the Government intends to resume a maintenance contract with the said company?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, the Trinidad and Tobago Defence Force has advised that there is currently no intention to seek maintenance services from Cobham Helicopter Services Trinidad Limited for the four AgustaWestland helicopters. These helicopters are being maintained by National Helicopter Services Limited. I thank you.

Sen. Mark: Can I ask, Madam President, through you, whether the Minister can provide the Senate with the actual amounts with—let me just recast that, Madam President. Having regard to the amount outlined, \$10.6 million that was addressed in this breach of contract, whether this represents the full and final settlement?

[Interruption] No—

Madam President: Continue, Sen. Mark.

Sen. Mark: Can the Minister advise this honourable House whether this represents the full and final settlement of this contract?

Madam President: Sen. Mark, that question does not arise. Sen. Hosein?

Sen. S. Hosein: Thank you very much, Madam President. Madam President, in light of the Minister's answer that the National Helicopter Services, now

responsible for the maintenance of the helicopters, can the Minister indicate what is the value or what is the amount that will be charged to the Government with respect to the maintenance of these four helicopters by the NHS?

Madam President: No, that question also does not arise. Sen. Mark?

Sen. Mark: Can I ask, Madam President, whether these helicopters, these four AgustaWestland AW139 twin turbine rather helicopters, are now available for service? May I ask that question through you, Madam President?

Madam President: Sen. Mark, that question also does not arise. It does not arise because of the way the original question was framed and the answer given. Next question, Sen. Mark.

Escalating Murder Rate

(Implementation of New Policies)

53. Sen. Wade Mark asked the hon. Minister of National Security:

Can the Minister indicate what, if any, new policies are being implemented by the Government to curb the escalating murder rate?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, I thank Sen. Mark for this question which gives us an opportunity to outline seven or eight measures which have been taken. Madam President, according to information received from the Trinidad and Tobago Police Service, the policies utilized and implemented by the organization to treat with criminal violations are contemporary and proactive. Following are some of the major policies implemented by the TTPS which have yielded varying degrees of success in curbing the murder rate:

1. The TTPS continues its effort to remove illegal arms and ammunitions off the streets. During the period January 01, 2019 and December 04, 2019, the TTPS seized 769 illegal firearms and 10,415 rounds of

ammunition.

2. The TTPS has vigorously investigated and prosecuted firearm offenders in the court.
3. The targeting of priority offenders including murder suspects and persons involved in other violent crimes such as shootings and woundings has been a priority for the Trinidad and Tobago Police Service.
4. The police service has targeted the seizure of illegal drugs as well as financial investigation into the proceeds of these offences.
5. The Trinidad and Tobago Police Service has implemented gang units in each division of the police service which aims to reduce gang activities across the country.
6. The Trinidad and Tobago Police Service has utilized eTrace, a database for tracking illegal firearms. This provides the TTPS with the capability to identify repeat offenders in specific cases, such as robberies and shootings which result in death by the use of firearms.
7. The TTPS has established a Gender-based Violence Unit which consists of specially trained personnel to deal with response and intervention to treat with violence based on gender, or gender identity as distinct from other crimes.
8. Continuous training in evidence-based enforcement and prevention strategies in order to uphold the best practices for homicide detection and deterrence. In 2019, 1,116 police officers were specifically trained in several areas inclusive of crime scene management, eyewitness identification of suspects and forensic science crime scene investigation.

9. Enhanced forensic testing has been implemented to increasing the capacity of the police armoury and the Special Evidence Recovery Unit.
10. Increased training for the Trinidad and Tobago Police Service officers in DNA sampling. This is linked to the proper functioning of the DNA register which gives a better chance of detection, prosecution and conviction of murder, and in relation to serious crimes, other serious crimes.

11. And, finally, Madam President, the collaborative relationships, locally, regional and internationally has strengthened the TTPS's capacity to deal with homicides and other crimes. Twenty-seven police officers have benefited from training in the areas of forensic science and technology from the Chinese Government. Additionally, the United States supports the TTPS by offering training to officers with respect to homicide investigations, as well as educating officers on the latest trends in forensic evidence. This training assists police officers in the Homicide Bureau in the conduct of investigations and the collection of evidence. I thank you very much, Madam. President.

Sen. Mark: Madam President, can I ask, through you, to the hon. Minister, how have all these measures and/or initiatives contributed to a de-escalation in the murder rate in Trinidad and Tobago? Can you tell us completely?

Sen. The Hon. C. Rambharat: Madam President, as I said in responding to the question, these measures have had varying degrees of success. We know for sure that there has not been a marked decline in the number of murders but certainly, when you look at the efforts in relation to the Gender-Based Violence Unit, it is possible to say that those activities, for example, have reduced the opportunities for homicides in these types of situations that involved persons in relationships or

persons who are targeted based on their gender. So, in every case I have outlined in terms of a step taken by the TTPS—I have outlined 11—the Government is in a position to say that these measures have brought some success in terms of not being in a situation where we have had more murders or more homicides than we may have had.

However, Madam President, I must say that there are specific pieces of legislation which the Police Commissioner has been saying publicly will assist in further reducing and arresting the opportunity for an increase in homicides, in particular, those pieces of legislation that deal with firearms. And, having asked the question, I continue to implore my friends on the other side to continue to listen to what we are saying and, in the future, to support us in relation to some of the matters I have outlined in those 11 steps which have been taken by the TTPS.

Sen. Mark: Madam President, can I ask my hon. colleague, with the establishment of these units, gang units within each division of the police service, can the Minister indicate, Madam President, through you, the efficacy as it relates to results, re: the activities of gangs in those various divisions where these anti-gang units have been established? Can you share with us how effective these anti-gang units have been in curbing the activities of gangs? Can you share with us?

Sen. The Hon. C. Rambharat: Madam President, no single measure—individually, the 11 measures I have outlined are not likely on their own to make a significant impact on homicides in terms of one of them and my friend has drawn reference to one of them. All these measures work together, in particular, they work with legislation. So the gang unit, for example, the decision to place gang units in each division is really an understanding that the closer the expertise resides to the source of the criminal activity, the better able the police service can respond and deal with it but having a gang unit will allow for detection, it will allow for

gathering of evidence, it will allow for charges to be laid, but they cannot operate in a vacuum. They require the court, the Judiciary; they require changes to the law, some of which we have made; they require changes in relation to DNA evidence, for example, some of which we have made; the establishment of the DNA lab.

So a number of these things have to work together but certainly, given the link between gangs in Trinidad and Tobago—gangsters, gang activities, the link between guns and gangs, and drugs and gangs—it is understood that having gang units in every division gives the Trinidad and Tobago Police Service a better ability to respond to this particular aspect of crime.

Sen. S. Hosein: Madam President, given the emphasis on the use of DNA in terms of the fight against crime, can the Minister indicate whether or not the DNA bank has been established?

Sen. The Hon. C. Rambharat: Madam President, I am sure my friends recall on the numerous occasions, we have had to talk about their failure to get this DNA bank going, and the work, and the lab, and all these things. I am happy to say that the Government has made substantial progress on this matter. We previously reported having established the physical facilities, having recruited the appropriate staff and substantial progress has been made in relation to this matter of DNA.

State Witnesses

(Measures taken to Safeguard)

67. Sen. Wade Mark asked the hon. Minister of National Security:

In light of the November 2019 murder of a Claxton Bay man who was a state witness, what new measures are being taken by the Government to safeguard the lives of state witnesses?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence

Rambharat): Madam President, I thank my friend, Sen. Mark, for this question. Madam President, persons who are required to give evidence in respect of matters before the courts of Trinidad and Tobago, other than the complainant, are considered victims or witnesses. The term “state witness”, however, is utilized to refer specifically to persons who voluntarily enrol in the official Witness Protection Programme of the Trinidad and Tobago Police Service in accordance with the Justice Protection Act, Chap. 5:33.

According to the information from the Commissioner of Police, the official records of the police service showed that no state witness enrolled in the official witness protection programme has been murdered. With specific reference to the murder in 2019 of a Claxton Bay resident as a state witness, the Trinidad and Tobago Police Service has noted that this person was not a state witness but was a victim of an alleged wounding. The TTPS, however, recognizes that the successful completion of matters before the courts of Trinidad and Tobago often depends on the aid of witnesses. As a result, the police service immediately investigates all reports received regarding threats to witnesses and, where necessary, general security protection are afforded to witnesses by implemented appropriate measures to provide effective protection.

Madam President: Next question. Sen. Hosein.

Sen. S. Hosein: Madam President, can the Minister indicate whether or not any legislative measures will be taken by Government in order to strengthen the laws with relation to state witnesses?

Sen. The Hon. C. Rambharat: Madam President, as I have indicated earlier on a previous occasion, the Government has laid in this Parliament a legislative agenda, many of which relate to fighting crime and included in that, is all efforts to stop and stem criminal activity, including the interference with state witnesses. And, of

course, once again, I would say if you bring anything specifically relating to state witnesses, I hope that my friends on the Opposition Bench will support us. Thank you very much.

Sen. S. Hosein: Thank you very much, Madam President. Can the Minister confirm whether or not there was a reduced allocation towards the Trinidad and Tobago Police Service for the protection of state witnesses?

Madam President: Sen. Hosein, that question does not arise. Next question, Sen. Mark.

Barataria Anglican Primary School

(Details of Electrical Works)

68. Sen. Wade Mark asked the hon. Minister of Education: Having regard to the electrical issues which have led to a suspension of classes at the Barataria Anglican Primary School, can the Minister indicate the following:

- (i) what is the specific nature of the electrical issues; and
- (ii) how long would it take for the problem to be rectified?

The Minister of Education (Hon. Anthony Garcia): Thank you very much, Madam President. Madam President, on November 07, 2019, the Trinidad and Tobago Electricity Company, T&TEC, visited the school to investigate the school's meter which was reported to be overheating. Minor repairs were conducted by T&TEC on the said day to facilitate the continuation of classes in the short term.

Subsequently, the Ministry of Education formally requested that the National Maintenance Training and Security Company Limited, MTS, to undertake emergency electrical works to resolve the aforementioned issue. Upon MTS site visit on November 25, 2019, it was discovered that the school meter was burning. As a result, T&TEC was notified, the electricity was disconnected, the meter was

removed and MTS contractor commenced work to rectify the issue.

The requisite works were completed at approximately midday on November 26, 2019 and classes resume on November 27, 2019. Thank you.

Sen. Mark: Can I ask the hon. Minister, through you, since the completion of these works, electrical works, can the Minister indicate whether there has been any further disruption of classes, even in light of the recent closure of this school, whether there have been any further disruptions?

Madam President: Sen Mark, that question does not arise. Next question. **Sen.**

Mark: Madam President, as I rise, we have nine persons on the other side and you did indicate to us that we only have eight. So could you rectify that for us immediately?

Madam President: I understand it is being rectified.

Sen. Mark: Can I pursue?

Madam President: Yes.

Sen. Mark: My question?

Madam President: Yes.

Sen. Mark: The next one that is?

Madam President: Yes.

Maxi-Taxi Concessionaires Association

(Details of Moneys owed)

69. Sen. Wade Mark asked the hon. Minister of Education:

In light of the ongoing impasse between the Ministry of Education and the Maxi-Taxi Concessionaires Association, can the Minister advise as to the following:

- (i) the amount of moneys owed to the concessionaires; and
- (ii) the deadline for settling the debt?

The Minister of Education (Hon. Anthony Garcia): Thank you very much, Madam President. Madam President, the moneys which were owing to the concessionaires as at the date in question, November 11, 2019, have all been paid. Total moneys owed to the Maxi-Taxi concessionaires as at March 25, 2020 is \$6,596,728.50. The breakdown of the moneys owed is as follows.

3.10 p.m.

The breakdown of the moneys owed is as follows: Residual payments for two fortnights in 2019 in the amount of \$628,508.79 and three fortnight payment claims in 2020 as at February 14, 2020, in the amount of \$5,967,559.71. There have been no further claims for payments. Madam President, the Ministry of Education is currently liaising with the Ministry of Finance to obtain the necessary funds which, barring unforeseen circumstances, are anticipated to be available within the next three weeks. Thank you.

Sen. Mark: Madam President, can the Minister indicate what are some of the factors that might be contributing to the buildup of these arrears involving the outstanding sum of 6.5 to \$6.6 million owed to these concessionaires? What are some of the factors that may be responsible for that?

Hon. A. Garcia: Thank you very much, Madam President. On numerous occasions, I have had to explain the process that is involved, and once government money has been expended, one has to be extremely careful and our Ministry of Education through our finance department has been very careful in disbursing funds. However, there is a contract between PTSC and the maxi-taxi concessionaires and claims made by the maxi-taxi drivers first have to be verified by PTSC and then that has to be sent to the Ministry of Education, where we have to check it again. Now, when I questioned our financial department as to why there has to be this double checking, I was informed because of the law, the Exchequer

Act, it requires that the Permanent Secretaries, before signing off, must ensure that all claims are verified and these are some of the issues that will result in an extended time for payments. Thank you.

Madam President: Next question, Sen. Richards.

Sen. Richards: Thank you, Madam President, in accordance with Standing Order 27(17), I wish to withdraw questions 123, 124 and 125, though I consider them important, I do not consider them as a critical issue facing this country so I would like to withdraw them.

Madam President: Questions are withdrawn.

The following questions stood on the Order Paper in the name of Sen. Paul Richards:

Dangerous Drugs Usage

(Public Awareness Programmes)

123. Can the hon. Minister of Health state:

What public awareness programmes have the Ministry implemented to sensitise the public to the following issues:

- (i) the effects of the use of dangerous drugs; and
- (ii) the dangers of marijuana usage on the brain development of minors?

Reports of Marijuana Brownies in Schools

(Action re Reports)

124. In light of reports that the health of students is being negatively affected by marijuana brownies and other sweets at a number of schools in the country, can the hon. Minister of Education advise as to what action is being taken to address said reports?

Influenza Deaths

(Details of)

125. As regard the forty persons who have died from the influenza virus as at February 2020, can the hon. Minister of Health indicate how many of the said persons were considered to have been in the ‘at-risk group’?

Questions, by leave, withdrawn.

Madam President: Acting Leader of Government Business. Can you just indicate questions for written answer?

Sen. Rambharat: Yes, there is one question for written answer that is due today and I am respectfully asking for a deferral of two weeks for us to respond to that question. And that would be question number 122 to the hon. Attorney General. Thank you.

JOINT SELECT COMMITTEES

(Extension of Time)

National Statistical Institute of Trinidad and Tobago Bill, 2018

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, having regard to the Second Interim Report of the Joint Select Committee appointed to consider and report on the National Statistical Institute of Trinidad and Tobago Bill, 2018, Fifth Session (2019/2020), Eleventh Parliament, I beg to move that the Committee be granted an extension to June 30, 2020 to complete its work and submit a final report. Thank you.

Question put and agreed to.

Cybercrime Bill, 2017

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, having regard to the Second Interim Report of the Joint Select Committee appointed to consider and report on the Cybercrime Bill, 2017, Fifth Session (2019/2020), of the Eleventh Parliament, I beg to move

that the Committee be granted an extension to September 18, 2020 to complete its work and submit a final report. Thank you.

Question put and agreed to.

Miscellaneous Provisions (Local Government Reform) Bill, 2019

Sen. Rambharat: Madam President having regard to the second interim report of the Joint Select Committee appointed to consider report on the Miscellaneous Provisions (Local Government Reform) Bill, 2019, Fifth Session (2019/2020), Eleventh Parliament, I beg to move that the Committee be granted an extension to April 30, 2020, to complete its work and submitted final report. Thank you.

Question put and agreed to.

ARRANGEMENT OF BUSINESS

Madam President: Before I call on the Minister of Finance, may I ask the Acting Leader of Government Business whether there has been an agreement among the Benches pursuant to Standing Order 117?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, keeping in mind your announcement in relation to today's sitting and in particular the 7.00 p.m. end, prior to this sitting, there were discussions among the three Benches. We recognize now that we have three hours and 44 minutes to deal with. Madam President, things would have fitted nicely into that time frame, but, there was no agreement on the first issue, which is to have a debate on both the Bill and the Motion that is before us so, the mover of the Motion would deal with that matter.

We have agreed amongst ourselves, Madam President, that in relation to the Bill, we would allocate three hours for that debate, one hour for the use of each of the Benches. The Government intends to field two speakers including the Mover,

and, the Independent Benches indicated that they would be fielding three speakers and manage their time during that one hour allocation.

Madam President, in relation to the development Motion, the Motion to raise the ceiling the Government intends to field one speaker. The Independent Bench intends to field two speakers and the Opposition has indicated that they intend to field three speakers.

Madam President, in relation to that three hours 44 minutes and the 7.00 p.m. deadline, my colleagues on both benches we will be speaking to each other continuously, recognizing that we want to finish both matters before us today and also finish in accordance with the 7.00 p.m. deadline.

Madam President: So at the risk of taking up some of the very precious time that we have, I just want to encourage Members please, we are in extraordinary times, and we need to come together. The Standing Orders are there and provide for situations where we can have agreement with respect to how many speakers, the length of the speakers, so I urge everyone to try and in the spirit of camaraderie that exists and in the protection of everyone here and the members of staff, I urge everyone to try and arrive at some consensus. Minister of Finance.

**MISCELLANEOUS PROVISIONS (HERITAGE AND STABILISATION
FUND, GOVERNMENT SAVINGS BONDS AND VALUE ADDED TAX)**

BILL, 2020

The Minister of Finance (Hon. Colm Imbert): Thank you very much, Madam President. Madam President, I think to demonstrate that we need to finish these matters today, I beg to move:

That a Bill to amend the Heritage and Stabilisation Fund Act, Chap. 70:09, the Government Savings Bonds Act, Chap. 71:41, and the Value Added Tax Act, Chap. 75:06, be now read a second time.

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And in moving this motion I am constrained to address these issues relevant to Motion number one; these matters are interrelated and I am seeking to debate these matters together. Thank you.

Madam President: Hon. Senators, is this the wish of the Senate?

Sen. Mark: No.

Madam President: Therefore, hon. Minister, there is no agreement. So therefore, I would ask that you proceed on the first item.

Hon. C. Imbert: Very well, Madam President, I would have thought that the Members of the Opposition would understand the need to deal with these matters expeditiously but that is clearly not to be. Shall I move it again, Madam President?

Madam President: Yes.

Hon. C. Imbert: I beg to move:

That a Bill to amend the Heritage and Stabilisation Fund Act, Chap. 70:09, the Government Savings Bonds Act, Chap. 71:41 and the Value Added Tax Act, Chap. 75:06, be now read a second time.

Before the Senate this afternoon, two matters, the one we are dealing with now is a Bill which seeks to amend the Heritage and Stabilisation Fund Act and the Government Savings Bonds Act and the Value Added Tax Act. As we all know, at the end of 2019, the whole world became aware of a virus that we now know as the coronavirus. The World Health Organization on February 11, 2020, proposed an official name for the disease and this may not be known by many people caused by the virus, coronavirus that is termed COVID-19. COVID-19 is actually an acronym that stands for Coronavirus Disease 2019. I myself was not aware of that until yesterday.

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As you are also aware, Madam President, the virus has precipitated an avalanche of events that has rocked the world to its core, not only from the point of our very physical life or death, but from the point of survival of the world's economy and in our case, the Trinidad and Tobago economy. We have all seen the headlines in the newspapers about world markets plunging, oil prices nosediving and all of this has come as a result of the occurrence of this virus in China, China being one of the largest, if not the largest consumer of hydrocarbons. So as the virus enveloped China, China's demand for hydrocarbons diminished, and then it spread throughout the rest of the world and it is common knowledge that what occurred is a precipitous fall in crude oil prices, which are now some 60% below the fiscal 2020 budgeted price. I have not checked the oil price for today, but yesterday, it was in the vicinity of \$24. Our budget is predicated on \$60, I have just checked it; it is now \$22.88. So that is more than 60% below the budget price of \$60. The natural gas price has also dropped. And if I look at it now, natural gas is \$1.63. That is almost 50% less than the budget price of \$3.

For the first four months of the year, we met our targeted oil price. The average for the first four months was somewhere in the vicinity of \$62. But it began to decline after that and then collapsed a couple of weeks ago. Natural gas on the other hand, has had a steady decline from the budget month of September into October. It was in the vicinity of \$3 at the time of the budget, it is now \$1.63 cents. In 2019, natural gas hit a high of \$4.25, and a low of \$1.75 averaging out the year just below \$3.

What we face and what faces the whole world is not just a negative crude and natural gas commodity price shock, but the little shutting down of businesses

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as every country tries to stem the spread of COVID-19. Some of you may be aware there was a press conference just a few minutes ago, where a 14-day restriction, another 14-day restriction has been put into place. This will have an effect on economic activity in Trinidad and Tobago.

We all know that country borders are being closed. The word globalization is no longer relevant. In fact, the buzzwords are now social distancing and self-quarantine, and a number of countries have legislated that people stay at home. The result of all of this will be cataclysmic.

In light of this unprecedented sequence of events, there is need for immediate action by the Government to alleviate the hardships that will occur. My colleague, the Minister in the Ministry of Finance and Minister of Public Administration will go into some detail on the measures that the cabinet sub-committee on finance has designed and will be implemented through the Ministry of Finance and Ministry of Social Development over the next, well in the immediate future. I will just briefly touch on them.

We have recognized that we need to keep companies in funds, we need to give them as much cash as we possibly can. So one of the immediate solutions was to accelerate the payment of a substantial proportion of outstanding value added tax refunds and income tax refunds and overdue payables owed by Government to suppliers, and contractors for items such as rent, security, janitorial services, construction, pharmaceuticals, et cetera. We expect to be able to make the value added tax refunds next week and income tax refunds. Shortly after that, we can start clearing off some of the overdue payables. We are doing this so that businesses would at least have some cash flow to be able to keep people in jobs.

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The overriding objective of all of this is to keep people in jobs and, there is another overriding objective is to keep people alive because we are now facing a life or death situation. The situation with VAT refunds has been made easier because 92 per cent of persons owed VAT refunds, are owed \$250,000 or less, and that is going to cost us \$277 million to immediately pay all VAT refunds of \$250,000 or less or less than \$250,000.

Surprisingly, even if you go up to persons owed \$10 million in VAT refunds that still only accounts for one-sixth of the total amount. The total amount of VAT refunds owed is 6.2 billion and if you go up to \$10 million in VAT refunds and below, that only accounts for \$1.2 billion of the VAT refunds. Five billion dollars is owed to the very large companies who are owed refunds of over \$10 million.

3.30 p.m.

With respect to income tax refunds, so we took a decision right away realizing that 92 per cent of persons owed VAT refunds are owed \$250,000 or less and it would cost \$277 million. We took a decision immediately to inject that \$277 million into these businesses which are small and medium-sized by definition, and if you are owed a VAT refund of \$250,000 or less, you are a small and medium enterprise by definition. So that was our focus in the first instance, to put these small businesses in cash. We looked at income tax refunds and, again, we saw that 75 per cent of income tax refunds that are owed are owed to persons who are owed \$20,000 or less, so we decided also that we will target that 75 per cent of persons who are owed \$20,000 or less. In terms of the VAT refunds that will assist 9,364 businesses and in terms of the income tax refunds, it is a very similar number in the region of 9,300 as well.

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So that in terms of income tax refunds and VAT refunds we are helping over 18,000 entities which, together, in the VAT case, makes up 92 per cent of the registered businesses; there are only 10,160 registered businesses, and in terms of the persons who are owed refunds, it is just over 12,000. So that is one of the things we have decided to do right away. Some of the other measures include increased social welfare assistance, food cards and other grants that come from the Ministry of Social Development and Family Services, and we also came up with the idea, a very necessary idea, of a salary relief grant of \$1,500 a month for three months—up to \$1,500 for up to three months. That may have to be looked at again based on today's announcement in terms of additional restrictions.

But the bottom line is, when you add up all of this, the VAT refunds, the income tax refunds, the salary relief grant, et cetera, you are looking at a total of \$400 million, and that was the original estimate that we made earlier this week for the salary relief grant, 80,000 persons at \$1,500 for three months takes you to \$360 million, and then there would be others outside of the system so we rounded that off to \$400 million. The VAT refunds, 277; the income tax refunds, 110. Those two together takes you up to about \$800 million. And then when you add in the additional funding that we have to put into the Ministry of Social Development and Family Services to deal with persons outside of the system, because the salary relief grants in the first instance would be administered through the National Insurance Board to persons who are in the NIS system, and there would be lots of people who may not be in that system so they would have to access any assistance through the Ministry of Social Development and Family Services, so we have created a fund of about \$300 million for the Ministry of Social Development and

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Family Services.

We have also decided that we need to inject cash to pay off money owed, as I said, to contractors, people who provide janitorial services, rent, et cetera, and we have put aside \$1 billion for that. So when you do all the maths, \$400 million for salary relief, \$300 million for social development, another \$400 million for the various refunds that we are making, and then if you take it into—this is over a three-month period—if you take it into four months we would come up with an immediate need for cash to deal with this immediate relief of about \$2.5 billion. And it is absolutely necessary, Madam President, otherwise the entire country will just collapse around us. Coupled with that we have a revenue loss. When I first estimated the revenue shortfall a couple of weeks ago, or let us say 10 days or 11 days ago, at that time the price of oil that we got for our local crude was of the vicinity of \$39; it is now down in the range of \$24, \$25.

So that at that time I had estimated a revenue shortfall from petroleum of \$3.5 billion; it is much closer to \$5 billion now, and then when you look at the revenue loss that will occur because businesses would not be functioning, so you would have a withdrawal of corporation tax, value added tax, Green Fund, business levy, and so on, and you add in the loss estimated for business levy and Green Fund, just from the oil companies alone, that those two together, believe it or not, will cause a loss of revenue of \$1 billion. So when you do all the maths, and this all speculative because we have no idea where this virus is carrying this country, we do not know, we are in completely uncharted waters. We do not have a clue.

So the whole point of our exercise today is to give us the tools to live, to survive as a country, to survive as a people. But when we look at the revenue loss

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our best estimate now in the Ministry of Finance is somewhere between \$6 billion and \$7 billion in revenue lost over the next six months as a result of this calamity that has befallen the world and Trinidad and Tobago. And when you add the \$2.5 billion that we need to put in to allow businesses to get some cash to at least keep their employees in jobs for as long as possible, that would take you up to somewhere between \$8.5 billion and \$9.5 billion. So we are really looking at a huge problem that is somewhere between \$8.5 billion, \$ 9.5 billion, \$10 billion, and this is nothing that anybody could foresee. Thankfully, as a country we have savings.

We have a fund, the Heritage and Stabilisation Fund, which is designed specifically for this, and there is a lot of old talk out in the system from people who just do not know any better, or perhaps they do and they are just making mischief as to what the Heritage and Stabilisation Fund was designed for. But let me just read, Madam President, what the Heritage and Stabilisation Fund was designed for. The Heritage and Stabilisation Fund was designed to cushion the impact and sustain public expenditure at a time of a critical revenue downturn resulting from a fall in prices of crude oil or natural gas. That is what the persons who developed that legislation had in mind when they designed the Heritage and Stabilisation Fund, and it is Act No. 6 of 2007, which was assented to in March 2007, so that was 13 years ago. And section 3(2) of that Act says:

“The purpose of the Fund is to save and invest surplus petroleum revenues derived from production business in order to-

- (a) cushion the impact on or sustain public expenditure capacity during periods of revenue downturn whether caused by a fall in prices of

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crude oil or natural gas;”

So the fund, there is no magic in this fund, it is simply a savings account, if I could put it in the simplest way. When you fall on hard times you have to dip into your savings account. That is what it is for, and that is what the framers of the fund had in mind when they did that in 2007. There is no mystique in any of this. But one of the things that they did not envisage at that time in 2007, because in those days oil was \$146—\$146, eight times what it is now; natural gas was \$13 per MMBtu, today it is \$1.63. Let us look at that. So when the framers of the Heritage and Stabilisation Fund were looking at this golden harvest that was coming at them in 2007, oil at \$146, gas at \$13, the good times would never end, so they created this fund to save for future generations, a very laudable and noble ideal, but, they never thought that a time would come when you would have to dip into the fund immediately, because at the same time the Government’s account at the Central Bank was in credit. In fact, this whole concept of the Government’s overdraft being close to the limit is alien to public servants. I have had this problem in the Ministry of Finance. They do not understand the concept of the Government’s account being in overdraft because that only began for the first time in 2012. Prior to that the Government’s account was always in surplus, and in 2007 the surplus was \$11 billion—\$10 billion, \$11 billion.

So you have a current account which has credit to the sum of \$10 billion. You have an overdraft available to you at that time of somewhere of the vicinity of \$6 billion so they had about \$16 billion available, just dipping into the current account, not the savings account, and use money. So the concept of the fund was you would never have to get money immediately. You could simply use the

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reserve standing in your name in your current account, and that is why they designed it in this way to make it ex post facto. So you wait for the whole year to past, you look at your estimates of revenue, you look at your actual revenue from petroleum, and if there is a shortfall you can then withdraw by way of a formula. If we use that formula now “we dead”, because we would have to wait until October until the fiscal year ends and then look at the estimated revenues for fiscal 2020, the actual revenues, and then see whether the formula would apply. All of us in this country would die.

So, Madam President, we have brought a Bill to amend the Heritage and Stabilisation Fund Act and it inserts a new clause, a new section, section 15A, which allows for withdrawals in exceptional circumstances. And this new section will create a condition where you can withdraw immediately if any one of three occurrences exists:

“(a) disaster area is declared under the Disaster Measures Act;”

Because we wanted to tie it to existing law.

“(b) a dangerous infectious disease is declared under the Public Health Ordinance;”

Again, tie it to existing law. We could have simply said “a disaster” without tying it to law, but we have done so. We could have simply said “a pandemic” without tying it to law, but we have done so. And also, there is or likely to be a precipitous decline in budgeted revenues which are based on the production or price of crude oil or natural gas. Once any one of these things occurs, the Government, whichever Government it is, because we are making law for the future, will be able to

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withdraw from the fund an amount not exceeding US \$1½ billion, and for transparency the Minister will report to the Parliament within 60 days.

We said 60 days because look at what is happening now. We do not know when the next sitting of this place will be. I do not know. So that, for example, to come back and report and to get the public servants to do all the work to prepare the report might not even happen, so that is why was said 60 days. Let us be reasonable, because in the other place they asked, “Why not 30?”, and we explained to them, “Be reasonable, just to prepare the report and have a sitting might take more than 30 days.”

What we have also done in this Bill is tidied up some provisions in the Government Savings Bonds Act and the Value Added Tax Act. It was the intention of the Government to use the Government Savings Bonds Act—and by the way, Madam President, how long have I been speaking for?

Madam President: Twenty-one minutes.

Hon. C. Imbert: Thank you very much. We are making good time.

It was the intention of the Government to use the Government Savings Bonds Act to issue bonds to be used to pay arrears of VAT, VAT refunds, and for that reason we came to this Parliament some time ago and we increased the limit for government savings bonds from \$1 billion to \$3 billion. But on reflection, since we are in this situation with us where we are now, while the issue of \$277million to deal with 92 per cent of persons or entities that are owed VAT refunds will go a long way and will target specifically the small and medium enterprises, we also cannot leave out the other VAT payers. So that we do intend to still issue bonds, but based on advice from Senior Counsel, it was felt it was

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better to give the Government options and not simply exhaust the limit that is available under government savings bonds, because we raised the limit under government savings bonds to \$3 billion but if we use up all of that there will be nothing left for savings bonds in the future. We would have to come back to Parliament.

So counsel has advised that we put a provision into the Value Added Tax Act itself to allow persons an option or allow Government an opinion in terms of the making VAT refunds, and that would be clause 4 of this Bill which inserts a new 47A, “authorizes the Minister of Finance to sign agreements”. There was a question in the other place, “What does that mean?” This was copied almost verbatim from the Clico legislation where when persons got Clico bonds, they were required to sign an agreement discharging the Government from any future claim or any future liability so that this would just allow a Minister, not necessarily this Minister, to be able in the future, if bonds are being issued for the purpose of refunding tax that an appropriate agreement can be signed by the Minister of Finance on behalf of the Government.

It also would now allow payments to be made in any form, including bonds. The bonds would be interest-bearing or non-interest-bearing, as the case may be; transferable or non-transferable, as the case may be. And because the current VAT liability was \$6.2billion, we put as the limit of bonds that could be issued, \$6billion at any given time. You cannot go beyond that. If you want to go beyond that you would have to come back to Parliament.

The rate of interest on the bonds would be specified by regulations which is exactly what is in the Government Savings Bonds Act that:

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“The Minister may make regulations...”

I am doing down to the last page now, 47E:

“prescribing anything required to be prescribed under this Part and generally for giving effect to this Part, including regulations relating to the—
denomination of bonds;
types, classes or series of bonds;
transfer of bonds...
form, issue and recording of bonds...
method of holding bonds.”

The bonds would be a charge on the Consolidated Fund which means it would get first call on other payments due to make sure that we have covered every legal loophole. The bonds are deemed to be duly registered in accordance with the Securities Act and the Minister may designate the Central Bank or on appropriate financial institution as the fiscal agent for the purpose of the bonds. So that is it basically in a nutshell.

The amendment to the government savings bonds is just a very, very minor amendment allowing for the transfer—for the bonds to be transferable. And let me explain what that means. In the budget of 2020 I had indicated that we were going to issue bonds for arrears of VAT, and at that time I had indicated that the interest rate that we had in mind was 1.5 per cent and tenor, this period of the bonds was five years. Since then, after detailed discussions with the commercial banks and representation made by persons who are owed VAT, the interest rate we are looking at is in the vicinity of 3 per cent and the tenor of the bonds, the period is in the vicinity of three years. We have had extensive discussions with the banks and

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they have confirmed that if we offer bonds for arrears of VAT having a tenor of three years and an interest rate of 3 per cent, the bonds would be fully convertible by the banks at 100 cents on the dollar so persons will lose nothing. So they can take the bonds to the bank the next day and get 100 cents on the dollar. So persons would have the opportunity if they want to keep the bonds as an investment because the bonds would be earning a fairly good interest of 3 per cent, or if they need cash immediately they can go to the commercial banks and cash them in right away.

So we have chosen the interest rate and the tenor very carefully, looking very carefully at the Government's yield curve and what is out there. And these are tax-free bonds, so the effective interest rate is actually for the banks that is or if they buy them the effective interest rate is over 4 per cent; 4.2 per cent actually. So it is a very attractive proposition for the banks and that is why they have told us they will purchase them at par, 100 cents on the dollar. Let me just talk a little bit about the fund itself. As I said, there is no mystique with this fund. If we do not give ourselves the ability, because this is not our only source of funds in this crisis, the Andean Development Bank, a very progressive bank, made up principally of developing countries; not a set of big countries in that bank, it is Latin American countries, and Trinidad and Tobago is the only English-speaking full member of that bank, the Andean Development Bank, approved a loan for Trinidad and Tobago about a month ago in the amount of US \$200 million for infrastructure works.

3.50 p.m.

In the midst of this crisis they have stepped up and said they can offer a

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further US \$50million to Trinidad and Tobago to deal with the fallout from COVID-19. So that is US \$250 million available to us in very short order from the Andean Development Bank. That is TT \$1.7 billion.

The World Bank is offering us a fast disbursing loan to deal with COVID-19 of US \$20 million, and the Inter-American Development Bank has said they would reprioritize and re-organize existing loans already approved for Trinidad and Tobago for a number of long-term programmes, and that would yield an additional US \$50 million for us. They have also said they would give us another US \$20 million to deal specifically with the problems that would arise from this disaster.

The IDB has put as its condition, its only condition, that the money that they give us or lend to us would be used for the health sector, because that is their focus. They know we are going to have extreme expenditure on health care in this period. They have to bring out personnel, buy supplies, operationalize facilities that are currently not operationalized and so on. So the IDB has said they would like us to allocate whatever funds they make available, to the health sector. The other institutions have not insisted on that. So from the international, the multilateral financial institutions we have a basket of funds in excess of US \$300million available to us, over TT \$2 billion. So that is a pool that is available to us.

We also have funding on the local market both in TT dollars and in US dollars, because there is quite a bit of US here, and if you are going to borrow in US it is better to borrow from the local banks than to go overseas. Spread the money around in the local economy rather than exporting it overseas. Then the fourth source of funds is our Heritage Fund which we are looking at here.

So we are trying to have a range of options available to the Government so

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that we will look at the best, fastest, most cost effective option that gives the best value for money, and utilize whichever one falls within the criteria that this disaster demands, because this disaster demands immediate, fast, quick, very prompt action. But just let me talk about the fund itself.

The fund has lost value with the collapse of the stock market over the last month or so, and it went down to US \$5.6 billion about a week ago. It was over \$6 billion prior to that. But I am very happy to say that between yesterday, Wednesday and Tuesday, the stock markets in the United States rallied as a result of the stimulus package that the US administration has decided to pump into the US economy, US \$2 trillion. The stock markets rallied on Tuesday. The stock markets had the best performing day that they had had for almost 20 years, and yesterday the stock markets rallied again. I have not had the opportunity to look at the stock market today, I do not know what it is doing, but based on what I had seen yesterday, the stock market was doing very, very well.

[Minister Imbert looks at cell phone]

Oh, it is up again today. The stock market is up 5.63 per cent today. Let me tell you what that means.

The stock market jumped on Tuesday almost 10 per cent. Our fund made US \$150 million in one day. The stock market jumped yesterday. Our fund made another US \$50 million yesterday. So between Tuesday and Wednesday the Fund, our Heritage Fund, grew by US \$200 million. And based on what I am seeing here, with a 5 per cent increase, it would seem to me that at least another \$100 million in value would have accrued to our Heritage Fund today. It was yesterday at \$5.8 billion. I suspect it is going to be close to \$6 billion by the close

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of business today.

So our fund is very well managed. We have about \$1.5 billion in what are called easily tradeable “T-bills”, which do not earn much interest, which can be cashed in right away. The balance of the fund is in equities which go up and down based on the stock market. Therefore we have matched the \$1.5 billion in easily convertible Treasury Bills, US Treasuries that is, to the \$1.5 billion limit that we put here. So if you draw it out, it has no effect on the elements of the fund that go up and down. So even if we were to draw out the entire \$1.5 billion, the remainder could easily go back up in value and reach \$5 billion because it did hit at one point in time 6.5.

So, Madam President, I really do not want to go into any long debate about what we are about today. If we do not do this we will be committing suicide, economic and literal suicide. I think everyone is of the view—we got unanimous support in the other place—that we are in a bad place, and therefore to lift our country up and keep our heads above water and to allow people to live, I come to this Senate and I ask you all to support us with this legislation.

With those few words, I beg to move, Madam President.

Question proposed.

Sen. Wade Mark: Thank you, Madam President. I rise to speak on this measure that is before us today. Madam President, no one can deny that the present environment on a global scale is extremely challenging. It is challenging for us and it is challenging for the world. I think, Madam President, as we speak close to 160 countries are reeling under this assault and attack by the invisible and deadly enemy called the coronavirus.

We therefore recognize that fiscal and monetary support are expected from

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both the Central Bank as well as the Government. But, Madam President, whatever we do in these perilous times, we must exercise fiscal prudence, sensible governance and we have to secure at all times proper accountability as well as transparency, and of course parliamentary oversight for public moneys.

So I want to say from the outset we agree with the hon. Minister of Finance that we are living in perilous times, and our responsibility is to ensure that the fabric of our society, the lives of the citizens, the security and safety of the people, the well-being of the citizens remain paramount. So like him we agree, we must secure lives, we must save lives, we must preserve our citizenry. We also have to preserve jobs because jobs are important in this particular environment, I should say. So yes, we are living in extraordinary times and we need to adopt extraordinary measures and action to preserve the lives of every citizen of our Republic, and to keep our economy alive.

So today we are in solidarity. We are in support of the measures that the Government have brought to the table today that are before us. But as we proceed in this environment, this emergency, we would also wish to put forward for the Minister's consideration, for the Government's consideration, suggestions that would be able to tighten and strengthen the legislative framework that we have before us. So at the end of the exercise we will be able to ensure that accountability, transparency and oversight remain intact as it relates to the expenditure of public funds.

We would hope through this debate and the ultimate passage of the legislation, that appropriate allocations would be made to the health sector to

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ensure that our health care professionals, our technicians, our nurses, our doctors, who we are in solidarity with because they are the frontline in this battle. That appropriate allocations would be made to provide these health care professionals in our health sector with the relevant and necessary supplies. Whether it is PPE, whether it is testing kits, whether it is gears, whether it is gloves, breathing apparatus, as they call it “respirators”, these things are all important. I want to appeal to the Minister of Finance that we do everything in our power to ensure that supplies are available to our health care workers. Provide them with the necessary tools so that they can perform their function and carry out their responsibility. That is very important in this battle against this invisible and deadly enemy.

Madam President, I was shocked today when I looked on the social media platform and I saw a picture of a gentleman in Italy on a building as high as the Hyatt. He had just lost his mother, his father. He lost his wife, he lost his daughters, he lost his sisters, everyone dead because of the coronavirus. And, Madam President, this gentleman felt he had nothing more to live for. You know what he did? He threw himself off that building. He is now dead. That is the kind of psychological terror that visits our people, whether they be in Italy, whether they be in America, whether they be in Japan or Africa or India. The people are under attack, and in Trinidad and Tobago we are under attack by this invisible and deadly enemy.

So we are supporting these measures, because we know that we need to provide the resources to our country and to our people, because as the Minister said we have to save lives. We have to preserve jobs in our country, and we have to

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make sure our economy remains alive. Because no matter what happens, at the end of the day if we do not have citizens alive and well and kicking, the economy is going to disappear. We make the economy function. We make the economy work, the workers, the people of our country who work. So we have that responsibility.

So, Madam President, this is a very serious matter that we are confronting today. I was quite happy to hear that the Prime Minister, having at least taken on board the concerns of our country—the *Express* editorial, our Leader of the Opposition put out a statement yesterday calling on the Government to shut down the country, lock down the country.

Madam President: Sen. Mark, please.

Sen. W. Mark: Yes sorry, Madam President.

Madam President: No, no, that is all right. I just want to point out that we are dealing with the particular Bill, let us try and be focused on the Bill itself.

Sen. W. Mark: But, Madam President, this Bill is dealing with COVID-19, because without this Bill, without this virus that is in the atmosphere, we would not have been here today. So I am not going to spend too long, I am going to move on. But there is an inextricable link between this disease and what we are dealing with here today. But I hear you and I apologize and I move on.

Madam President, I want to say the Minister indicated that in the legislation that is before us today there are objectives, there are areas I should say, in which the Government is seeking to focus and spend moneys on. When we go to the critical part of the legislation, which is the Heritage and Stabilisation Act which is being amended by inserting after section 15, 15A, which is a new clause. I want to

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say the Heritage and Stabilisation Fund is a national asset. It belongs to every citizen in our Republic: man, woman and child. We are shareholders of this Fund, Tom, Dick, Harry, Jane, every citizen 1.4 million people. So I think that must be made very clear, that the Heritage and Stabilisation Fund belongs to the people of our country, and it represents a national asset.

So, Madam President, we know that because of the emergency there is need to relax the rules, and that is what the Minister is attempting to do, because we are in an emergency, and he needs, the Government that is, requires emergency funding. We have been advised by the hon. Minister of Finance that Trinidad and Tobago may have lost between \$6 billion and \$7 billion as a result of the collapse in gas and oil prices, not to mention what is going on in the petrochemical sector with ammonia and urea and methanol. So we have lost a lot of critical revenue.

4.10 p.m.

And therefore, who can stand against measures, Madam President, to provide salary relief grants to workers who have been retrenched? Or to improve and or increase the expenditure in terms of allocation to those citizens who are on public assistance, who are on disability grants, Madam President? Who can be against, Madam President, giving our school children food cards even though school is closed, you have to make sure that parents who might be unemployed or who have to stay home, these children must be able to receive and to have nutritional intakes as a result of these food cards that would be supplied so that they can keep body, mind and soul together.

So, Madam President, all these social measures that amount to \$2.5 billion coming out from the Heritage and Stabilisation Fund are absolutely critical,

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absolutely essential. So we are told in section 15A, which is clause 2 of the Bill, that the Government has put forward three essential reasons for withdrawing funds from the HSF.

Madam President, I want to tell you that the HSF came out of something called the Interim Revenue Stabilisation Fund which was established in 2000 by the United National Congress administration and the former finance Minister Brian Kuei Tung. It was transformed from the 2000 incarnation in 2007, Madam President, into what is known today as the Heritage and Stabilisation Fund. And, Madam President, we are told in this section of the legislation that if there is a disaster area or a disaster area is declared, we can go into the fund, Madam President, and withdraw.

We are also told that if there is a dangerous infectious disease declared by the Public Health Ordinance, we go into the fund. And, Madam President, there is also this provision which I would like the Minister of Finance to really clear up for us this evening, and it says where:

“(c) there is, or is likely to be, a precipitous decline in budgeted revenues which are based on production or price of crude oil or natural gas.”

—we can also withdraw funds from the HSF. I would ask the hon. Minister, if he could be a little more specific in his language as it relates to this section. When we talk about precipitous decline, Madam President, what is the hon. Minister speaking about? Is he talking about a percentage? Is it 25 per cent, is it 50 per cent, is it 40 per cent? You see, if you do not tighten up these matters then we can have a situation where it is left solely and completely to the judgment and discretion of the Minister of Finance, any Minister of Finance, to enter the HSF

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and withdraw moneys. So, I think that we need to be a little more tight and specific in the language here. It is a bit vague, Madam President, and I am asking the hon. Minister to look at that.

Madam President, we know that based on what the Minister has said, we are getting some funding from the CAF, we are getting US \$50 million I heard him said. We are getting some funding from the IADB, between US \$50 million and US \$70 million, and the World Bank is giving us some support. I did not hear the hon. Minister speak to the issue of the US \$50 billion coronavirus emergency fund that the IMF would have established, that would allow us to access those funds at a rate of 1.5 per cent or thereabouts. I would like the hon. Minister to tell us what steps, what efforts we are making, Madam President, in order to access and, you know, get those funds because we are in an emergency situation. So wherever we can get a grant, wherever we can get funding at reasonable rates that we can deal with, I am saying that we must access that funding in order to keep our economy alive and to save lives, Madam President, so those things are very important.

Madam President, as I am on this question of the Heritage and Stabilisation Fund, may I ask the hon. Minister through you in his winding up, if he can give us an undertaking and give us an understanding at the same time because this HSF is the star in the economic firmament of our landscape called T&T, we must do all in our power, Madam President, to preserve it. So whist we are going to it today to withdraw moneys which we have to do because of the emergency, we would like to ask the hon. Minister, if he can consider upon the recovery of oil and gas prices in the business cycle of this economic environment, so within a three-year period, can the Minister of Finance examine the possibility of replacing the moneys that

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we are now withdrawing from the HSF, so that that very important financial tool that we have that we are now accessing, Madam President, can remain, can be there for the long run, because we have—“what yuh call it?”—the novel coronavirus now with us, and we are tackling it now, but in 20 to 40 years’ time you may have another attack by another virus.

What is going to be there for our children and what we call the intergenerational equity that is critical? And therefore, Madam President, I would like the hon. Minister to consider taking the money as he is taking it, but making sure, Madam President, that the money is replaced when we have or when we would have recovered. So three years down the road the next Minister of Finance, whoever that Minister of Finance may be, could take that money that we took out in 2020 and have it replaced in our HSF. [*Desk thumping*] I would like the Minister to consider this particular proposal, it is very vital and crucial as we go forward.

Madam President, I want to also make a point in response to the hon. Minister’s submission. The hon. Minister in his contribution made it very clear that according to the Heritage and Stabilisation Fund it was established for a particular purpose, and the hon. Minister emphasized the savings aspect of this mechanism, this critical financial tool, this national asset, so we can use it whenever we have a shortfall in our budgetary arrangements in terms of actual and budgeted projections for oil whether it is oil and gas or other, yeah, oil and gas in particular, Madam President. So, yes, it is a savings device, it is a savings mechanism so that we can access it.

But, Madam President, I would like to also indicate to my honourable colleague, the Minister of Finance that when you go to this same section 3 of the

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parent Act of the Heritage and Stabilisation Fund, Madam President, you go to section 3(2) subsection (c) and it reads, Madam President, this particular HSF, the Heritage and Stabilisation Fund is also to:

“(c) provide a heritage for future generations, of citizens of Trinidad and Tobago, from savings and investment incomes derive from the excess petroleum revenues.”

So, I would like the hon. Minister to recognize that the fund has two functions. It is to stabilize our economy to deal with what we are dealing with here today along with the infectious disease that is in our midst, Madam President, but we must never forget that there is always and there exists a heritage component of this HSF, and I would like the hon. Minister, who has committed in several budget statements, if I am not mistaken, it is part of the PNM's manifesto to separate heritage from stabilization. So, Madam President, one portion of the Heritage and Stabilisation Fund will go towards intergenerational equity, and then the other portion will go towards stabilization and maybe deal with some of these same issues that we are dealing with, Madam President.

So I would like to appeal to the hon. Minister whether he intends to bring amendments to the legislation or whether he intends to table today an amendment to the legislation in order to make this separation between the heritage aspect, as well as the stabilization aspect. I think that is very important and I wanted to emphasize this in interest of our nation and in the interest of our people.

Madam President, I know that we do not have a bottomless pit when it comes to money. We are limited in our resources, but I would like to ask the hon. Minister whether the Government has taken into account the provisioning of

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support for those persons who are employed, but whose factories may have to shut down, whether those employed persons will be able or would be considered in the provisioning of some support mechanism as it relates to a grant or some kind of relief, because in the United States and in the United Kingdom those two countries and Denmark, they are doing everything in their power, even though in Denmark the economy is in a freezer at this time, they have shut down that whole economy, but you know, Madam President, one of the things that they are doing, they are making sure that every single worker who is employed is in receipt of their monthly income or monthly wages or salary.

So, I would ask the hon. Minister, we know that we do not have no large amount of moneys that we can get here, there and everywhere, but whether any consideration is being given to work very closely with the TTMA.

Madam President, I was going through the papers last evening and this is the Wednesday copy of the *Trinidad Guardian* on page 15. And one of the headlines is, “TTMA fears lengthy shutdown”. And, Madam President, we do not know where we are going, we do not know where this disease is taking us and where we will end up.

I think we also have to take into account, Madam President, as we deal with this virus, we have been told by the hon. Prime Minister that given, for instance, what we have seen and the modelling that is taking place, and the spread of this disease, one in three, we may end up, Madam President, experiencing what the hon. Prime Minister said, as the peak of this assault on our society by sometime in May. We are now in the month of—we are still in March, so we have the month of April, and we have May to come. So hon. Minister of Finance has to come up with

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another package to deal with, for instance, that particular development that is going to take place.

And, Madam President, most importantly when we would have reached and plateaued and get into the flattening of the curve, we have to ensure, Madam President, that the stimulus that is required to get our economy going is available. In this context, Madam President, I would like to ask the hon. Minister whether any efforts are being made to deal with the country's food security. Whether the Government has taken into account—

Madam President: Sen. Mark, I have to caution you, again. While a lot of the issues you are raising are relevant to general circumstances right now, I would caution you to deal with the specific circumstances of the Bill.

Sen. W. Mark: Madam President, you would agree with me that the hon. Minister went at length to outline a number of measures that the Government has taken in order to save lives. All I am doing with your leave, Madam President, is asking the hon. Minister, apart from the measures that he had mentioned, whether the Government has taken into account the whole issue of food security, as well as water security? That is all I wanted to say without violating your ruling, Madam President.

Madam President, I also would like to deal with the questioning about the bonds that the hon. Minister mentioned in his contribution. We know that, for instance, \$6 billion is going to be raised out there. I want to ask the hon. Minister, the rate of interest on these bonds. The repo rate is a good way, I think, it is a good measurement to start or a good place to start. I think the repo rate has been reduced to 3.50 per cent, Madam President, if I am correct. I would ask the

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Minister to look adding another 2 percentage points. And if you are going to give people bonds, the Minister needs to look at a more reasonable rate of interest to attach to these bonds over the period of time that people are going to be in possession of them.

So I would ask the hon. Minister to look at the repo rate as a base, as well as to top it up with another 2 per cent so that, for instance, persons who have been suffering for several years as it relates to their VAT refund which is owed to them properly by the Government of T&T that they are given a proper rate of interest for these bonds.

Madam President, as we go further into this piece of legislation, I would ask the hon. Minister under Part 5A entitled “Special Provisions for Refunds of Tax”, I will ask the hon. Minister to keep the Parliament in focus at all times. We are the oversight mechanism that can ensure and assist the Minister in getting things right. So I ask the hon. Minister to look at 47D where:

“The Minister may, by Order, designate—

- (a) the Central Bank of Trinidad and Tobago; or
- (b) a financial institution,

as the Fiscal Agent under this Part.”

And it goes on to say what these fiscal agents can do. I would ask the hon. Minister in making these orders that they be subject to a negative resolution of the Parliament, so he would table those orders so that we will have sight of those orders. And, Madam President, I would also like the hon. Minister under 47E where:

“...regulations prescribing anything required to be prescribed...”—anything

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eh—“...under this Part and generally for giving effect to this Part...”

I would like the hon. Minister, Madam President, through you to consider this whole question of making regulations either affirmative, subject to an affirmative resolution or a negative resolution, so we in the Parliament can have sight of these regulations.

4.30 p.m.

And, Madam President, I also would like the hon. Minister to consider, although he made a submission, I want to respectfully disagree with him. I think 60 days is too long, too many days are involved here, I would ask him if he can reduce those 60 days to a reasonable number. I think 30 days seems reasonable. And I would also like to ask the hon. Minister to put into the legislation, when the report is issued or is tabled in the Parliament that we have in the legislation that the report shall be referred to the Public Accounts Committee. So, there is a specific committee in our apparatus that would be responsible for looking at the report that the Minister is submitting rather than leave it vague and open, and we do not know exactly which committee is going to deal with it. I prefer the Public Accounts Committee that would have the Auditor General near its operation to deal with this matter.

Madam President, how many more minutes I have? I am subject to 30 minutes.

Madam President: You have passed that.

Sen. W. Mark: I passed that. Well, let me wind up then. Madam President, with your leave, I wind up. With your leave, Madam President.

Madam President: Sure.

Sen. W. Mark: Madam President, I would just want to close by saying that the hon. Minister needs to pay attention to those workers and those small business people and

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medium-sized business people, they need support, and we must do everything in our power to keep these businesses alive and well.

In closing, I want to tell the hon. Minister, we are in an emergency, we understand we are in an emergency, we support the measures proposed by the hon. Minister. We have put forward suggestions for the hon. Minister's consideration to ensure that we tighten the legislation so we can ensure transparency, we can ensure accountability, and we can ensure parliamentary oversight. Madam President, with these few words, I wish to thank you for giving me the opportunity to make my limited intervention today as agreed upon by parties. Thank you so very much, Madam President. [*Desk thumping*]

Madam President: Sen. Deonarine.

Sen. Amrita Deonarine: Thank you, Madam President, for the opportunity to contribute to the debate. Now, if reality did not strike us when we had 60 confirmed cases of the COVID-19, it certainly did yesterday when we had our first confirmed death related to the COVID-19. I first of all would want to offer my deepest condolences to the family of this victim.

Now today, Madam President, we are being faced with a health and an economic crisis, not only at a national level but also at a global level. This crisis has basically resulted in a double shock, a shock to both supply and a shock to demand. Recessions of this nature tend to be even more severe than a regular recession because it affects both supply chains and demand in the economy. There are opinions circulating around there that this could get as deep as or even worse than the great recession of 1929 but the accuracy to which these presumptions are being made cannot be certain. If it is one thing that is certain right now is

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uncertainty. To prevent this, a lot of countries in the global landscape have been adopting to a policy response where they are trying to resort to balancing safety with the economy. Safety in the sense that we are trying to implement massive containment efforts to restrict the spread of the disease and also, we are trying to balance economy in the sense that we are resorting to hefty fiscal stimulus packages and having Central Bank, together with moral suasion by commercial banks, resolving to relaxing their monetary policy conditions.

But, Madam President, there is no way to completely overcome such a double shock in a short run. Fiscal or monetary stimulus cannot cure sick workers. It cannot erase the potential overcrowding of medical facilities and it cannot restore disruptions to international trade. The best that policy can do right now is to limit the damage that could possibly be caused. When we bring Trinidad and Tobago in the picture, we bring it down to the national level, we too have been responding similarly. The Government of Trinidad and Tobago has been on point in its messaging to the general public both in terms of the public health response and the fiscal stimulus response. The Central Bank also has relaxed its repo rate and its reserved requirements ratio allowing commercial banks to also exercise relaxed conditions. Private individuals have commendably come on board and individuals too have also been adhering to—well, many individuals have been adhering to social distancing protocols.

But in addition to this public health crisis, Madam President, and the resulting negative economic consequences that it definitely will have on the economy, we, Trinidad and Tobago, have another challenge and our challenge is that we were subjected to being victims of Saudi Arabia's decision to increase the

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supply of oil which resulted in a 60 per cent decline in crude oil prices. And just when we thought two-thirds of our revenue are dependent on natural gas prices—so we have that safeguard there—we ended up having a 40 per cent decline in natural gas prices. This was as a result of the decline and demand from China. China is actually one of the major consumers of hydrocarbons. But even before this crisis, we were struggling to get on our feet since Trinidad and Tobago still has not exactly recovered from the decline in oil prices in 2015.

Our macroeconomic indicators have severely been under the weather. We were barely getting by as an economy. Despite many warnings by many experts to stop ramping up recurrent expenditure, Madam President, to some extent, it fell on deaf ears. There were years when we did not even have to but we ended up running fiscal deficits. And then, when the size of Government got so large and the price of oil declined, and combined with a decline in the production of natural gas and crude oil, we ended up in a position with a large government expenditure that had to be sustained. So despite being blessed, Madam President, for decades and decades with natural resource wealth having gone through several booms in this country, we are now in a position where our back is up against a wall. We have to make drastic decisions and it is with an incredibly heavy heart I have to say that the decision is not an easy one and the decision, the choices that lay before us today is one, to either borrow all the money that we need to finance this fiscal stimulus or two, dip into the Heritage and Stabilisation Fund again, but this time, dismantling some elements of the safeguards that are already built in in there.

Not providing fiscal stimulus in such economic circumstances is not an option. The risk is far too great. But, Madam President, like Sen. Mark, I want to

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remind the hon. Minister of Finance that the Heritage and Stabilisation Fund did indeed—was created to stabilize and to smoothen out expenditure but however, it was also created with a heritage component of it to ensure future generational equity. We are here today to create what is called an “escape clause”. Escape clauses are usually common in fiscal rule frameworks that many countries adopt. In Trinidad and Tobago, our fiscal rule framework, the only element of fiscal rule framework that we have is the existence of this Heritage and Stabilisation Fund and also—this existence of the Heritage and Stabilisation Fund.

So, Madam President, now I could understand the need to dip into the fund in the case of natural disasters. I could understand in the case of an infectious disease outbreak but breaking down the walls of the Sovereign Wealth Fund of Trinidad and Tobago, I have some concerns with. I am not saying no, I am just saying that I have some concerns with it because, Madam President, the magnitude of uncertainty that exists with this existing epidemic, I want to strongly discourage the Government from using the Heritage and Stabilisation Fund as its first line of response. It should be the last resort. Our reserves at the point or as it reserves, in this case when we consider the Heritage and Stabilisation Fund, is our most prized possession, especially at this point in time. Though the situation may be dire right now, it may very well become worse. As I said in the beginning, the only thing that is certain right now is uncertainty. Madam President, we have to be prepared for what is to come and also, for a situation where this pandemic may very well have long drawn out effects. All of these uncertainties would further threaten our current account sustainability as exports become more compromised, and so too, our ability to defend the foreign exchange rate, our managed foreign exchange rate.

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Now, I do understand the urgency, Madam President, we need quick money. We do not want to deal with the conditionality, our survival depends on spending this money. It is a public health crisis, an energy crisis premised on an economy that was already suffering. But there are other options available to us, as the hon. Minister of Finance—he did allude to the alternatives that we have. Several development banks: the IDB, the Latin American Development Bank, multilateral lending agencies, they have rapid response support ready and available to developing countries, and I would strongly urge the Government to exhaust these options initially and then, maybe at the end of the fiscal year, consider dipping into this Heritage and Stabilisation Fund.

Madam President, I say this because—for the reasons I already outlined—but with this extra time, it gives us some time to develop or generate some additional investment earnings from the fund. Now, the fund is a very well diversified fund, 35 per cent is invested in equities and the rest in fixed income and the hon. Minister did allude to the gains that the Heritage and Stabilisation Fund gained over the last couple days when the US announced its fiscal stimulus package. So, of course, looking at resorting to only borrowing at this point in time would affect the debt to GDP ratio, significantly maybe. Our ability to manage debt sustainably becomes even more critical. At this point in time, we need to strongly consider implementing a well-communicated and published debt management strategy but we also run the risk of depleting these buffers at a faster pace if we resort to the Heritage and Stabilisation Fund as one choice of the first line of response.

Again, I say this because of the extent of uncertainty we are operating with.

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When countries begin to lift their borders and release their restrictions that currently exist, there could very well be a second wave of this disease. The Spanish influenza flu for example, the second and third waves were actually even more detrimental than the first. So it is only in this case, Madam President, because of the level of uncertainty that we are dealing with, I would recommend that, because it is survival and existence of humanity that is in threat, I would recommend that we resort to borrowing from multilateral lending agencies as first response. Furthermore, I urge the Government, just like Sen. Mark alluded to, I urge the Government to outline a plan to replenish the drawdown when energy prices recover. Over what period of time should we expect? And I know there is a lot of uncertainty but I ask the question, over what—what is the plan for replenishing the fund and over what time period are we looking at to get the fund back up at around \$6.25 billion?

Now, Madam President, I too have some concerns with the wording of clause 2. Maybe I could probably raise it during committee stage but I would mention it right now. I do not understand—now, I believe that the definition of precipitous decline needs to have some sort of numerical definition to it. Because right now it is too open and it is subjected to discretion from one individual to another. Hon. Minister of Finance, you may think that 60 per cent decline in budgeted revenues is a precipitous decline but another Minister of Finance—who knows, we are making law here for many years to come—may very well interpret a precipitous decline as 20 per cent or 30 per cent. So I honestly believe that we should consider putting in some sort of numerical definition to this clause—to this definition of precipitous decline.

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Also—now, I know the Minister did mention it when he was piloting the Bill, his explanation for the requirement for 60 days to report to the House of Representatives after the withdrawal is being made. Now, I do not understand why it needs to take 60 days, if the hon. Minister could clear this up when he is wrapping up. Sixty days sounds like a lot of time, what is exactly the process that he needs to undergo to generate this report before he lays it in the House of Representatives? Also, I mean because of the heritage aspect of this Heritage and Stabilisation Fund, I would also strongly recommend including a limit on the number of times that we can dip into the fund outside of the end of the fiscal year and I say this because we should not expect to have a natural disaster or an infectious disease more than once for the year. And if we dip into it once for the year, we also have the option to, at the end of the fiscal year, to make our assessment and conduct revisions and look at dipping into the funds again. Remember, again, this is not this is not just a savings account, it is also a Heritage Fund meant for the future generations of Trinidad and Tobago. We have not passed the generation yet since its establishment in 2007 but here we are on unprecedented circumstances.

Now, in wrapping up, Madam President, because I am adhering strictly to the time limit that was given, the Government should really be commended for its swift response to this crisis. I mentioned it earlier, both in the public health side and also, on the financial side. It has served well in reducing the level of panic which could have been detrimental in dealing with this crisis. What is critical at this point is ensuring that the social safety benefits are well targeted among the social safety net. Remember as always, in management of economic systems, we

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are managing unlimited needs with limited resources. The poverty rate in Trinidad and Tobago, according to the 2005 standard of living conditions, that is the last poverty rate that we have, poverty was 16.5 per cent. Since then the transformations or the significant decline in economy, together with this crisis, would almost certainly mean that more persons would be pushed into poverty. I would also ask the hon. Minister of Finance to strongly consider urgently sitting with the respective accounting officers of the various Ministries and conduct an exercise where they can reallocate money from areas that money is haemorrhaging, and reallocate moneys from projects that may not be performing well at this point in time.

So with those few words, Madam President, I would like to thank you.

[Desk thumping]

4.50 p.m.

Sen. Taharqa Obika: Thank you, Madam President. As I rise, I would adhere to a 15-minute contribution to leave space for one more colleague on our side who would wish to add their voices. So, I would treat this as we would treat the timing for a matter on the adjournment. In essence, we are faced with a Heritage and Stabilisation Fund and it is our national savings. So it is no small matter. We are faced with a global pandemic. We are facing new normal in the business sector, in the way we live, in the way we get food to eat and this Bill provides for support for the budget of Trinidad and Tobago. Therefore, central to this entire debate, must be a discussion on how would Trinidad and Tobago citizens eat food over the next 60 or 90 days.

So I want to submit that food security must be debated here. And it was sad

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in the least to see a report in today's *Guardian*, where the Minister of Agriculture, Land and Fisheries, no less of a person, stating that food security is not going to be on the Government's agenda and then go on to state that we have to import commodities of wheat, hatchings for eggs, sugar, rice, flour, peas, et cetera. So I think that was very disappointing. I believe that the Government, bringing a stimulus package—not a stimulus package—a package to stabilize revenue must place squarely in that, how would the citizens of the country eat, it is very important. And I want to submit that a cooperative solution is available. Cooperatives provide avenues for persons who are interested in volunteerism, interested in communal support; cooperatives provide such a solution and as I stated last week, in Point Fortin there is one such cooperative and in every single county of this country—

Madam President: Sen. Obika—

Sen. T. Obika: —there are similar examples.

Madam President: Sen. Obika. Sen. Mark attempted to move into the issue of food security and I did caution him that while some of those issues are relevant to what is happening overall in Trinidad and Tobago, it is not really relevant to the matter at hand. So I would ask you to please, please, confine your observations to the Bill, please.

Sen. T. Obika: This Bill seeks to amend the Heritage and Stabilisation Fund Act. This Bill also seeks to amend the Government Saving Bonds Act. This Bill also would amend the Value Added Tax Act. It would have been opportune at this time, Madam President, if the clauses relating to the Value Added Tax Act would have made allowances for removal of VAT on those basic food items, that the

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citizens of the Republic of Trinidad and Tobago must purchase to provide for their families, central of which would be items that currently would have been affected by global value chains being disrupted as a result of the pandemic.

Now I sat here, Madam President, and I could not believe that the Minister of Finance did not know that the Heritage and Stabilisation Fund Act included a heritage component. I was astounded, Madam President. So I want to inform the Minister that the former head of the Economic Development Advisory Board, under this Government, in June 24, 2016, indicated that there is a notional heritage component which is, as the Act would state, from the very section that the Minister quoted, that the fund would not fall below \$1 billion in currency of the United States dollars. So therefore, there is an aspect of this fund that seeks to provide for intergenerational equity. What the Government could have taken the opportunity to do at this time was to increase that floor; 3 billion, 3.5 billion, for example. However, no such increase is contemplated at this time. I believe the Government would be well advised to look to increase it at this time.

There is another statement that the Minister made that did not sit too well with me, that the Minister of Finance disaggregated the fund. And, Madam President, can I ask how much time I have used?

Madam President: Well, your 15 minutes—it will be at 5.04 p.m.

Sen. T. Obika: Sorry?

Madam President: Your 15 minutes will take you to 5.04 p.m.

Sen. T. Obika: 5.04 p.m., okay thanks. So I still have at least nine minutes. So, the Minister of Finance disaggregated the HSF and stated that roughly 1.5 billion is in T-Bills and the remainder are in some forms of equity, which is a little different

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from what Sen. Deonarine said. So, I would stick to what the Minister said because of the 1.5 billion specific focus that he had on the T-Bill component of it. The Minister seemed to allude, unless I heard him wrongly, that the 1.1 billion that is being targeted for withdrawal and the potential 1.5, because of the changes in the legislation today, would be from these T Bills.

However, whilst I agree, Madam President, with the Minister's reason for that, because if you move equity from the fund at a time when it is low, you may lose gains that may accrue at the end of the pandemic. So I agree with the technical aspect of that. However, I would want to advise if the Government could include in the policy that provided that some of these equity instruments reach the levels that they were before the pandemic, that they can swap those and exchange or sell those and replace them in effect with the T-Bills which really, in economic terms, forms risk free—of course, no investment is risk free—but risk free investments in comparison to the equities. So that is a technical point I wanted to make.

Now, the other issues have to do, how do we restructure the Trinidad and Tobago economy at the end of the pandemic? How do we get out of the pandemic? The issue has to do with what exactly would be our plans in line with the world's plan. So, labour would be significantly affected, the Government should seek to take the advice of the Leader of the Opposition and reformulate the national tripartite committee; the needs of the unemployed and the homeless and self-employed; convene the Energy Committee of Parliament; and of course, Madam President, notwithstanding the plans of this Government, to reformulate a national medium-term strategic economic agenda for this country. It is very

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important at this time that the Government thinks in that direction because failure to do so would mean that the country does not have a format, a blueprint in which to follow as we emerge from this crisis. And why is that important? Because what we are seeing globally, as a result of the pandemic, as a result of the shocks to the global supply chains, many of our trading partners are changing already the way in which they form capital, they engage in trade and their supply chains. That is happening as we speak, Madam President, in Europe.

So one can imagine, if it is happening in Europe, it will continue to happen across many of our trading blocs that we have agreements with. So we should look to that, have a team in the state apparatus that is solely focused on Trinidad and Tobago and the world, vis-à-vis our trading partners, and how we would manage our business model as an economy going forward because the supply chains also would affect how China does business, Africa, India, the United States and our trading partners in the Caribbean.

Now, as I said, I tried to curtail my contribution so that I can focus squarely on what we have. I see the Minister has increased the rate on the saving bonds from 1.5 to 3 per cent and that is without any tax components. So therefore, the banks will be happy with that rate, a 4 per cent rate, guaranteed by the Government. It should be decent enough. I do not have any issue with that rate and I do not think much persons would have any issue with it. Given the circumstances as well, they cannot really ask for better than that.

Now, Madam President, the Minister of Finance also outlined sources of funding to the tune of \$340 million—and excuse me if my voice sound a little muffled, the air condition here is very cold—\$340 million. The only institution

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that placed a specific focus on where the spending should be is the IDB, regarding the COVID specific loan of US \$20 million. So I think it would have been helpful for the people, if not in the Minister's piloting of the Bill, but in some form of supplementary documentation to give an idea as to how the rest of the money would be allocated, otherwise we would only assume that it is simply for budgetary support.

I wanted to suggest, regarding the Bill—so when we look at clause 2 of the Bill; when we look at the changes to be made to the Heritage and Stabilisation Fund Act, two things we can look at. One is—because Sen. Deonarine requested some mathematical formulae to guide the hand of a Minister of Finance, whether it be the current Minister or a future Minister. And I am saying that a maximum could be a formula as a percentage of the shortfall expected. So, for instance, if the shortfall in the budget is expected—so this one is in real time as opposed to what the Bill envisaged which is after the fact—if a shortfall is anticipated, the Minister of Finance may be able to go up to the extent of that shortfall or a significant percentage thereof.

So, for instance at this point, the Minister is indicating that the hole that he may be in, maybe 8 to 9 or \$10 billion and as a result, has secured funding to such an extent and not more than is required. One can easily say that it may be a good quick fix to include, in the amendments to the law, not exceeding 90 per cent of the expected shortfall in budgeted revenues for the year. So to me, it is expenditure as the case may be. So I think that is one thing. And then, to put a minimum on the fund in terms of the minimum which the fund can go below because at the present time, it is US \$1 billion.

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Now, Madam President, that said, we on this side are in full support of utilizing whatever mechanisms are available and as I close, I want to say that whilst it may be argued that we can get funds from international sources—I will close on this last statement on international sources—whilst we may—

Madam President: Sen. Obika, your speaking time is up. Sen. Thompson-Ahye.

Sen. Hazel Thompson-Ahye: [*Desk thumping*] Thank you, Madam President. I rise to speak to this very important Bill, very timely, a Bill to amend the Heritage and Stabilisation Fund, the Government Saving Bonds Act and the Value Added Tax Act. I think we all agree that what has bought us here is really the unprecedented, unexpected COVID-19 pandemic. It has shaken us to the core of our very being. It has created in us uncertainty, a recognition of our vulnerability, an understanding that we are not in charge. It has created fear but it has also provided an opportunity for us to show love. It has been a call to prayer, to demonstrate understanding and generosity, and shared fellowship for unity amongst ourselves.

Every day I receive notification, announcements about what is happening with this virus. The 25th of March, the announcement, a Feast of the Annunciation 372,757 confirmed cases; 16,231 deaths. It is horrifying what is happening in Italy. Just last year I was there and the year before and it was such a happy time. I remember Father Mark say, “You must go to the Basilica of St. Anthony”, and I went there and prayed for my country, and notwithstanding, I am still losing things in spite of praying to St. Anthony. I rode in a gondola and it was such a warm welcome, and when I see what is happening there, it fills me with pain. Trinidad and Tobago, 61 cases; one death. And one of the associations to which I belong

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described this virus as a marathon, not a sprint and said, “Be there for the long haul”. So we are in a period of uncertainty. And in this period of uncertainty, we have come here and we are asking for moneys to be taken out of the Heritage and Stabilisation Fund, among other things.

Now, in piloting this Bill, the Minister spoke about the purposes and in fact, indeed, he spoke about one purpose. And there are in fact three purposes in the Heritage and Stabilisation Fund, three, two— (a), (b), (c) and I always like to focus on the Cs as a school teacher, those students who are failing. So let us look at (c) which is the one that I want to focus on. It is to:

“...provide a heritage for future generations of citizens of Trinidad and Tobago from savings and investment income derived from the excess petroleum revenues.”

Madam President, we have practically destroyed the planet for the future generations. We have in fact destroyed their morals and yet we complain about them, and now we are seeking to interfere with their heritage. For any drawdown or extraction from this fund, is going to impact on providing a heritage for future generation of the citizens of Trinidad and Tobago from savings and investment income derived from the excess petroleum revenues. It will limit what we therefore can do for our children, very vulnerable people in the society.

Madam President, as a result of the position in which we find ourselves, the Government has unrolled what has been described in the *Daily Express* of Tuesday 24 March, 2020, as “\$2 billion pandemic relief package”. So we have \$1,500 salary relief grants amounting to \$400 million. We are giving relief to the domestic servants, persons in the beverage sector, entertainment and so on, relief for

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mortgages, rental payments deferred from TTMF, Home Mortgage Bank, reduction, in lending rates of banks, deferral of payments. And then, the Minister of Social Development and Family Services has come like Santa Claus and unwrapped a gift of goodies, a welcome package. The Government is looking good.

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

But I want to urge that in what we are doing, that we look at how we are doing it and that we consider equity rather than equality in how we dispense our grants.

5.10 p.m.

Equality implies or requires that we treat everyone the same. Equity means that we are going to give according to the needs. So you may enter a household, you may see two children there and a parent; you may enter another household and see two children and a parent, but we have to look and see what is the specific situation of these two children and that parent. We have to have a subjective approach. And, in fact, there may be a need in practising equity to have positive discrimination because we know that there may be two persons working in a household and one may be working and may lose income, but the work is to supplement a good income in the other spouse because the person may not want to be bored at home. So we need to examine very carefully what we are doing, what is happening in the particular situation, and then make that call.

Now, in Trinidad and Tobago, we must recognize that there are two, Trinidad and Tobago. It is not just one. We have a Trinidad and Tobago and let us concretize it. We have two nine-year-old children in the west in Port of Spain but in two entirely different schools, and they both enter the classroom in the morning

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with pride in their faces. They are both going to talk to their teachers. One is telling his teacher—and these are actual examples. These are facts. This is not fiction. So one tells his teacher, “Miss, my granddaddy bought a house for me this morning.” This is a nine-year-old child. He has never worked a day in his life and would not need to. And the other nine-year-old child is telling his teacher, “Miss”—and I have said this here before—“you read the newspaper, Miss? You see that daring robbery Miss? That is my brother you know, Miss.” Two different Trinidad and Tobago, different realities. So we must be concerned with the children who need physical economic assistance, moral development, and must have the money to give to those people who can help to make those children have better lives, the one that is most in need.

A clarion call or a rallying cry that we have heard very frequently is “We are in this together.” Who are the “we” I asked? We are in this together, but to whom do we refer? Is everyone pulling his weight? When one looks at the headline, a story written by Asha Javeed, “Raking it in from Govt rent”, and we look at 38 pages of rentals paid by Government and in the article I spoke about, we read of \$36,865,320.88— a month rent. And this is \$442,383,320 a year on the rental of buildings for offices and storage space, spread over 350 properties. I have not done the math. I assume that she did her math. It was not my favourite subject in school but I assume that the math is correct, and if you multiply it by 12, you will get that figure.

Mr. Vice-President: Senator. Senator, thank you. I am just going to ask you—as much as I am listening and trying to get the connection with what is before us, what is before us is asking to do something very specific. So I am going to ask you

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to tighten up a bit on your contribution and tie it back to what is before us.

Sen. H. Thompson-Ahye: “We are in this together” means that we are to call on all to make a sacrifice because the more that Government gets from other sectors of the society is the less we would have to draw down from the fund.

So what I am saying, Mr. Vice-President, is that what the Government can do is look at the Heritage and Stabilisation Fund as a last resort, and look to other sectors of society as an addendum to the fund so that we would have more money for the heritage, for future generations, if we have other people, other persons, who benefit from the Government. So do not only call on other banks and so on, but also call on those who get money from the Government to assist at this time by foregoing maybe a rental for a month or two. Maybe we can look and see that we have to spend so much money on transporting prisoners. Have we looked at amending the contract? Because I do not think prisoners are moving up and down and that is a substantial amount of money that is being spent. So if we look at all of those things, if we call on citizens who get money from the Government—because there is a fiction that money from Government comes from—I do not know if it is deus ex machina or somewhere, but it is our money.

So that if the Government can get money from those people or allow them—in fact, encourage them to forego some of the money that the headline said, is being raked in, then there will be more money coming into the Government coffers and there will be less need to extract from the Stabilisation Fund. So there are many avenues. When we look at money that is awarded, maybe as damages to lawyers and people who get money from the State, perhaps we can afford, as lawyers, to be more reasonable. If it is a situation that we have already done and

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prepared a case, and because of a particular situation, we now have to redo that case and the work has already been done, that perhaps can be taken into consideration, and more reasonable fee charged with the Government in terms of the cost. There are many avenues where we can forego and act reasonably. When you have a catering contract from the Government—once it is Government, the price is opt right away, it is increased because it is Government.

There are many professionals who, in fact, get quite a bit of money from the Government that they would not charge from ordinary citizens. So I am saying, all in all, if we look and answer this rallying cry, “We are in this together”, then we will act in a particular way and understand that we do not have to bleed the Government. I am in fact saying, cast your net wider than the Heritage and Stabilisation Fund. Put out a seine into the sea of plenty where the big fish swim and maybe, just maybe, we will be able to benefit from that. I think that now, in this situation, where people realize that they are vulnerable, that they do not know if they will be here next week, or next month, that in this situation where people are scared, maybe they will become honest in their dealings because they do not know when they are going to meet their creator, maybe there will be more fairness in the society.

So we are in times when we do not know what is going to happen, where we are called upon to play our part, where we have an opportunity to assist the Government. We are in this together, it must not just be words, it must be action that we can, in fact, in our own way, assist. Now is the time perhaps where people would be willing—and a number of them already are—to contribute to paying property tax. Really and truly, there are many people in Trinidad and Tobago who

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do not object because they have been paying it in the past and maybe what we need to do is take the bull by the horns and have people understand or give them an opportunity to do what is right. We do not know what and when this thing will reach home to us. This is an opportunity for us to do right. This is an opportunity to help our Government because it is our Government. No matter where we sit, this is our Government and we are in a situation. Yes, we support your drawing down, we support the delving into the Heritage and Stabilisation Fund, but what I am saying is that this must not be the only way. This must be a last resort and let us use other means that are available to us.

I think we are becoming a little more human. We have the potential to do what is right, and I am calling on our fellow citizens, I am calling on the Government too. I mean, as a child, I used to pull seine in Mayaro sea, and we know about casting the seine out there and pulling in the fish, so let us put all the fish in. Let us bring all of us together and do what we can. In these times, it may be our last opportunity. Thank you, Mr. Vice-President. [*Desk thumping*]

Mr. Vice-President: Sen. Haynes.

Sen. Anita Haynes: Thank you, Mr. Vice-President, for allowing me to join this debate. I intend to keep my contribution very pointed. I have just one key message to deliver and I will do so in the shortest possible time. From the contributions that have gone before, there is a clear sentiment that is prevailing which is that we all, all of us, understand the need to stabilize. We understand that we are in a crisis, not just Trinidad and Tobago, but globally. We understand the fluidity of the situation that, as a Government, you are now charged with making a decision today that you may have to change tomorrow as new information comes

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at hand. And as we face what is undoubtedly the most challenging situation our country has faced in recent times, I just want to say that I am confident in the resilience of our people, and the courage of citizens, and our nation, that we will overcome this crisis.

But as we look at the legislation today, coming from the perspectives that we understand the need to stabilize, my message to the Government is please protect our heritage because even in times of crisis, even while ensuring our social safety net, our duty and responsibility extends beyond this generation and certainly, to the next as well. And I know that it cannot be business as usual and we must take our steps to protect our citizens, our health care system, our social safety net, and our economy, and our future— and we do so today in the spirit of cooperation— but I also implore that the Government treat questions, concerns, not from just us here in the Senate today, but from the public at large that is coming from a space where we are all uncertain. We are all thinking about not just our future in terms of a long term, but what tomorrow would look like for us.

As we look at the Heritage and Stabilisation Fund and we look at spending our savings— and I think Minister Imbert said it as he opened the debate today, that in times of crisis you do look to your savings and we understand that. But as we do that, the details are important, where we spend the money is important, how we spend the money is important, and the Government must tell the people of Trinidad and Tobago what plans they would put in place to generate revenue, create jobs, and to ensure our survival for this crisis and our long-term stability because it is not sufficient to survive today and deepen an economic crisis that another generation may have to deal with.

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As I said before, my message is short, but it is pointed and I hope it is well-received from the spirit in which it has been delivered. I have every confidence in the people of Trinidad and Tobago in overcoming a crisis that is not of our own creation. And as many are anxious and we look on at the spread of the virus—I think the numbers changed while we were sitting here today—and you worry about your jobs and your families, and you worry about your futures. Let us be very careful about what we do in preserving our heritage, and that is my message here today. Thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Teemal.

Sen. Deeroop Teemal: Thank you, Mr. Vice-President. I rise to contribute on this debate on the Bill before this honourable House here today. Mr. Vice-President, almost all the speakers before me have pointed to the heritage aspect of this Heritage and Stabilisation Fund and referred to section 3(2) of the parent Act which provides a heritage for future generations of citizens of Trinidad and Tobago. And, Mr. Vice-President, while we seek to ensure the survival of the present generation, at the same time, we should seek in a balanced way, ensuring the future generation with regards to the heritage aspect of this particular fund. And it is in this particular context that I would just like to make a contribution of a certain thought to the entire process, because when you look at the amendments that have been drafted in clause 2 of the Bill that before us and the inclusion of disaster and dangerous infectious disease, within the ambit of the Heritage and Stabilisation Fund, Mr. Vice-President, we are taking it into the realms of a heritage and stabilisation disaster and infectious disease fund.

It is natural, I think from the concerns that have been expressed, is that within it all,

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the heritage aspect of this fund does not suffer unnecessarily and whether we need, as a Parliament, to come back and bring back legislation that would strengthen that aspect of the fund—because we appreciate that, of course, the Government would not have had time to really look at all the aspects, all the concerns before, in terms of separation of heritage and stabilisation, and bring those amendments at this point in time because of the crisis that we are in at this present time, but at some time whenever—as soon as possible that this piece of legislation be revisited with specific emphasis on securing the heritage aspect of this fund. Which is why I felt, when I was reviewing it, that maybe the legislation could have been crafted in a way to be corona-19 specific rather than leaving it—taking it into the future to include disaster and another occurrence, God forbid, of an infectious disease but it should have been just corona-19 specific. And that way, it would give us the necessary legislative powers to access the fund specifically for this virus and allow us a little more time to look overall at the future legislative framework for this particular piece of legislation. Now we may say that it means that we have to come back to the Parliament every time there is a disaster or another outbreak and all of those things.

But maybe, in safeguarding the heritage aspect of the fund, maybe if we have to do that, it is a necessity and not necessarily a humbug to go through such a process more than once.

5.30 p.m.

In such a context, Mr. Vice-President, it would probably have also allowed us, rather than using this particular Fund in the future, because I see the need for it at this particular point in time, but in the future, with regard to the heritage aspect,

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maybe consideration be given to a disaster relief or a disaster preparedness fund, setting up such a fund outside of this Fund in the future in which maybe, every year when we look at our fiscal measures and our budgetary allocations, there is some compulsory part of the overall budgetary allocations, maybe 5 per cent, whatever it may be, that could be put into a special disaster relief fund that could be accessed even more readily under circumstances such as the crisis that we are in. If done on a yearly basis, it would allow an opportunity to build that fund without really affecting in the long term, the heritage aspect.

Mr. Vice-President, why I say that is because we have a limit of \$1 billion in the fund that we cannot go under, but when we look at the trends, the energy industry throughout the world and the fact that our economy is linked with energy to a large extent, and the current trends that have developed and continue to develop and the prevalence of such diseases, viruses coming from SARS, now to COVID-19 and possibly in the near future maybe other diseases, and if we have to tap into this Fund successively in coming years to handle such matters, it would not be—I do not think I am being a prophet of doom in saying that we could easily reach that \$1 billion limit much quicker than we anticipate in the near future.

As such, we really would need to look at, I say either come back, revisit this piece of legislation to ensure that replenishment of the funds that we take out is addressed from a legislative point of view because the amendments before us here today do not address any aspect of replenishment because the deposits into this fund are solely limited to the surplus from our petroleum and gas revenues. And if it is solely limited to that—because the last deposit, from what I understand, into this fund, was in 2013, and with the current trends, we do not know when again a

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deposit would be made into this fund. So we are drawing down, the potential for deposits coming into the fund seems rather remote and distant at this point in time and we have to find to some framework, some mechanism by which we can look at replenishing this particular fund outside of what the current legislation allows us to.

Mr. Vice-President, I would just like to make those particular points but at the same time, it would be remiss of me not to recognize the efforts of the Minister of Finance and the Government of Trinidad and Tobago in all that is happening and all the work that they are doing and in particular, I was very, very happy here today to hear our Minister of Finance revisit the interest rate or one of the options of the savings bond for the business community for the tax refunds because that is a point that I had raised in my mid-year budget contribution, and I am happy to know that consultation was taken with the banks and I am sure that the business community would be very relieved and happy to know that through the issue of those bonds, that they would not be in a losing situation. Mr. Vice-President, I thank you. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you very much, Mr. Vice-President. I want to thank all Members who contributed today. In particular, I want to thank Sen. Haynes. I was not sure that she was on that side, [*Laughter*] but that was an excellent contribution, I really want to thank you for that, no politics in it whatsoever and straight to the point. Sen. Teemal, you hit the nail on the head. We did not want to get bogged down in arguments here today, we do not know when the next sitting of Parliament would be. For example, I do not know if you are aware, the Prime Minister had a press conference this afternoon while we were

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here and I just want to read one of the things that has occurred while all of us have been here:

As of midnight on Sunday 29th of March—

And by the way, that is 12.00 a.m. on Sunday night, for those who seem—not inside of here. I was just quite amused recently when some journalists did not know what midnight on Sunday night meant. [*Laughter*] So it means 12.00 a.m. on Sunday night, I am speaking to them, I am not really speaking to any Member here. I know you all know what it means.

As of midnight on Sunday 29th March, all non-essential activities will be prohibited until April 15th.

So what that means is that for a period of 14 days, only essential activities will be permitted in Trinidad and Tobago. Now that is a huge development and that will come with a cost which we are not even able to quantify at this point in time. It is there for a reason, that when you get to the second wave of this disease, you have to stop community spread, and the quarantine period is 14 days, so the whole purpose of this is to keep people inside so that that 14-day period would elapse and then you control the disease. Countries have done it in different ways, this is what we have done today, what the Prime Minister has decided today, that only essential activities can take place over the next 14 days. Everybody else has to stay home. In terms of what those essential activities are, that list will be published tomorrow night I am told and it will have a profound effect on all of us.

[MADAM PRESIDENT *in the Chair*]

Tuesday is the end of the quarter for tax collections. Monday is a holiday. We have absolutely no idea what sort of tax revenue we are going to get on

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Tuesday, we do not know. We have no idea what sort of tax revenue we will get in the month of April, we do not know. The effect of this virus on the economy of Trinidad and Tobago, we can only guess and therefore, I would like to deal with some of the points made by hon. Senators opposite. Sen. Deonarine's contribution was quite theoretical. One of the things that she said that struck me that was not a practical recommendation that we should wait until the end of the financial year to dip into the fund. I am sorry, we cannot do that. We are going to need significant amounts of cash immediately because of the revenue situation. But we have another matter today and what Senators will see is that we are looking at all possible solutions to our revenue problem.

Again, another suggestion that was a bit theoretical was that we should approach the multilateral financial institutions first. I believe Sen. Mark may have said that. That too is not practical. I got a letter from one international institution about four days ago. I would not call its name, I would not want to embarrass anybody. In that letter, this multilateral institution was offering financial assistance to Trinidad and Tobago as a result of COVID-19, recognizing that we, like the rest of the world, would be impacted, making an offer of financial assistance to us alone. And at the first paragraph was:

We are offering Trinidad and Tobago a fast disbursing loan, X million dollars.

When I read the second paragraph:

This loan will take four months to approve.

That is in the minds of some of the multilateral institutions is fast and that is only the approval. That is not the disbursement, disbursement might take six months.

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So if we wait on that particular institution, we will all be dead so I just thought you will need to understand these things.

The IMF does have a huge fund but the IMF is by its charter required to deal with the poorest countries first and they have set a ceiling actually, per capita income ceiling. I think it is 7,000—sorry, not 7,000, less than US \$7,000. Our per capita income is currently \$15,000. There are several countries in the Caribbean who would not qualify for IMF assistance at this point in time. The countries that they will be targeting are like South Sudan, Guinea-Bissau, those countries, Bangladesh, really poor countries and that makes sense. That the International Monetary Fund must deal with the poorest countries first because they have no means of helping themselves. A lot of these countries have no sovereign fund, they have no heritage fund to dip into.

So when I looked at the letter from the IMF, I realized that there is nothing there for us. First, we do not qualify, we are completely out of it in terms of income level, GDP per capita, and secondly the IMF is not giving up the opportunity in this crisis to force countries to restructure their economy. One would think that they would eh. You would think that with a global pandemic, the IMF would not say devalue your dollar, send home public servants, cut subsidies. You would think that they would not do that. They are in the letter. Not in so many words eh but they are saying before you can access these funds, you must present a plan to restructure your economy. Those are code words. We know exactly what that means. The IMF's solution for restructuring an economy is cut expenditure and we have examples of that in the Caribbean. Jamaica and Barbados were forced to cut expenditure to the point that thousands of public servants had to

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go home.

So funding from the IMF for Trinidad and Tobago is impossible in this situation. Funding from that other institution which I will not name is possible, we will get it in October. The one institution that may give us money within a month or two is the Andean Development Bank; that is what I am seeing. Even reallocating funding with the Inter-American Development Bank may take several months because they say that they will agree, we can reallocate unutilized loan funds for other programmes to the health sector but to get them to agree, that might take two or three months. So that it sounds good to say go to the multilateral institutions first but as I said, by the time we get the money from them, we will all be dead.

So that we really only have two sources of funds that are quick: borrowing and the Heritage and Stabilisation Fund. It is not the intention of the Government to dip into this fund and just take out \$1.5 billion tomorrow. We do not need it. But what this country needs to maintain its minimum expenditure is about TT \$4 billion a month. So it is about US \$600 million a month is what this country needs to maintain its minimum expenditure. Our revenue has not gone to naught, it has not hit zero but we have no idea, we expect to lose about TT \$1 billion a month in revenue going forward for the next six or seven months. So we are going to use a range of instruments to provide funding to deal with this crisis. The next matter on the agenda, I will explain that when I deal with that.

One of the problems with borrowing as well and it is happening in the United States. We currently as Ministry of Finance were out in the international capital market seeking to refinance a \$250 million bond taken out years ago by

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another Government that is maturing in July of this year. The offers came in last week, it had been out in the international financial arena for about a month and the offers closed last week and we looked at all and all the top banks in the world were there: Morgan Stanley, Citibank, JP Morgan, Credit Suisse, Bank of America, everybody is coming in. And the interest rate that they are proposing, they were proposing last week was almost twice the usual interest rate that the Government of Trinidad and Tobago would get. It is over 7 per cent. We normally get money in the international market at 4 per cent, a little over 4 per cent.

In fact, when I went on a road show in 2016, for a 10-year million-dollar bond, we were able to get it at 4½ per cent. Now, same people, seven plus with a caveat is that this could change by Monday, it might hit 10 per cent and by Tuesday, it is not available. And the reason is that the banks in United States are focusing on corporate customers because all of the companies that they have lent money to are in crisis. In fact, the word that we got back from the international banks is that we are not lending to sovereigns, to countries at this point in time, we are dealing with our business customers because if we do not bail out our business customers, the entire financial system in the United States will crash. So countries have to fend for themselves in this situation.

So our best bet is to borrow locally. Both in TT dollars and in US dollars. There is a quite a substantial amount of US dollars available here in the local banking sector, some three and a half billion. A lot of it is tied up so you just cannot go on and dip into it but there would be some available. There is quite a lot of TT dollars available in the local banking sector to lend to the Government but it is not inexhaustible and it is not easy because from the time you start to borrow,

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your debt to GDP ratio goes up. Now, in this time of turmoil, some people are saying debt to GDP ratios are irrelevant, they are not. We got a call from Standard & Poor's last week to say that because of the precipitous decline in petroleum prices, they are doing a review of the credit worthiness of every petroleum dependent economy in the world, starting with Trinidad and Tobago. And the reason why they were starting with us is that Standard & Poor's was due to come to Trinidad and Tobago in March to do its annual credit rating on Trinidad and Tobago.

I am very proud to announce that we got our rating today. I want to congratulate the public servants in the Ministry of Finance and all of the consultants that worked on this over the last seven days, day and night, and we have preserved our investment grade rating. [*Desk thumping*] Believe it or not. Believe it or not, they have dropped us a notch but they have us still in the investment grade and they have changed our outlook to stable. I want to congratulate the public servants in the Ministry of Finance.

But if we go crazy, recklessly, just borrowing willy-nilly—and we told them that we were coming to Parliament to deal with the Heritage Fund and that is one of the reasons why we still have an investment grade rating today, because they agree with this solution, they agree with using the Heritage Fund to stabilize our economy. And I am calling it a heritage fund deliberately because Sen. Teemal is right, “we just didn’ have the time”. We have had discussions about whether the heritage component should be \$3 billion, \$4 billion. What should it be? What should we do with the balance? Let us say you say heritage, \$4 billion, you have \$2 billion remaining in the Fund, what should you do with it? How can you draw

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down into it? There has been a lot of discussion and we really had not arrived at a firm position on what the heritage component should be. So he is absolutely right and I do give the undertaking that we will come back and we will deal with these issues in this Heritage and Stabilisation Fund Act.

5.50 p.m.

I myself felt that the floor should be \$4 billion, that was my issue. But we did not want to come here because I would not have been able to give you a definite position on what the heritage component should be increased to.

With respect to how we have defined things, it is very purposeful. Sen. Deonarine, speaking to you through the President now, we could have defined the disaster. We have had three events, eh: a disaster, disease, precipitous decline. Think about each one of those very carefully. None of them are defined exactly. We did not say an earthquake at 9.0 on the Richter scale. We just said a disaster. We did not say a dangerous infectious disease that is a global pandemic. We simply said a dangerous infectious disease.

The problem with these occurrences is that you cannot define them too definitely. What is my definition of precipitous and what is yours? Yours might be a drop of 30 per cent, mine might be 25 per cent. What happens when it hits 29 per cent? That is the problem. You see, if you are too prescriptive then you have locked yourself into a box. So, in defining these three occurrences, we decided to have a framework approach. So it a disaster under the disaster Act, a dangerous, infectious disease under the relevant legislation; and a precipitous decline. And the word “precipitous” does have a meaning in law. It means a very steep and rapid decline, that is what it means. And we have such a litigious society. I am sure if

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any Government were to try and dip into this fund when there is not a precipitous decline, I am sure that there would be a whole battery of lawyers lining up to challenge any government that did that but we have to define it in this way. We have to use a framework approach, we cannot use a prescriptive approach. You cannot define it.

Look Sen. Teemal is telling me we should have made this COVID-19 amendment. I cannot do that. I was the Minister of Health when I personally declared SARS, Severe Acute Respiratory Syndrome; I think that is what SARS is, a dangerous infectious disease. And I did that because the medical doctors in the Ministry of Health told me that if SARS comes to Trinidad and Tobago, everybody in Trinidad and Tobago will die. It did not. SARS had a very short life. It did not last very long.

MERS, that was a disease in the Middle East, also a respiratory disease. This disease is a respiratory disease. When you are faced with this kind of problem—and I have used the earthquake as an example—what about a hurricane? What would be a hurricane? What would be the number, the numerical point for category four, category five? So the point I am making to you is that when you are in this situation, you have to put words that have a natural English meaning and then you have to expect that the Government will apply the natural English meaning of what these words mean. If you try to define it too exactly, you may lock yourself into a situation where you defeat the entire purpose of what you are trying to do.

But I do give the undertaking, as I have given Sen. Teemal, I give everybody this undertaking, we will come back and we will do some more work on this Act

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when we all have some more time, and we do not have this horrible threat facing all of us.

So, with those words, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

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

Question put and agreed to.

Bill accordingly read the third time and passed.

ARRANGEMENT OF BUSINESS

Madam President: Before I call on the Minister of Finance, you may recall Members that we have all agreed that this Sitting will be completed by 7.00p.m. So, we have at 5:56:40 to determine how the Benches are going to proceed. Leader of Government Business.

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, both the Government and the Independent Bench intend to spiel one speaker. And my friend, Sen. Mark, knows that we have worked on trying to reach an agreement. So I will give him the opportunity to indicate what his position is.

Sen. Mark: I think, in the spirit of compromise, I have been able to convince my colleague, Sen. Obika, to stand down his contribution. So I shall be the only speaker consuming my time.

Madam President: Your full time?

Sen. Mark: I have my full time, Ma'am, and even more. No, when I say for full time—

Madam President: Yes.

Sen. Mark: I think we all agree that we will do— no 30 or 20?

Madam President: So let us assume. You all are really challenging my math, my prowess, but okay. Let us assume we begin the debate at 6.00. We want to end the debate at 6.55, just to make sure we do all the procedural issues. So that leaves us with 55 minutes divided by three. Minister of Finance.

DEVELOPMENT LOANS ACT

(AUTHORIZATION TO BORROW TT \$10 BILLION)

The Minister of Finance (Hon. Colm Imbert): Thank you very much, Madam President. I will try my best to be as brief as I possibly can.

Madam President: Minister of Finance, bearing in mind that you have to introduce and respond.

Hon. C. Imbert: Thank you very much, Madam President. I beg to move the following Motion standing in my name:

Whereas it is provided by section 3(1) of the Development Loans Act that the Government is authorized, for the purpose of –

- (a) financing general development in Trinidad and Tobago;
- (b) repayment of borrowings effected for such general development; or
- (c) repayment of borrowings effected for general development—
 - i. by a statutory authority within the meaning of the Statutory Authorities Act;
 - ii. by an enterprise that is controlled by or on behalf of the State; or
 - iii. by the University of the West Indies

to borrow from time to time money externally or internally in a sum or sums not exceeding in the aggregate forty five thousand million dollars in the currency of Trinidad and Tobago;

And whereas it is also provided in the said section 3(1), that thereafter such sum in such currency may from time to time be specified by Resolution passed by the Senate and the House of Representatives;

And whereas it is necessary for the Government to borrow further sums of money for the purposes stated in the said section;

Be it resolved that for the purposes stated in the said section, the Government is hereby authorized to borrow money externally or internally in a further sum or in further sums not exceeding in the aggregate ten thousand million dollars in the currency of Trinidad and Tobago.

Madam President, this Motion fits squarely into some of the recommendations made by hon. Senators opposite, in that, we do not utilize what this Senate had so graciously agreed to, all of the funding available to us in the Heritage and Stabilisation Fund.

But as I said, we have to be very, very careful about borrowing because if we were downgraded into speculative grade—if that had happened—we might have had a situation where we could have been in a cross default position, where certain lenders would have called in our loans. Some of our loans—some of the loans taken out some years ago, have in it a provision that if your sovereign rating is downgraded below investment grade, that the lender can call in the loan immediately. So we have to be very, very careful about what we are doing.

The reason why I have come here today to ask for an increase of 10,000 million, which is 10 billion. In this particular Act, there are three Acts that allow

the Government to borrow. The first one is the Development Loans Act, Chap. 71:04. The second one is the External Loans Act, Chap. 71:05. And the third one is the Guarantee of Loans (Companies) Act, Chap.71:82.

The first one, which we are dealing with now, allows the Government to borrow for general development. The second one allows the Government to borrow externally on the overseas market. The third one allows the Government to guarantee loans taken out by state enterprises.

We had come to this Parliament earlier in our term, in 2015 to increase the borrowing limits because, like other things at that time, the borrowing limits were maxed out. And in 2015, it was agreed that the borrowing limit— this is in December2015—was increased to \$45 billion from a previous amount. I believe it was 30billion at the time.

The External Loans Act, we came and we got an increase up to \$30billion. The guarantee of loans, we got that increased to \$45billion. What has happened over the last four years is that we have found that it is much more cost-effective and easier and faster to borrow using the Development Loans Act. And at this time, the available headroom in the Development Loans Act is only \$404million. So that the current borrowing, out of that limit of 45 billion, under the Development Loans Act, is \$44.595 billion. We only have \$400 million left, in terms of borrowing under the Development Loans Act. But strangely, we still have a headroom of \$10.4 billion under the External Loans Act. So if we wanted to, we could go overseas and borrow up to \$10.4 billion without coming back for permission on the threshold from this Parliament.

And under the Guarantee of Loans (Companies) Act, we still have headroom of \$21 billion. So on the other two Acts, which we came to this Parliament in

December 2015 and got agreement from the Parliament, we have an aggregate of over \$31 billion available to us but it is not in the right place. And in retrospect, perhaps it was not the best idea to increase the limit in the Guarantee of Loans (Companies) Act to that extent because we have not used it. As I said, we still have \$21 billion in headroom available for us under the Guarantee of Loans (Companies) Act. And that would be a loan, let us say we are currently borrowing for MTS to complete the construction of schools, and that would be a loan taken out by MTS guaranteed by the State. So this is what this Guarantee of Loans (Companies) Act is all about. So, as I said, we have headroom there. We can still borrow \$21 billion under that Act and under the External Loans Act, such as the borrowing that we did in 2016, when I did the road show and we borrowed a billion US dollars, we still have 10.4 there. But we only have \$400 million left under the Development Loans Act and in this crisis, the fastest and cheapest form of borrowing is under the Development Loans Act.

I can tell you now that only today, in order to deal with a lot of the cash demands that we will have in the health sector, the Prime Minister also announced that Cabinet approved additional funding—I would call it emergency funding—for the Ministry of Health today, in the amount of \$157 million. That is to make sure there are adequate medical supplies for all of the workers and institutions in our Regional Health Authorities and this is money that has to be made available almost immediately.

And therefore, only today, we have accessed some funding on the domestic market under the Development Loans Act but as I said, we only have \$400million left there. So that, after that 157 million is dealt with, which we need to deal with next week—this is to get respirators and ventilators and personal protective

equipment and make sure that all of the RHAs are functioning throughout the country, and so on—after that \$157 million is disbursed to the Ministry of Health to make orders from suppliers—because suppliers are asking for cash now. Previously, you might have got credit from a supplier but the entire global supply chain is crashing. So, we do not make respirators here, we do not make medical face masks here. These have to be imported and now, the suppliers of these products from overseas are demanding cash from our people here, and the Government in turn will have to pay right away. We do not have the kind of credit facilities—none of us—that we had before.

So, the reason why I have come to the Parliament with this particular Motion is to give the Government options, so that we do not have to take the whole \$1.5 billion out of the Heritage Fund, if we can avoid it. This is to give us options and we get the best interest rates using the Development Loans Act because it is a sovereign loan, direct loan to the Government.

If you guarantee a loan to a state enterprise, you have to add at least 1 per cent in interest. So if we borrow at 3 per cent, over three years, with a Government loan, under the Development Loans Act, we can get an interest rate of 3 per cent. If we guarantee a loan to a state enterprise over three years, the institutions add a per cent. You have to pay 4 per cent even though you are giving a government guarantee. because they say they will have to go through the process of calling in the guarantee from the Government, and they add an element of risk there.

So that, in terms of the situation we are in, and for efficiency, I think hon. Senators will understand why we need to increase the headroom on the Development Loans Act at this point in time.

As Sen. Deonarine has said in another debate, we must have options

available to us, and we should use the Heritage and Stabilisation Fund as the last resort. And therefore, I know she will support this Motion wholeheartedly. I beg to move.

Question proposed.

6.10 p.m.

Sen. Wade Mark: Thank you very much.

Madam President: Sen. Mark, may I ask how long you think you will be? The Minister took about seven minutes, are you going to match that?

Sen. W. Mark: No, Ma'am, I cannot. I cannot, sorry about that.

Madam President: But, no—

Sen. W. Mark: We have agreed already that I will try to be 20 minutes.

Madam President: Twenty?

Sen. W. Mark: Yeah, yeah.

Madam President: Okay, great.

Sen. W. Mark: I am reluctantly agreeing.

Madam President: Sen. Mark, 20 minutes is fine. Thank you very much.

Sen. W. Mark: Madam President, thank you so very much. The Government has come to this Parliament, this honourable Senate, I should say, to increase the aggregate amount of loans that it can access under this Development Loans Act from the current amount of \$45 billion and they are seeking to increase that by another 10billion. So, we are being asked to allow the Government to increase and give them the all clear under this Development Loans Act to access \$10 billion. May I say, Madam President, from the outset, that we have never been and we will never be against increasing our borrowing capacity, particularly if we are engaged in very productive activities.

One of the things that we are concerned about is our capacity and ability to repay, to service, these loans. And, Madam President, the hon. Minister said that we were able to successfully access close to \$150 million or thereabout for the health sector speedily, today. I would like him in winding up to let us know from which institution—

Hon. Imbert: I could tell you now.

Sen. W. Mark: No, you will do that when you are winding up. You were able to access, that amount from. Madam President, we are concerned, as the hon. Minister, as the international rating agencies, as other lending agencies, about the sustainability of this borrowing and rising levels of debt that we are faced with as a nation.

Madam President, as you would see in the Motion, as you would have noted in the Motion, we have the ability under this Act to borrow both internally and externally for a variety of purposes. But the developmental aspect is very critical, as it deals with financing general development of T&T.

What we have noted is that our debt, according to the Central Bank Economic Bulletin of January 2020, we have now moved from what was 107—no, may I repeat or recast. The Central Bank in its bulletin stated that gross public sector debt increased to \$122.7 billion which represents 74.7 per cent of GDP in December of 2019 which represented a \$1.5 billion increase over September 2019. So we are seeing, Madam President, whether it is central government domestic debt increasing to \$49.5 billion, according to the Central Bank bulletin, at the end of 2019, which represented a 5.4 per cent increase compared to what was there at the end of September 2019. And, Madam President, so the central government debt is increasing.

We also have, Madam President, the central government external debt is also increasing and we are seeing it represented here and most importantly, even though the Minister said we did not get into that area, we still have a large amount money under that guarantee of companies loans Act. We are seeing where contingent liabilities increased by \$714.4 million amounting to \$30.7 billion as at the end of December.

So, Madam President, what we are seeing is a rise and a continuous increase in our overall public sector debt. And I want to remind the Minister as I am on my legs here, hon. Minister, you gave us on the 8th of December, 2015, as you are giving us here today an undertaking, a commitment. And, Madam President, we were concerned in 2015 about the amount of moneys that we were accessing and giving the Government the all clear to borrow. And we did not have a plan before us, we did not have a strategy before us, we did not have a programme before us. And the Government said “trust us”, and we allowed the Government to increase their loan capacity by 10 billion. The Minister is now reporting that all we have out of that 10 billion is 400 million as at today’s date. So we have exhausted that 10 billion.

But, Madam President, on the 8th of December, 2015, this is what the hon. Minister of Finance told us and I want to quote from the Hansard record:

“I am giving an undertaking now—because I think it is important and everybody knows the state of our debt in this country—I cannot tell you when, I cannot say I will do it every six months. I “doh” want to make that commitment now, but on a regular basis every year there will be reports to the Parliament on the state of the country’s debt. I give you that commitment here today.”

He goes on, Madam President:

“I “doh” want to go into details because I “doh” want to talk out of turn and say I will do it every three months or every six, but I will do it at least once per year. You will see what the debt is; you will see what the Government guarantee debt is, what the contingent liabilities are. This is not a Government of secrecy. We are not going to hide anything. We will present it to you so you would see. So that if you think we are going off course, you could raise an alarm. We are going to give you the information.”

I end, Madam President, the quote:

“That is one thing I promise we will do for you.”

Hon. Minister, you gave that commitment, four and a half years ago and not a statement has been made available to us in this Parliament on these commitments that you have given us.

And, Madam President, I think that is very sad because here it is today because of certain circumstances I have to be confined 20 minutes which I have agreed to. But when you look at, for instance, the state of play in our society today as it relates to the public sector debt, Madam President, today our public sector debt stands—in fact at the end of December it took at 65.5 per cent of GDP when compared to when we demitted office in September of 2015 it stood at 47.1 per cent. So we have gone from 47.1 per cent to 65.5 per cent of debt to GDP in terms of ratio.

And, Madam President, I want to also tell the honourable Senate, through you that central government debt per person at the end of 2005 stood at \$20,102, so you round it off to \$20,000 per person. You know what it was at the end of 2019? Each citizen now owes \$67,489, Madam President, that is where we are and that is

where we are going. And, Madam President, that does not include contingency liabilities of state enterprises and statutory boards. This is where we are today, Madam President, and therefore, the whole question of debt sustainability becomes very crucial, because we do not have because of time constraints. I am sure the Minister would give us an undertaking again that he will provide us with a plan, a programme, a strategy as to how we are going to meet our debt obligation, because if we are going to give approval for \$10 billion under the Development Loans Act, Madam President, we need to know how that money, when we access it, how we are going to repay.

Madam President, I would like the hon. Minister to also tell us what is the debt servicing at the moment in terms of the percentage of revenues that we have to take out of our annual budget in order just to service our debt, both internally and externally. And, Madam President, I am sure it is close to \$6 billion or \$7 billion a year and the Minister could tell us what the figure is and this is going to increase.

Madam President, the international community, the World Bank, particularly the IMF have indicated to us and to many countries that a good threshold for sustainable development and growth in terms of debt to GDP is 60 per cent, 60 per cent debt to GDP ratio. They say anything in excess of that could pose a sustainability problem in terms of debt repayment.

Now, as I said earlier my contribution, Madam President, the question is not borrowing, we can borrow. The question is our ability to repay what we have borrowed, but if the economy is contracting and getting smaller and we are borrowing larger sums of money we have a challenge, we have a crisis, and we need to know how we are going to address this challenge and this crisis.

And, Madam President, our economy before this coronavirus visited our shores, we were under a period of four consecutive negative economic periods of growth. So the economy for the last four years has been shrinking and contracting for the last four years. And I believe, Madam President, we are also going to face further contraction in the fifth year because of all the factors that we know is taking place, or we know that are taking place at the present time.

So we have to be very careful, Madam President, that the Government comes with a plan, comes with a programme, comes with a strategy to deal with growth to expand production, to increase economic activity to increase the size of the economy. So that, Madam President, we would be able to repay our international debt obligations.

Madam President, not only is our domestic debt rising but our foreign debt is also growing. The Minister just admitted that very shortly we have to find moneys to service two bonds that were raised internationally; one by the last government, our government, and one by his government and so on. I think ours is coming, it is due now or it is coming very shortly and we have to meet those obligations.

Now, Madam President, if we do not pay they will isolate us, they will alienate us, they will not deal with us. So that is the international community. So we have to meet our obligations and if we have to meet our obligations it means to say that at the end of the day if we do not have a plan, if we do not have a strategy, if we do not have a programme, then it will mean to say that the population will be called upon to pay higher taxes. Because we have to meet our obligations and the Government is going to extract larger taxes, because, Madam President, as you take more and more of our income and revenue to service our foreign debt the Government has goods and services to provide to the population. And how are they

going to provide it? They have to tax us. So the more money we put aside to pay for our foreign debt and our domestic debt is the less and less amount of moneys we have to deal with our national and general development in Trinidad and Tobago.

So this is a very serious matter that we are dealing with and the Government has an obligation, first of all, Madam President, to meet its obligation it gave under through the *Hansard* via the Minister of Finance, he has, that is the hon. Minister, he has to meet that obligation and that commitment by providing us with the information as the hon. Minister said he would do.

Madam President, I know that I have given an undertaking and I do not like to renege on my undertaking in terms of this matter, but it is clear to me and clear to us on this side that whilst we deal with this matter before us, we need to get a clear undertaking from the Minister of Finance in wrapping up how he is going to be spending this \$10 billion and on what. And we need to get from him most importantly whether he would bring a plan of action, a strategy and a programme to this Parliament? So that we can understand what is the capacity, and what is the strategy to meet our international and domestic obligations as it relates to our mounting debt, including this \$10 billion that we are going to provide to the hon. Minister via this Motion that is before us.

So, Madam President, this is a matter that is of grave importance to us and we want the hon. Minister as I said to provide some clarity in his winding-up. So that we would be better placed to understand if we give you this cheque of \$10 billion, please tell this honourable Parliament and the people of T&T how we are going to repay it. Madam President, if you are not careful we are going to mortgage the livelihoods of our future generations if we do not operate within a

planning framework for the moneys that we are going to borrow and to spend. What we must avoid at all costs, Madam President, is that when we borrow these moneys we must inject much of it into capital programmes, into capital projects and not put a lot of it into recurrent expenditure to deal with everyday commitments on the part of the Government that is going to be a recipe for disaster.

And as ANR Robinson told us in the '87 period if we are not careful the dragon which is the IMF, the jaws of the dragon will eat us up and will devour us. So we need to be careful, Madam President, that we will not set up ourselves for the invasion of our economy and society by these multi-national lending agencies that will put on a structural adjustment programme on our country and its people. I thank you very much, Madam President. [*Desk thumping*]

6.30 p.m.

Sen. Amrita Deonarine: Thank you, Madam President. Thank you, Sen. Mark, for painting the statistics for us today. Thankfully, I do not have to go and paint the statistics as well.

Now, Minister of Finance, through you, Madam President, I do endorse the comments that Sen. Mark made because what is going to happen is that this crisis will basically mean that the macroeconomic fundamentals of the country would worsen. Because we are dealing—all our macroeconomic indicators are going to suffer a significant decline. Though we got a good rating from the Standard & Poor's this year, because of the decline that the economy will go through over the next fiscal period, over the rest of the year, going into the next year, we would suffer a situation where we have persistently low energy prices, which would weaken the public finances; we would have additional vulnerabilities associated

with narrow economic diversification; and we would have growing external fiscal imbalances, right. Hence the reason, we are increasing our borrowing at this point in time. And also, what is going to happen is that our targets that we initially established to balance the budget, it would move further. It will become more difficult for us to balance the budget in the near future.

So, Madam President, what we need going forward is a clearly articulated policy response. We need adjustments. Adjustments would be required to cope with the external double shock and, of course, we know debt has been increasing and this may very well mean that we would have to cut public expenditure at some point in time. Debt monitoring and foreign reserves monitoring would become the central economic problem going forward. Most of the debt may very well be going towards financing recurrent expenditure and there are studies out there that have shown that once debt to GDP reaches a certain level, it results in negative economic growth going forward. It does not contribute to the productive capacity of the economy. So, I too, like Sen. Mark, Madam President, would like to urge the Government to look at producing a debt management strategy. I raised it earlier in my initial contribution.

Now, with a debt management strategy, you would be able to create projections as to where your debt would be going, given a long-term economic growth, long-term budget deficit projections, budget surpluses projections and also, looking at your long-term interest rates on the loans that you already have. Now, a debt management strategy usually involves something called a “debt sustainability analysis”, Madam President, and the last debt sustainability analysis that I would have done, premised on a long-term economic growth rate of 2 per cent and an interest rate of 4 per cent, the results indicated that we need, in order to

maintain the debt to GDP ratio at around 63 per cent, we need it to be running a primary surplus around 1.25 per cent of GDP.

Madam President, through you, hon. Minister of Finance, I am sure that your debt management team in the Ministry of Finance is also doing this work and I urge them to continue doing this work, and advise you on the scenarios that you have available, and carefully monitor the debt that we are going to accumulate going forward. I also would like to recommend again, that we produce a debt management strategy for the country. It is a published document which looks the medium-term sustainability of debt management. With those few words, Madam President, I thank you.

Madam President: Minister of Finance. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you very much, Madam President. I see I have 25 minutes. Do I not? Do I not have 25 minutes? Twenty minutes sorry, 20 minutes. I just would like to read from a document:

“Total Public Sector Debt or Gross Public Sector Debt moved from \$119,161,000 million in fiscal 2018 to \$120,604 million in fiscal 2019. This figure comprises Net Public Sector Debt”—of—“(\$102,083.1 million or \$102 billion...plus borrowings for Open Market Operations...which consist of Treasury Bills”—14—“billion “Treasury Notes”—1.9 billion—“Treasury Bonds”— 2.6 billion.

“Proceeds of”—open market—“instruments are not utilized by the Central Government for its operations, but are held or sterilized at the...”—Central Bank. “...borrowings for the purpose of...”—open market operations—“are expected to decrease by”—5—“million in 2019, in accordance with monetary policy, the overall”—1.4—“million increase in Gross Public

Sector Debt is due to an increase of”— 6.5—“million in Net Public Sector Debt. The Net Public Sector Debt—stock—“comprises a Central Government Domestic Debt (45.3 per cent), Central Government External Debt (25.9 percent), Contingent Debt (28.7 percent) as well as BOLTs and Leases (0.1 percent). It is anticipated that Net Public Sector Debt will increase by 6.8 percent”—from 95 billion—“in fiscal 2018 to”—102—“million by the end of fiscal 2019. Based on the revised GDP, Net Public Sector Debt as a percentage of GDP is estimated to increase from 60.1 per cent at the end of fiscal 2018 to 62.0 per cent at the end of fiscal 2019.

Public Sector Domestic Debt which accounts for 72.9 percent of Net Public Sector Debt and includes direct Central Government and Government Guaranteed debt issued domestically, is projected to increase”—by 5 million—“or 7.2 percent in fiscal 2019”—equating—“...to 45.2 per cent of GDP...”

Public Sector External Debt which accounts for 27.1 per cent of Net Public Sector Debt is anticipated to grow by”—1.5—“million or 5.9 percent by the end of fiscal 2019. As a percent of GDP, this category of debt is expected to increase from 16.5 per cent in fiscal 2018 to 16.8 per cent in fiscal 2019. ...direct Central Government debt, both domestic and external, is expected an increase by 8.5 percent or”—5.7—“million from”—67—“million in fiscal 2018 to”—72.7—“ million in fiscal 2019 and from 42.2 percent of GDP to 44.4 percent of GDP.

Contingent Liabilities comprising the Government Guaranteed debt of State Enterprises and Statutory Authorities, is anticipated to increase by”— 831—“million (2.9 percent) from—28—“million in fiscal 2018 to”—29—“million

in fiscal 2019...equates to 17.8 percentage of GDP...

Central Government Domestic Debt which accounts for 45.3 percent of Net Public Sector Debt, is projected to rise by 9.6 percent, from 42.2 million in fiscal 2018 to 46.2 million in fiscal 2019. Central Government Domestic Debt is estimated at 28.1 percent of GDP in fiscal 2019.

During the fiscal, year the Government issued ten (10) Central Government bonds totalling 6.3 million, the proceeds of which was utilized for budget financing and debt repayment. These were issued as follows:

- \$640.0 million, 15-year, 5.54 percent;
- \$500.0 million bond— 3-year, 3.40 percent;
- \$1,200.0 million, 1-year, 3.05 percent;
- \$500.0 million bond, 4-year, 3.70 percent;
- US\$21.0 million, 6-year, 5.00 percent;
- \$800 million bond— 6-month 1.90 percent;
- \$1,700.0 million, 1-year, 3.05 percent;
- \$300.0 million, 13-year, 5.05 percent;
- US\$36.0 million, 7-year, 4.25 percent;
- \$300.0 million, 6-year 3.99 percent.

Bill, Own, Lease and Transfer...arrangements are expected to decline by 19.3 percent or 25 million from 130 million in fiscal 2018 to 105 million in 2019, as these facilitates are paid down...

Central Government External Debt is expected to grow by 6.8 percent—I am just reading what is in the report submitted annually in the

Parliament to you hon. Senator, through the President, that you say you have never seen. “Central Government External Debt”—[*Crosstalk*—“is projected to grow by 6.8 percent from”—24.7—“million in fiscal 2018 to”—26.4—“million in fiscal 2019...at the end of fiscal 2019 this component of public debt is estimated at 25.9 percent of Net Public Sector Debt...16 percent of GDP. The increase is mainly due to the drawdown of US\$100 million under a new US\$200 million, 15-year floating rate loan from the Corporacion Andina de Fomento...for the implementation of a Sector Wide Approach Programme...to support construction...and maintenance for the national road network.

In addition, during fiscal 2019, disbursements totaling”—1.8—“million, were received from existing facilitates from CAF, UniCredit Bank Austria... the Inter-American Development Bank...as follows: US\$120.0 million under the US\$120.0 million Policy Based Loan from CAF...to Support the Medium-term Fiscal Consolidation Strategy...EUR 81.3 million”—for the—“credit facility for the Point Fortin Hospital...from the UniCredit Bank...”—and—“US\$6.5 million”—from the IDB for the—“Information Management Strengthening System at the Registrar General’s Department; US\$3.5 million under the project loan for the Single Electronic Window for Trade And Business; US\$4.3 million under the Health Services Support Programme; US \$12.7 million under the WASA Modernization and Waste Water Rehabilitation Programme; and US \$36.8 million under the Multi-Phase Wastewater Rehabilitation Programme.

Contingent Liabilities are Government Guaranteed Debt of State Enterprises and Statutory Bodies backed by Letter of Guarantee or Deeds of Guarantee.

These liabilities anticipated to increase by \$831.5million...from”—\$28—
 “million in fiscal 2018 to”— \$29—“million in fiscal 2019.

Letters of Guarantee issued”—this is the report that you said you never
 got—“Letters of Guarantee issued are forecast”—[*Crosstalk*—“ to increase
 by”— 2.2—“million or 17.9 percent from”—\$12.5— “million in fiscal 2018
 to”—\$14.8—“million in fiscal 2019.”

Hon. Senator: Send it by email.

Hon. C. Imbert: Yeah, send it by email. And let us go on now to the other matter
 that the hon. Senator say he never got.

“Total Central Government Debt Service is expected to decrease by 18.6
 percent or”—\$1.66—“million, from”—8.9—“million in fiscal 2018 to
 7,255.2 million in fiscal 2019; \$3,753.8 million of which are principal
 repayments and \$3,501.4 million as interest payments.

Domestic Debt Service, which currently accounts for 72.9 percent of total
 debt service, is estimated at \$5,281.5 million for fiscal 2019, of which
 \$2,903.2 million is attributed to principal repayments and \$2,378.3 million
 to interest. Of the \$2,903.2 million in principal repayments, \$1,240.0
 million represented refinancing or rollover of existing debt...represented
 outright repayment of existing debt.

External Debt Service is expected to increase by 17.0 percent or \$286.3
 million...from \$1,687.4 million in fiscal 2018 to \$1,973.7 million in fiscal
 2019.”

All of this, all of this is in the reformatted [*Crosstalk*] reformatted, rewritten,
 transparent detailed *Review of the Economy* which I lay in this Parliament every
 year. So I make good on my promise. I put all of the information that you asked

Development Loans Act Authorization
To Borrow TT \$10 Billion
Hon. C. Imbert (cont'd)

2020.03.26

for, hon. Senator, in the *Review of the Economy*. Ten pages of it, every single loan, every interest payment, debt to GDP ratio, debt service commitments, every single thing, [*Crosstalk*] it is there.

Sen. Mark: I beg to move. [*Laughter*]

Hon. C. Imbert: I beg to move. [*Laughter and desk thumping*]

Question put and agreed to.

Resolved:

That for the purposes stated in the said section, the Government is hereby authorized to borrow money externally or internally in a further sum or in further sums not exceeding in the aggregate ten thousand million dollars in the currency of Trinidad and Tobago

ADJOURNMENT

The Minister of Agriculture Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, I beg this move that this Senate be adjourned to a date to be fixed. Thank you.

Spiritual Shouter Baptist Liberation Day

Madam President: Allow me, of on behalf of the entire Senate, to congratulate and wish all Spiritual Shouter Baptist very best as Spiritual Shouter Baptist Liberation Day is celebrated on this Monday March 30, 2020. At this point in time, in our nation's history and in fact in the history of the world, where there is such doubt and uncertainty about our future, we look to the Spiritual Shouter Baptist and we take heart from their determination and their faith which overcame the seemingly insurmountable obstacles of prejudice and unjust laws. So, we congratulate them on their achievements and we say to them that we are inspired. We are inspired by what they have done and we are inspired to overcome whatever

challenges are presented to us.

So hon. Senators, once more, let me thank you all very sincerely for the tremendous cooperation across the board that was given today. It is wonderful when the Senate, when all Members can come together, and we can cooperate with one another.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.46 p.m.