

SENATE*Tuesday, April 12, 2016*

The Senate met at 10.00 a.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**JOINT SELECT COMMITTEE****Social Services and Administration****(Appointment To)**

Madam President: Hon. Senators, I have received the following correspondence from the Speaker of the House:

“Dear President of the Senate,

Change of Membership

Joint Select Committee on Social Services and Public Administration

At a sitting held on Friday April 01, 2016 the House of Representatives agreed to the following Resolution:

‘Resolved:

That Mr. Esmond Forde be appointed to serve on the Joint Select Committee on Social Services and Public Administration in lieu of Mr. Terrence Deyalsingh.’

Accordingly, I respectfully request you inform the Senate of this matter at the earliest convenience.

Thank you.

Respectfully,

Bridgid Mary Annisette-George

Speaker”

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Institute of Marine Affairs for the year ended September 30, 2008. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Institute of Marine Affairs for the year ended September 30, 2009. [*Hon. C. Imbert*]

UNREVISED

3. Annual Audited Financial Statements of the National Commission for Self Help Limited for the financial year ended September 30, 2014. [*Hon. C. Imbert*]
4. Annual Audited Financial Statements of the Sports Company of Trinidad and Tobago Limited for the financial year ended September 30, 2014. [*Hon. C. Imbert*]
5. Annual Audited Financial Statements of the Sports Company of Trinidad and Tobago Limited for the financial year ended September 30, 2015. [*Hon. C. Imbert*]
6. Annual Audited Financial Statements of Evolving Tecknologies and Enterprise Development Company Limited (eTeck) for the year ended September 30, 2010. [*Hon. C. Imbert*]
7. Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the year ended September 30, 2015. [*Hon. C. Imbert*]
8. Annual Administrative Report of the Princes Town Regional Corporation for the period 2011—2012. [*The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan)*]
9. Annual Administrative Report of the Princes Town Regional Corporation for the period 2012—2013. [*Sen. The Hon. F. Khan*]
10. Annual Administrative Report of the Ministry of the Arts and Multiculturalism for the period October 01, 2012 to September 30, 2013. [*Sen. The Hon. F. Khan*]
11. Trinidad and Tobago Housing Development Corporation (Vesting) (Amendment to the First Schedule) (No. 2) Order, 2016. [*Sen. The Hon. F. Khan*]
12. Annual Report and Financial Statements of the Children's Authority of Trinidad and Tobago for the year ending September 30, 2015. [*Sen. The Hon. F. Khan*]

**FINANCE (VARIATION OF APPROPRIATION) (FINANCIAL YEAR
2016) BILL, 2016**

Bill to vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2016) Act, 2015, 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.

URGENT QUESTION

Rural Development Company (Moneys Owed to Employees/Service Providers)

Sen. Wade Mark: Could the Minister state how much money is owed to employees and service providers attached to the Rural Development Company, for the period January to March 2016, and how soon this will be paid?

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, through you, the Rural Development Company has been experiencing some cash flow problems since January. As a result, we have applied to the Ministry of Finance for a subvention on the recurrent expenditure and the release should be available by the end of this week.

The RDC earns its income from management fees for projects undertaken by Government. Recently, by a Cabinet decision, the Rural Development Company was appointed project managers for the Moruga Fishing Facility at an estimated cost of \$200 million. A management fee of 5 per cent will amount to \$5 million, which will easily cover the operating expense for this year and probably for the first half of 2017.

The specific answer to the question in terms of what are the outstanding moneys owed to employees and service providers, from January, February and March, the total service provider a mere \$59,274, to the staff \$352,553, and directors, \$202,500, making it a total of \$614,327. All these payments would easily be made before the end of April.

ORAL ANSWERS TO QUESTIONS

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, at this point in time I would like to inform this Senate that the Government will be answering all questions today.

Lake Asphalt Company (NGOs Receiving Funding from)

31.Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

Could the Minister tell the Senate the names and addresses of the Non-Governmental Organisations which received funding or financial assistance from Lake Asphalt Company during the period October 1st 2015 to November 30 2015?

The Minister of Energy and Energy Industries (Sen. The Hon. Nicole Olivierre): Thank you, Madam President. During the period October 01, 2015 to November 30, 2015, Lake Asphalt of Trinidad and Tobago (1978) Limited made

donations to the following non-governmental organizations: Venture Credit Union of 32 Southern Main Road, Couva;

The Inner Circle of Jesus Christ of Robertson Street, San Fernando;

Simple Connection of 12¼ mm Cumuto Main Road, Coryal;

Point Fortin Sports Training of Point Fortin;

South-West Improvement Committee, Bungalow 114, Crest Camp, Fyzabad;

The Brother Jerome Foundation, 32—34 Coffee Street, San Fernando;

South-West Improvement Organisation, Bungalow 114, Crest Camp, Fyzabad;

Unlimited Praise Agency, No. 13 Belle Vue Street, Ste Madeline Village;

Bird Land Sports and Cultural, Light Pole 28, New Lands, La Brea;

Ikey Waldron, 32 Lotus Drive, Thompson Gardens, Palmyra; and

South West Improvement Organisation, Bungalow 114, Crest Camp, Fyzabad.

Thank you.

**La Brea Industrial Development Company Limited
(NGOs Receiving Funding from)**

32.Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

Could the Minister tell the Senate the names and addresses of the Non-Governmental Organisations which received funding or financial assistance from the La Brea Industrial Development Company Limited (LABIDCO) during the period October 1st to November 30, 2015?

The Minister of Energy and Energy Industries (Hon. Nicole Olivierre):
Thank you, Madam President, no donations were granted by LABIDCO to non-governmental organizations in the period October 01 to November 30, 2015.

**Trinidad Generation Unlimited
(NGOs Receiving Funding from)**

33 Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

Could the Minister provide the Senate with the names and addresses of the Non-Governmental Organisations which received funding or financial assistance from the Trinidad Generation Unlimited during the period October 1st to November 30, 2015?

The Minister of Energy and Energy Industries (Hon. Nicole Olivierre): There were no donations by Trinidad Generation Unlimited in November 2015. In the month of October 2015, TGU made the following donations to:

St. Augustine Anglican Church of New Jersey, La Brea;
 The La Brea Community Council of Point D'or, La Brea;
 Holy Name Convent Secondary School of Cap-de-Ville, Point Fortin;
 La Brea Youth Club, Point D'or, La Brea;
 Vessigny Secondary School, Vessigny, La Brea;
 Friends of the Point Fortin Public Library, 2 Cap-de-Ville Main Road, Point Fortin;
 Seven Fitness Challenge of 78 Warden Road, Point Fortin;
 St. Michael's Spiritual Baptist Church, No. 8 Pier Road, La Brea;
 Lawrencina Mota's Early Childhood Centre, 71 High Street, New Village, Point Fortin;
 The Outreach Underprivileged Children in the Community, 12 Pouchet Street, San Fernando;
 La Brea Black Gold Seniors of Point D'or, La Brea; and
 The Anglican Church, New Jersey, La Brea.
 Thank you.

**Reduction/Removal of VAT
(Books/Computers)**

48.Sen. Khadijah Ameen asked the hon. Minister of Finance:

Does the Government have any plans to reduce or remove VAT on books and/or on computers (such as personal computers, laptops, iPads, tablets, and parts and accessories) or educational software?

The Minister of Finance (Hon. Colm Imbert): No.

**Free Wi-Fi
(Availability of)**

49.Sen. Khadijah Ameen asked the hon. Minister of Public Administration:

Can the Minister inform the Senate when free Wi-Fi will be available to the nation, as promised during the debate on the Appropriation (Financial Year 2016) Bill, 2015?

The Minister of Public Administration (Hon. Maxie Cuffie): Madam President, as promised during debate on the Appropriation Bill last year, a high priority of the Government is the deployment of free public Wi-Fi in popular areas. The Ministry of Public Administration and Communications is working in close collaboration with the Telecommunications Authority of Trinidad and Tobago, the National Information and Communications Technology Company Limited, iGovTT and other stakeholders on this important initiative.

We expect to deliver the first pilot phase of the Wi-Fi initiative no later than the end of July 2016. Among the benefits to citizens and businesses will be increased access to Government information and services.

Thank you.

Sen. Ameen: Supplemental. Can the Minister indicate which geographical areas in the country they intend to pilot or have the first set of Wi-Fi available?

Hon. M. Cuffie: Madam President, the intention is that the initiative will target the areas that are not presently served by the established providers.

Sen. Ameen: Villages?

Hon. M. Cuffie: I do not want to give the names yet because we are still working on it.

School Dietary Programme (Impact of Reduction in)

50.Sen. Khadijah Ameen asked the hon. Minister of Education:

Can the Minister indicate how the cut in budget allocation for the School Dietary Programme will impact on the quality and quantity of meals provided to children in the nation's schools?

The Minister of Education (Hon. Anthony Garcia): Madam President, the cut in budgetary allocation for the School Dietary Programme is not expected to impact on the number of meals required by schools nor the quality of the meals provided.

The National Schools Dietary Services Limited, NSDSL, has adopted a number of measures early in this fiscal period to improve the efficiency of the School Nutrition Programme to ensure that both the quality and the number of meals required by schools are maintained. These measures include, one, a reduction of wastage by ensuring that adjustments to the number of meals provided to schools are made in a timely manner, thereby ensuring that supply matches the number of meals required. Wastage in some schools was as high as 40 per cent. Two, working

with schools to reduce meals on days when it is anticipated that student attendance will be low. For example, during the week of Carnival attendance drops to less than 50 per cent and it will also drop in May and June when Forms 5 and 6 students are writing CSEC and CAPE examinations. Students doing these exams only attend school on the days that they have their examinations; three, reduction of spending on all line items.

In terms of the quality of meals, standards have been set and are being monitored by NSDSL to ensure that each meal, whether breakfast or lunch, meets the prescribed recommendation quality and dietary allowance.

Madam President, the above measures by the National Schools Dietary Services Limited are therefore expected to offset the projected reduction of \$15million in 2016 and facilitate the provision of quality meals, approximately 59,000 breakfasts and 91,000 lunches to deserving children on a daily basis in over 800schools throughout Trinidad.

Thank you.

Sen. Ameen: A follow-up question. Can the Minister indicate to us what are some of the schools that had this wastage when you speak of up to 40 per cent wastage?

Hon. A. Garcia: Madam President, at this time I am sure everyone would be aware that it is most difficult to name those schools right now. Perhaps if the hon. Senator wants we could supply a list of those schools subsequently.

Sen. Ameen: Yes, Madam President, I would like if he could provide the information.

FINANCE (VARIATION OF APPROPRIATION) (FINANCIAL YEAR 2016) BILL, 2016

The Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. The matter before the House today is an Act to vary the appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2016) Act, 2015. Madam President, the Bill has five clauses and the Schedule.

The essential matters are contained in the Schedule. If one goes to the Schedule, one would see that certain Heads of expenditure have been increased and certain Heads of expenditure have been reduced.

If I can just quickly go through: the allocation to the Parliament has been increased by \$16 million, to provide for the continuation of funding of constituency offices, for the payment of salaries to staff at these offices and also

for repairs and other expenses associated with the 41 constituency offices. That is Head 05.

Head 13, the sum of \$122,661,129, has been transferred to the Office of the Prime Minister ostensibly from the Ministry of Social Development and Family Services. This is to make provision for the realignment of portfolios whereby the responsibility for child services and gender affairs was moved from the Ministry of Social Development to the Office of the Prime Minister.

National Security has been increased by a small amount of \$40,000 to deal with an obligation to an organization.

The Ministry of Labour and Small Enterprise Development has been increased by \$374 million, and that is to cater for the transfer of the On-the-Job-Training Programme from the Ministry of Education to the Ministry of Labour and Small Enterprise Development.

The Ministry of Community Development, Culture and the Arts has been increased by \$7.5 million as a result of additional responsibilities.

The Ministry of Planning and Development has been increased by \$39 million, and that is essentially the transfer of the portfolio responsibility for the Institute of Marine Affairs from the Ministry of Education to the Ministry of Planning and Development. As a result, the Ministry of Education has been reduced by \$413,233,000, which is to account for the fact that they are no longer responsible for the On-the-Job-Training Programme or the Institute of Marine Affairs.

The Ministry of Health has been reduced by \$6 million because the responsibility for HIV/AIDS has now been shifted to the Office of the Prime Minister, which is catered for in the \$122 million that is being increased in the OPM's allocation.

The Ministry of Housing and Urban Development has been reduced by \$16 million, because there was double counting with respect to a loan payment which has provided the allocation to be transferred to the Parliament. So there is a straight transfer of \$16 million from Housing to the Parliament to cater for the increased cost of running constituency offices.

The Ministry of Sport and Youth Affairs has been reduced, again because there are certain matters that were handled by Sport which are now the responsibility of the Office of the Prime Minister. The Ministry of Social Development and Family

Services has been reduced by \$114 million, because as I said gender affairs and child services have moved to the Office of the Prime Minister.

Madam President, all of these are routine. They are simply portfolio realignments that took place either in September or December 2015, based on various *Gazette* publications. The only one that is not routine is the Office of the Parliament where it has become necessary to supplement the Parliament's appropriation by \$16 million to allow for the maintenance of the staff and the facilities of constituency offices, to the end of fiscal 2016.

However, having said all of that, as I indicated in the other place, it is all very well to speak about the movement of expenditure, but to speak about the movement of expenditure without looking at the revenue situation would mean that I would be speaking in a vacuum, and that Members opposite would not understand the situation that we are in. As for example, we are transferring the entire original allocation of \$374 million for the On-the-Job-Training Programme from education to labour, but we may not spend the entire \$374 million by the end of the year. In fact, all of these amounts are simply a movement of the original appropriation.

What we have done this year, which is typical, what most governments have done in the past, I dare say all of them, is that rather than re-budget—for example, when the former Government was faced with the beginning of the slide in oil prices, and the former Prime Minister had indicated that they needed to cut expenditure by about \$7 billion, there was no re-budget, there was no new budget. There was simply an announcement that this would take place and it is then managed by the Ministry of Finance in terms of conserving expenditure. So we are not doing a re-budget per se, we are simply today looking at the transfer of the original amounts, but it is a fact that there will be a reduction in the expenditure. So that all of these amounts may not be fully consumed by the end of the fiscal year.

What we have done to deal with that situation is we have managed to curtail expenditure, we plan to curtail expenditure by approximately \$4 billion in this fiscal year. So that our original target for expenditure in fiscal 2016 was \$63 billion; we are now targeting \$59 billion. If you do the maths, that is approximately 7 per cent of the original budgetary allocation, the reduction. Four billion is a little less than 7 per cent of the original budgetary allocation of \$63 billion.

Madam President, while having cut expenditure to \$59 billion, for the first six

months of the year so far we have been faced with a revenue shortfall of approximately \$3billion and we predict that by the end of the year we will be facing a revenue shortfall somewhere in the vicinity of \$67 billion. So that coupled with the reduction in expenditure from \$63 billion to \$59 billion, we are going to have to increase our planned borrowing or our planned funding from the Heritage and Stabilisation Fund for this year 2016. Let me explain how this works.

There is a concept called “above the line” and “below the line”. It is a difficult concept to grasp in accounting terms, but current revenue, which is tax revenue, is placed above the line in the accounting sheet and borrowing is placed below the line. The money in the Heritage and Stabilisation Fund which is revenue that has already been earned, would be placed below the line. Therefore what we can do is replace borrowing with funding from the Heritage and Stabilisation Fund.

So let us say, for example, if we were to utilize US \$500million of the Heritage and Stabilisation Fund in this fiscal year, to deal with the gap between current revenue and total expenditure, that would replace \$3 billion more or less in borrowing. So we will not have to borrow that money. We would simply access it from the Heritage and Stabilisation Fund. Alternatively, we can borrow the money. So there are options available to the Government, but at the end of the day, after all of the taxation measures that were announced—or the revenue—let us call it “revenue collection measures” that were announced in the October 2015 Budget and the revenue collection measures announced last week in the other place, we are still facing a \$15billion gap between current revenue and total expenditure. So we are looking at current revenue somewhere in the vicinity of about \$44 billion and total expenditure of \$59 billion.

We will finance this \$15 billion-gap, as I said, by a combination of borrowing and possibly drawdowns from the Heritage and Stabilisation Fund. We will just have to monitor that as we go along and see whether we can manage by way of borrowing, or whether we need to access some money from the Heritage and Stabilisation Fund and capital receipts. We have already received some money from Trinidad Generation Unlimited, TGU. We have already received in this fiscal year approximately US \$300million and we expect to get another US \$250million, more or less from TGU.

We have already accessed \$1.5 billion from the Phoenix Park IPO, and we also expect to get some funding from the disposal of assets now belonging to Colonial Life, which is being used to recover some of the money that was paid by the Government to deal with the Clico bailout. That quantum is now estimated to be in

excess of \$20 billion. I am hopeful that within the next month or two I will have a very accurate figure but at this time I am satisfied that the amount is somewhere in the vicinity of \$20-plus billion. So far \$7 billion has been recovered by way of the sale of the first set of methanol shares, and I might say something about that.

There was an error made in the past by the former administration, when they violated the shareholders' agreement with respect to the sale of those particular methanol shares, and they attempted to sell those shares to a third party. But the shareholders' agreement requires, in this particular case, that if you are going to dispose of your shares, you first have to offer them to the other shareholder. The other shareholder took the matter to arbitration, the Government contested the arbitration and lost—this is the former Government—and as a result the Government was ordered to sell its shares to the other shareholder in the methanol companies, the methanol group. The outcome of that error was a loss in capital value of somewhere around \$2 billion, because the shares had been valued at \$9 billion, but the country only received \$7 billion. Because of the mistake made in attempting to sell the shares to a third party, the arbitrator not only ordered the Government to sell them to the other shareholder, but also valued the shares.

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10.30 a.m.

So that whereas the shares had been valued previously at \$9 billion, the other party was able to convince the arbitrator that the shares should be sold at \$7 billion, they should be undervalued because there was a problem with the availability of the supply of natural gas. So because there was curtailment in the supply of natural gas, the other party was able to convince the arbitrator that the shares should be reduced in value, and the arbitrator so ordered. So we got \$7 billion for those shares.

Now if it had been done in the proper manner, there would not have been this forced sale of those shares and we might well have got \$8 billion or \$9 billion out of it because there would have been no arbitrator and no confrontational adversarial approach by the other shareholder to this matter. But be that as it may, that has happened. So we got \$7 billion instead of \$9 billion, but that is history, and now we are moving on to see whether we can recover other moneys from the assets held by Clico. Clico has shares in another methanol company located in

Oman, and these shares are valued at somewhere in the vicinity of \$2 billion.

There is some difference of opinion on what the value is, but, again, my advice is that that is a similar situation where you have to offer the shares to the other shareholder, the third party, at the market valuation. You have to commission a valuation and then offer the shares to the third party at the market valuation and they have 30 days to accept or reject, and then you can go out on the market and see if you can get a better price from another person. But, we are in the process of resolving this issue, the disposal of the second set of methanol shares owned by Colonial Life which we expect will bring us at least \$2 billion. Then you have the sale of the traditional portfolio of Colonial Life, which has been offered to a number of insurance companies and other entities. I believe at least 17 of them registered locally in Trinidad and Tobago, and then there are other assets associated with Colonial Life.

So we expect to realize another billion out of that. So this is how we are going to close that \$15 billion gap. We have already received some revenue from asset sales and one-off extraordinary items of income, and then we are continuing with the orderly disposal of some of the assets owned by Colonial Life in accordance with a procedure that has been established by the Central Bank, which is the entity that took over the insurance company under section 44 of the Insurance Act when the Central Bank took control of Colonial Life and there is now a plan to deal with the resolution of that matter.

So that is how we are for this year: current revenue of \$44 billion, and we will have to make up the shortfall of \$15 billion using a combination of capital revenue and borrowings, and/or some money out of the Heritage and Stabilisation Fund. Next year, there are still assets and we will also be receiving dividends from the National Gas Company. Dividends are considerably reduced in the past with reasonably high gas prices in foreign markets such as Japan and other areas in the Far East.

In Europe, in Central and South America, the National Gas Company was able to realize prices for its cargoes in excess of \$10 per MMBtu. At some times, the prices were as high as \$20 per MMBtu, but because natural gas prices follow oil prices, there is a delay, but they follow them because it is a hydrocarbon, it is a fossil fuel. So it is just an alternative form of energy. People have a choice between using fuel oil, diesel and natural gas. They have options available to them. Power producers and other people who use fossil fuels, they have options.

So as the price of oil drops, consumers can exercise their option to switch between natural gas as their fuel, and oil, or other petroleum products. So that what you find is that there is not an immediate fall-off in the price of natural gas, but eventually the price of natural gas begins to drop in the same way that oil has dropped. I am advised that whereas in the past, in Central America and other places, we were getting \$12, \$11 per MMBtu for our natural gas, we are now down to \$6 and \$5 and so on. So that the income from natural gas is considerably reduced, and as a result the income received by the National Gas Company is considerably reduced. Whereas in the good times NGC might earn \$5 billion, \$6 billion, a year in profits, their profits for this year, I am told, will be less than \$3 billion.

So whereas in the past, Governments were able to take \$5 billion or \$6 billion per year—well not Governments, the former Government. I do not think any Government before that did anything like that. In fact, it is not a question of thinking, I know that in the past the dividends taken from the National Gas Company were of the order of \$1 billion, sometimes \$1.5 billion in extreme cases. But the former Government established a precedent whereby they took \$5 billion and \$6 billion a year out of NGC, and they could do it because that was somewhere in the vicinity of the profits that NGC was making. Even though it was not prudent to do it, they had the ability to do it. So they seized the ability and took the money. In fact, they took about \$13 billion or \$14 billion out of NGC over a three- or four-year period.

The country can no longer do this because NGC is no longer earning that amount of money and that NGC's cash reserves are severely depleted having lost \$13 billion or \$14 billion of reserves over the last five years, but we still can get some dividends from the NGC and we expect that next year, again, we will be able to get some dividends from the NGC.

We will be able to continue to get some income from the disposal of the assets of Colonial Life, but after next year one would assume that our revenue will be in the \$45/\$46 billion range because a lot of the fiscal measures will begin to kick in next year rather than this year because there is a delay between the commencement of a revenue collection measure and the actual income.

We expect by next year our enhanced revenue collection measures will start to kick in and we may get \$46 billion in revenue next year, despite the fact that oil may remain at \$40 or \$45. But after that—that is 2017 I am talking about—in 2018, unless we either reduce the national expenditure, or we manage to find other

revenue streams, there is going to be problem in this country and people need to understand that, that either we reduce the national expenditure, or we increase revenue somehow. People need to understand the size—what I have realized is that it is a kind of a—people were kind of shell-shocked and this is not just in the private sector, it is in the public sector as well. They are not accustomed to this sort of thing. They are not accustomed to a situation where your expenditure is 15 to \$20 billion more than your revenue. They are just not accustomed to it.

In fact, I remember in 2007, or 2008, when gas was \$13 per MMBtu, Henry Hub. We are not talking Japan now. We are talking about North America, Henry Hub, \$13 per MMBtu; I remember in that particular year, it was either 2007, or 2006, or 2008—it is in that era—that the Government had a surplus. In a way since 2009 we have had deficits, but believe it or not there was a \$12 billion surplus in that particular year and that was because of the astronomical prices being earned for natural gas in particular. So when you had a Henry Hub price of \$13—I mean the country was making billions and billions of dollar from the Atlantic LNG plant, from the petrochemical companies because petrochemical products, their prices follow the price of natural gas, and the profits—the way these things are done—that are derived or that accrue to the Government, the money that accrues to the Government, is based on the price of the end product. So as the price of the end production of methanol, urea, ammonia goes up, the price of natural gas goes up, that is the price that they pay for natural gas from Trinidad and Tobago, and the income to the country goes up.

So you had a situation where petrochemical prices were very high, natural gas price very high, oil price very high. In those days it was \$145. So we had a situation where actually we had a huge budget surplus. We could not spend the money. In fact, the economy was overheating. That was one of the complaints back in the 2007 period, that the Government was spending too much. The economy was overheating, there was tremendous inflation, inflation had crossed 10 per cent, and that we just could not spend the amount of money available at the time. Now, it is the exact opposite. You move from a situation where you had a surplus of \$12 billion now to an unfinanced gap of \$15 billion, but the population has not yet become accustomed to this. They are not accustomed to it. It is a shock.

Even in the public service the cash balances in the Central Bank only went into overdraft in 2013 for the first time ever in the history of Trinidad and Tobago, except perhaps way back in 1972, or something like that, just before you had the Yom Kippur War in 1973 and then the price of oil just skyrocketed in 1973. Back

in 1971—I have not gone that far back—there may have been a situation where the cash balances were in overdraft, but in the modern era the cash balances only went into overdraft in 2013. So you had a situation where public servants would be releasing funds, assuming that the full overdraft of \$9 billion was available, because the way the overdraft is organized it is used to make temporary advances in months where you may not expect to get a lot of revenue.

So a lot of the companies give you your major income in taxation at the end of each quarter. So you get money in March, you get it in June, you get it in September, you get it in December, but you have months in between like April, May, August and so on. These are lean months, so you are not getting the kind of revenue that you would get at the end of the quarter, and the purpose of the Government overdraft was to deal with those months where you do not have the cash flow. So you take a temporary advance from the Central Bank and then you retire that advance, you repay it and you bring your overdraft back to zero.

In fact, until 2013, the overdraft was billions of dollars in credit. My memory tells me that in 2010, we had \$6 billion in credit in terms of the cash balances at the Central Bank and it was more than that previously. In 2009, 2008 and so on, it was even higher than that. It might have been \$11 billion, \$12 billion in credit in the Central Bank. We have now moved to a situation where I have to get a daily report on the cash balances every single day. That is where we reach. For the whole of 2015, I am told from January we were running with the overdraft right up close to the \$9 billion limit; running just over \$8 billion in overdraft and let me explain this overdraft.

It is a statutory provision where, by law, the Government is allowed to access 15 per cent of the total revenue—this is both current and capital revenue—for the year. So the total revenue, excluding borrowing, for this year was estimated at \$60 billion initially, and therefore, you take the 15 per cent, multiply it by the \$6 billion, you get an overdraft facility available to the Government of \$9 billion; and that was also available to the Government in 2015 because the revenue again was estimated to be in that area of \$60 billion. But for the whole of 2015, from January coming up, the overdraft was up in the \$7 billion, \$8 billion situation, coming right down to September when you had the change of Government, and the public servants are not yet accustomed. I think they are accustomed now. I was told in the last three months they are now beginning to check it as well on a daily basis. So they would release funds based on the appropriation.

So you have an appropriation of \$63 billion and each Ministry and Department

will get an allocation under a particular Head. Let us use the OJT one that we are looking at today of \$374,000,000.

So that, in the past, the public servants would just release funds in accordance with the appropriation, they would not look at the cash balance but now they have to, every single day.

10.45 a.m.

In fact, I had a discussion last night with my officers in the Ministry about a particular allocation that—a very large sum of about \$600 million—we now have to do it in tranches, whereas in the past, you would just allocate \$600 million. This is Tobago by the way. Whereas in the past, Tobago usually gets its money on a quarterly basis and they would get about \$600 million, \$700 million a quarter. You now have to give them on a monthly basis. It is as bad as that because the cash balance is right up on the limit. And in fact, I had to tell my officer, just call them and explain to them what is going on because the whole country still has to get sensitized to what is happening in Trinidad and Tobago. And it is because of things like this that we have to look at ways and means of raising revenue or saving money. It is either you raise revenue or you save money. And this is why we have chosen to look at removing the fuel subsidy.

Now the fuel subsidy, for this year at the original budget estimate for oil of \$45 with some arrears coming forward from last year, was somewhere in the vicinity of \$1.7 billion. Now that is down from a high of \$6 billion in the good times. When oil was \$100, \$110, the subsidy on fuel was \$6 billion. I think it is necessary to explain how this subsidy works. What happens is, we import expensive oil from other countries because our refinery is designed to refine about 150,000 barrels—Sen. Khan?—but we only produce about 72,000 barrels of oil in Trinidad and Tobago. So in order to make up the other 70,000, we import oil. So Trinidad and Tobago imports expensive oil, refines it in an expensive refinery which itself has cost this country a lot of money over the last 10, 15 years to upgrade and then sells it at a loss to the consumer. That is how the fuel subsidy works. So you import expensive oil, you expense yourself refining it and then you sell it back to the Trinidad and Tobago population at a loss. That is what we have been doing.

Now, it is a decision made by all previous Governments that this is how you can deal with surplus revenues because in order to do that, you have to have surplus revenues. You can only subsidize something if you have money to get from somewhere to subsidize it. But we are now in a situation where we just do not

have. We have a \$15 billion gap instead of a \$12 billion surplus. So that we have taken a decision that we need to start phasing out the fuel subsidy otherwise the money that we spend on the fuel subsidy, we will have to take that money from somewhere else. So you will have to take it from health, you will have to take it from education and spend it on the fuel subsidy.

So these are choices that, as a country, we need to make. We need to understand them. It is very easy to talk about the increase in the price of fuel, you know. You could make noise about that. I am talking about hon. Members on the front bench now. But I would like hon. Members on the front bench to tell me, well, what would you do? If you were faced with a \$15 billion gap between revenue and expenditure, what would you do? What would you cut? Would you cut education? Would you cut health?

Hon. Senator: Cut rapid rail.

Hon. C. Imbert: Well, we cut that. Would you increase electricity rates? Would you increase water rates? Would you close down URP? Would you stop CEPEP? Would you eliminate GATE? Because these are all the options available to the country. “We missing \$15 billion, what we gonna do? We gonna borrow the whole \$15 billion?” We could do that and then send our debt service ratio sky high, affect our credit rating, increase the interest rate at which the Government has to borrow. Maybe even reduce our credit rating to junk bond status, we could do that. Other countries do that you know. There are countries in the world that have decided, all right, the way they will deal with their financing gap is “they go borrow” and send their debt to GDP ratio somewhere up to 150 per cent.

I mean there are islands in the Caribbean like this, you know, that have—Jamaica is a case in point, St. Kitts and so on, Grenada. Their debt to GDP ratio is upwards of 100 per cent; we could do that. And then, as I said, it will send our credit rating down to junk bond status and then when we go to borrow, instead of paying 4 per cent and 5 per cent and 3 per cent which is what the Government pays now to access loan financing, we will be paying 13 per cent and 15 per cent and so on. We could do that. That is what Greece did. Greece did that and then look what happened to Greece.

So that is an option available to us which this Government will not exercise. We will not exercise that option and engage in indiscriminate borrowing. We will be very prudent with our debt management. We could let electricity rates rise to an unsubsidized level. We could do that and electricity rates will probably double, I

would think. I think electricity rates in Trinidad and Tobago are the lowest in the Caribbean. That is my understanding because they are heavily subsidized.

One of the transfers and subsidies that the country makes and I want to emphasize it, is the country because a budget comes here, everything is in front of you and transfers and subsidies total 50 per cent of the national budget. I do not think people understand that. So you are talking about the expenditure on CEPEP, GATE, URP, transfers to T&TEC, transfers to WASA. All of these things cost this country somewhere in the vicinity of \$25 billion to \$30 billion a year. Fifty per cent of the fuel subsidy and so on. Fifty per cent of national expenditure is on transfers and subsidies.

So that again, we could take a decision, all right, we will stop all of that. No more transfers, no more subsidies, stop GATE, stop URP, stop CEPEP. Let electricity go to where it should be. Let water go to where it should be. Let the bus fares for the PTSC go up to the economic level. Let the rates on the fast ferry to Tobago go to the economic level, but we are not going to do that. We are not going to do that because a Government has to make decisions on how it utilizes its income for the public good.

So that is why when you are managing a very difficult situation like this, you have to have mixture of difficult economic measures and fiscal prudence in terms of borrowing, in terms of how you target your expenditure and so on, and this is why we have decided that it is better to reduce the fuel subsidy and take the money from that saving and use it to target things such as bus transportation, we are putting more buses on the road, reducing taxes on public transport vehicles like maxi-taxis and taxis which is going to be a loss of income. But we could take the money saved from the fuel subsidy and subsidize the cost of public transport vehicles and put more buses on the road and continue to ensure that bus fares are kept at a very low level and an economic level. These are decisions that we as a country has to make and this is a decision which this Government is taking, that it is better to take the money that is applied to the fuel subsidy and apply it towards public transportation.

There is another argument for that, in that when you look at who really benefits from the fuel subsidy, it is the upper income groups. There have been numerous studies on this, numerous, and the figures that I have seen is that upper income families benefit in excess of \$2,000 a month from the fuel subsidy because they have bigger cars, they have more cars, they consume more fuel, they drive more, and lower income families may benefit maybe \$500 to \$700 a month. However,

that \$500 to \$700 a month is a much larger percentage of the low income group than the \$2,000 or \$2,500 is of the upper income group. But why should we subsidize upper income families to the tune of \$2,500 a month when people at the lower level only getting a subsidy of \$500. So it is better to take that \$2,500 and apply it to the people at the lower level by putting more buses on the road, reducing the cost of public transportation vehicles and so on.

I heard Senator speak there about rapid rail. We made a commitment during the general election campaign that we would examine the proposed mass transit solution with the assistance of the Inter-American Development Bank using technical advice and technical support. An expert supplied by the Inter-American Development Bank because they have expertise in this area; they came into the country very soon after the general election in October, November. They met with the Government and they conducted a number of studies and they presented us with their report just at the end of February, and they have advised us that in the current economic climate, the project is just too expensive. It is a nice thing. It is a wonderful thing to be able to provide fast, efficient, comfortable railway transportation to your population. It is a wonderful thing and we would love to do it, you know, if the price of oil was \$100, \$150, of course, we could do it. Because the surplus in 2007, in that one year alone, would have paid for the railway system. So you could have taken all the surplus in that year and done a railway project. But in the current economic climate, it is just too expensive and we just decided that we have to defer this project at this point in time. We cannot do it; it does not make any sense; we do not have the money.

And therefore, what do you do? Because if you are going to no longer pursue the railway option, what is the alternative? So you have to now use the roads to solve the problem. So you have to put more buses on the roads, you have to expand the road network, you have to increase the capacity of the road network; you have to remove the bottlenecks which is try—well not try, remove the signalized intersections, remove traffic lights, increase roadways to three lanes. For example, the south highway, it is three lanes down to—I never get—it is not Chaguanas, it is before the Divali Nagar. I never get that location correct. It is where the curry manufacturers are along the highway.

Hon. Senators: Charlieville.

Hon. C. Imbert: Charlieville, thank you very much. It is where the COP has their operation centre and you know they actually have the word Charlieville below it but I never get that location right. It is before the Divali Nagar where you

have three lanes coming down and then you go into two and then you have two lanes all the way down to San Fernando and similarly, when you are coming from San Fernando, it is two lanes until you hit Charlieville. So obviously, a solution for the north-south route will be to continue the three lanes both sides all the way to San Fernando.

Madam President: Minister, you have five more minutes.

Hon. C. Imbert: Thank you very much, I am almost finished. That would increase the road capacity.

Then, we are going to invite tenders for the Curepe interchange. We are going to continue with the construction of interchanges all the way up the East-West Corridor at Trincity, at Piarco, at Macoya and so on, and then we are going to focus on bypass roads in the Chaguanas area, for example; very congested area. In Tobago around Scarborough, very congested and so on. Sangre Grande, we will have a bypass road for there. I cannot give you all the locations but the thing now is to expand the road network and to put more buses on the road.

Finally, Madam President, one of the other measures that we have decided to implement is tax on online purchases from online retail stores, and I deliberately announced it in April and announced an implementation date in September because this is a very complex issue. So we have given ourselves five months to resolve all of the issues like how would you collect the tax. There are many different ways. If, for example, you looked at your airline ticket, you would see that there is a tax on airline tickets but most people do not see that. The tax is collected by the airlines and remitted to the Government. So there are ways of doing it. Let the banks collect it, let the credit card companies collect it and remit it to the Government. We have to look at exemptions like medical supplies. We have to look at a threshold and so on for this tax, so we have given ourselves five months to work this out.

And we also felt that if we are going to promote renewable energy, we should kick-start the shift in the population's thinking by exempting vehicles using alternative energy sources from all taxes, not just customs duty, not just VAT, not just motor vehicle tax but all of them. So CNG vehicles, hybrid vehicles, electric vehicles, will now be exempt from all taxes and this is to promote a shift away from vehicles running on fossil fuels towards vehicles running on alternative energy. And we are going to push very hard into the renewable energy system to try to move our population towards using solar energy, towards using wind energy

and so on. And we also felt, to spread the burden of adjustment across the board, that it was necessary to impose high taxes on what we call luxury vehicles which are vehicles exceeding a cubic capacity of 1999cc.

11.00 a.m.

And let me say that there are other types of luxury vehicles, like vehicles that are turbocharged, that may have a cubic capacity of 1999cc. We decided not to deal with that now because we needed to work out an appropriate horsepower, in terms of a turbocharged vehicle, but that is coming too. I want to let hon. Members know. I see a Senator laughing because I know that Trinidadians are very clever, so when they saw the 1999cc, they say all right I would get a turbocharged car at 1.8.

Sen. Gopee-Scoon: I thought of it too.

Hon. C. Imbert: Yes. [*Laughter*] Well, guess again. That will come in the next budget. So, Madam President, I trust I have explained the Government's approach to dealing with our financial challenges and, as I have said, the matters in the Bill are very routine and very normal; transfers of funding dealing with a realignment of portfolios.

I beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Thank you very much. Madam President, no one can argue that Trinidad and Tobago is in a very difficult place and that we require to take certain measures and certain actions in an effort to stabilize, renew, revive and to take the economy forward.

I will deal with what I consider to be some distortions, issued from the lips of the Minister, a little later on in my contribution. What I want to say from the outset is that maybe the Minister required a little more time, as he had in the other place, to give us a perspective. But what he offered here this morning lacked vision, lacks direction and there is an absence of an economic strategy, Madam President, in this presentation, as it relates to how are we going to take Trinidad and Tobago through some well-defined roadmap to address these various challenges in the short, medium and long term.

Of course, the Minister in his opening talked about the matter of the variation of appropriation and said that he required a little more discussion to tell us, to inform us, that without revenues these expenditures are not going to mean anything to

anybody.

And whilst he did provide us with some revenue-raising measures late in the presentation, we did not get from the hon. Minister a sense of the revenues that would be derived from the various measures announced. For example, the subsidy reduction of some 15 per cent on both super and diesel, we did not get a sense from the Minister exactly what amount of revenues would be realized by the Government as a result of this particular measure, and how this ties into this transfer of almost \$600 million.

But I want to advise you, Madam President, that it was Thomas Jefferson, I think he was the third President of the United States, who said that the care of human life and happiness, and not their destruction, is the first and only object of good government.

The reality is that this Government, after six months, going into seven, seems to have set the stage to destroy the lives of ordinary people in this country by the measures that they have taken in the last seven months.

You know, under the Kamla Persad-Bissessar administration, it is said by some of the ordinary people that they went with a pocketful of money to the grocery and bought a basketful of goods. But today the very people are telling us that they have to go literally to the grocery with a basketful of money and they are taking home a pocketful of goods. This is what has happened under this administration. Rising food prices, Madam President, brought about by insensitive increases in fuel cost represent a destructive measure of the care for human life and happiness.

The Minister in his presentation failed to assimilate, or failed to provide a vision or details of meaningful policy measures aimed at boosting business investment demand in order to increase consumer spending and to jump-start the economy of this country.

What we have been experiencing is more increases in taxes during an economic downturn, and which is going to contribute to an overall reduction in aggregate demand and which we believe is going to worsen the economic scenario. I did not say so. You just only have to read the Central Bank's latest economic bulletin and they have forecast where this economy is heading under this administration. It is as if crapaud smoke the poor people's pipe in this country, given this administration's approach to development.

Madam President, what we are conscious of is that over the last six months this

administration has done little to promote employment. More jobs have been lost in this country than have been created by this administration. Productivity has been reduced, inflation has increased. Headline inflation, in particular, according to the Central Bank, now stands at 9.4 per cent. Over 10,000 workers have lost their jobs according to rough estimates issued in this country. And in fact, I think it was Prof. Karl Theodore who predicted that we could end up with close to 15 per cent unemployment during this recessionary period, Madam President.

So what do we have, Madam President, to stimulate the economy of T&T, given our current circumstances? What we have is a slew of regressive measures that have been imposed on the people by this regime that is going to result in people being able to purchase less and the Government being able to collect less, in terms of VAT as an example. In fact, the Minister, in a publication in a newspaper, indicated that there is already a major shortfall in VAT collections in this country; I think he said it amounted to some \$3 billion thus far.

So, Madam President, the economy of this country, under this administration, is heading for a major contraction. The Central Bank is predicting that we could expect a 2 per cent contraction in this economy at the end of 2016, if not more. The reserves of our country, which started at 10.3 in September, when the Government of the PNM took office, now stand at about 9.3. So over a billion dollars, more or less, close to a billion, have disappeared in that period under this administration. Yet still the Minister said everything is stable. It is almost the same amount that they inherited. You did not inherit \$9.3 billion. You inherited US \$10.3 billion. "So where the next billion gone", Madam President? He needs to explain to the country what has happened to this \$1 billion.

The Minister, when he came with his various revenue-raising measures, in terms of borrowing, he did indicate that he would be comfortable and the country would be comfortable with a debt to GDP of over 65 per cent. That is on the *Hansard* record.

Hon. Imbert: Over 65 per cent?

Sen. W. Mark: No, 65 per cent.

Hon. Imbert: Do not say "over".

Sen. W. Mark: You said 65 per cent. Now the Central Bank is saying that under his stewardship we could be close to 60 per cent of debt to GDP by the end of 2016, and maybe beyond.

Madam President, this Government should be looking at—we talk about expenditure reduction. When we were there we went from 63 to 59. They came to power, they went to \$63 billion and now they have reduced to 59 and that is why they have that gap. They have to go further and shave if they want to ensure that we do not end up in the hands of the International Monetary Fund that they are so concerned about us heading.

I want to ask the hon. Minister of Finance, with this increase in super gasoline I want you to tell this country—because you were very vociferous in 2012, when the then PP administration increased premium from \$4.00 to \$5.75 per litre and he accused the Government of breaking the law, and then later on he went on to say that market price should be lower because the price of oil was lower and people were being robbed at the pump. Madam President, I want him to explain to this country why the price of super gasoline, at a price of US \$40 per barrel of oil, is being sold at \$3.61?

Hon. Imbert: It is \$3.58.

Sen. W. Mark: \$3.58, Madam President. I am corrected.

11.15 a.m.

Why are you charging people \$3.58 at the pump when you yourself admitted that at a price of \$45 a barrel, unsubsidized, a litre of super gasoline should be \$3.61? The price of a barrel of oil is \$40 traded, yet still you are charging people at the pump, \$3.58 per litre. Why are you robbing the people at the pump? [*Desk thumping*] You must explain to the country why you are charging people that price.

And, Madam President, not only that. Premium! Premium gas is now \$5.75 per litre. Madam President, do you know what is going on right now? At \$40 per barrel of oil we have calculated—41 whatever. Madam President, at the price of \$40, \$41 at the pump, why are we charging \$5.75 when it ought to be at least about \$3.75? So you are robbing people almost \$2 at the pump. I want to get some clarification on this matter. Why is the Minister of Finance charging the ordinary people who use premium gasoline—[*Interruption*]

Hon. Imbert: Ordinary people?

Sen. W. Mark:—well rich people, poor people, middle-class people. Why are you charging rich people, middle-class people \$5.75 when it is supposed to be \$3.75? Two dollars difference. I want the Minister to explain that to the country. Why? Because you were the big advocate talking about illegality, talking about

people charging more than they ought to pay. Now you are in charge and you are doing the very said thing that you accused the previous administration of doing. [*Desk thumping*] What hypocrisy we have in the Minister of Finance, Madam President. And, Madam President, I would talk about this matter about the rich benefiting more than the poor on this fuel subsidy using his own examples to debunk the argument that he has been advancing to this country.

But, Madam President, before I go there, I want to let you know that this so-called mid-year review really shows up the Minister and his failures. On the one hand, what is being presented to us is that the 2016 budget presented one set of realities or gave one picture, and the economic reality reveals something else, so that is why he has come back here in the month of April to do what he calls a review of what he did.

But, you know, for six months he held no consultations with the trade unions—no consultations with the trade unions, no discussions with stakeholders—but he promised that he would hold consultations before the midterm review, but FITUN, JTUM and NATUC representing the organized working people of this country, had no inputs into the midterm review or the mid-year review. [*Desk thumping*] Why? Why did he not consult with these organizations to the point that they have to call for a deferral? And then you dismissed them and say, “Well, look, later for you, we cannot offer anything now, we have to move to increase the price of fuel quickly, and we do not want to discuss that with you”.

Madam President, we all have to acknowledge, even though they are afraid to say it, that the country is in a recession, and we are seeing all the signs of a recession: falling demand, rising unemployment, social displacement, declining growth. But to help us navigate these turbulent times the country needs experience, competent and capable Government, not what we have here today, a group of incompetent people that are consistently mismanaging the resources of our country. That is what we have here today. Madam President, this is what is required: experienced, competent and capable individuals, but this Government as you know is lacking in that department.

What is clear is that we must acknowledge that there are challenging times facing Trinidad and Tobago today. The Minister seems to be very short term in his focus, but in these times the country wants the Government to come up with a long-term, medium-term plan, a road map to take us forward, to give us comfort, to give us confidence. Business confidence is very low in the country. Consumer confidence is also low in this country.

I want to remind you, Madam President, that a budget is not an exercise in arithmetic. It is not only juggling the numbers and just seeking to balance the books. It is more than juggling with the numbers. The role of the Government or of any Government, Madam President, is to facilitate economic development. It is to promote a healthy and safe environment. It is to deliver, effectively and efficiently, public goods and services. The budget that we are reviewing is a tool of the Government expressed as a plan, which tells the nation how they are going to achieve objectives.

What are the objectives behind these various measures that the Minister announced to the country and to this Parliament recently? Is it merely to balance revenue with expenditure? Is that the objective or is there some other meaningful and relevant objectives such as economic growth, full employment or moving towards full employment, a safe environment, a higher standard of living, a reduction or a lowering in the cost of living? These certainly cannot be the objectives of the Minister of Finance because we are seeing all of these things in reverse gear in Trinidad and Tobago today.

Why, the people are asking, is the Minister of Finance punishing the poor? Why is the Minister of Finance punishing and attacking the vulnerable in this country? Why is the Minister of Finance seeking to come to this Parliament to give the impression that he is seeking to bring about an equitable adjustment of the process given the crisis that we are faced with? But where is the evidence? Where is the manifestation of this development in our country? Where is the Minister seeking to bring about an equitable adjustment in the burdens? What we are seeing is that the economic measures being promoted by the Government are designed to provide the rich with a safer haven and the poor and the vulnerable are exposed more and more by this Government.

Madam President, I want to indicate that the Minister of Finance, for example, indicates that the rich benefit disproportionately from the fuel subsidy. The Minister is quoted as saying that the average benefit of the subsidy to low income households could be in the region of \$500 per month, whilst the benefit to the upper income household exceeds \$2,000 per month. Madam President, assuming that the low-income household averages at \$5,000 per month in terms of income and the income of the rich individual that he speaks about is about \$40,000 a month. With the removal of the fuel subsidy, the cost of the low-income household is 10 per cent of his salary, whilst the cost to the higher income earner is about 5 per cent.

So, you know, sometimes you get the impression when the Minister is speaking he leaves out these very critical elements and goes on a frolic of his own in order to promote his own agenda [*Desk thumping*] to give the impression to the country that the reason why he is removing the subsidy is because it benefits the rich more than the poor. That is what he is about, Madam President. It is a very deceptive argument that he and his colleagues and so on are promoting to give the impression that the poor, you know, do not really benefit from this whole exercise. I think somebody reminded him recently of Engel's law, that the poor spends more than 50 per cent on food. [*Desk thumping*] You do not know about Engel's law! This is Engel's law at work again. Right?

So, what this Government under this administration has been doing since they came to power? They have been shifting the country from what is called a progressive system of taxation which is more direct and more equitable, and they have introduced a more regressive, indirect system of taxation in this country [*Desk thumping*] which is bleeding and brutalizing the poor, the vulnerable and the working people of this country, Madam President. That is what they have been doing.

They have allowed—the Minister is conscious of the fact and he has indicated to this country that there is a high degree of transfer mispricing in this country where companies, multinationals in the energy sector set up shell companies all over the world and robbing this country of tens of billions of dollars every year. Why do you not go after them? [*Desk thumping*] You must go after the energy companies that are robbing this country tens of billions of dollars every year because of transfer mispricing. Why are you coming to tax me? Why are you coming to tax the poor? Go where the people are robbing the country. Go after the rich and the powerful.

Madam President, I also understand that in terms of tax avoidance and tax evasion, Trinidad and Tobago may be losing close to \$10 billion every year because of tax avoidance and tax evasion. Rather than the Minister try to beef up the BIR, which is the Board of Inland Revenue, and the Customs and Excise Division and the VAT offices, which I understand, Madam President, they have half the complement of staff that they currently require. Half.

11.30a.m.

If you want to deal with raising revenue you beef up tax administration, [*Desk thumping*] restructure, reorganize BIR. You do not have to bring a revenue

authority there, restructure BIR. Bring the professionals on board and deal with these tax dodgers and tax evaders that are robbing our country, but you are coming at us. You are coming at the original people who have no choice because we are captives. We are easily captives, Madam President. So you have the multinational corporations, local conglomerates—part of it I understand—then you have corporations that are dodging us in terms of tax avoidance, tax evasion, transfer mispricing, amounting to tens of billions of dollars.

Go and look for the revenue where you are supposed to find it. [*Desk thumping*] That is what we are supposed to do, but the Minister of Finance is not dealing with that. What he is doing is crucifying the poor. He is crucifying the poor and the vulnerable, and the working people.

Madam President: Sen. Mark, can you address your remarks to me? And could you just be a little more moderate in your language?

Sen. W. Mark: Moderate you mean?

Madam President: Yes.

Sen. W. Mark: Madam President, let me tell you something—[*Interruption*]

Madam President: No, no, do not tell me—Sen. Mark, you and I are not having a conversation, please address me.

Sen. W. Mark: Okay, sorry, I apologize. No, I understand, I apologize.

Madam President: Yes.

Sen. W. Mark: Madam President, I want to tell you—[*Interruption*]

Madam President: Sen. Hadeed, your voice is now overpowering Sen. Mark's.

Sen. Hadeed: Sorry about that.

Sen. W. Mark: Madam President, I want to let you know that when I speak in this Parliament I speak—[*Interruption*]

Madam President: Have a seat. Sen. Ameen, do you have an issue with my asking Sen. Mark something?

Sen. Ameen: No.

Madam President: Thank you.

Sen. W. Mark: Madam President, when I speak in this honourable Parliament, this honourable Senate, I speak on behalf of over 350,000 ordinary people [*Desk*

thumping] and their families in this country, and, Madam President, I want to tell you that people are angry. People are angry, people are frustrated, and, I want to warn this Government, if they continue to go along the path that they are going, pressurizing the poor, hurting the poor, robbing the poor, there will be social instability and upheaval in this country. [*Desk thumping*]

Madam President, you cannot be taking advantage of poor people in the way that they have been doing it and expect to get away scot-free. You refused to consult the trade unions on measures that you are introducing that will oppress their workers, and then tell the workers, and so on, give you a chance because you have no time. But you have time to deal your business colleagues but do not have time for the ordinary people. The people are hurting, Madam President. They are crying. They are crying blood in this country, Madam President, [*Desk thumping*] and when they meet me they tell me about it. They tell me when I come to this Parliament tell the Minister of Finance that he is taking advantage of them, he is punishing them; go and look for the money where you are supposed to find it.

I tell you, Madam President, that the Minister is aware because he came here, I asked him questions; he came here and he gave a commitment that he is going to ensure that legislation is introduced in this Parliament to deal with transfer mispricing. He said that is a reality in our country. Madam President, why is he taking so long to bring legislation to deal with transfer mispricing? Why is he taking so long? Why has he not taken steps to beef up staff at BIR, VAT—that is the VAT offices, Madam President—and the Customs and Excise Department? You have to bring the staff complement up to a level to deal with the tax dodgers. So when you deal with the tax dodgers you would not bring the pressure on the poor and the ordinary vulnerable people as you are doing.

Madam President, we have discerned a trend under this administration. They have a bias and they have a focus on consumption, and they have a bias and a focus on labour. Labour and consumption seem to be their focus of attention for pressure in this country. I want the Government to start thinking of, as I said, Madam President, capital gains. There was an old Act that the English brought called the Succession and Estate Duties Act, which dealt with inheritances where people who inherit millions of dollars, they will be able to make a contribution to national development. That is no longer in existence. Why does the Government not deal with that?—deal with some kind of inheritance tax, deal with capital gains tax.

Companies are making billions of dollars, or millions, and hundreds of millions

of dollars in profits, what is their contribution? What is their contribution to the adjustment process, Madam President? But we are hearing that, for instance, everybody is playing—the Minister is doing his best to have an equitable distribution across the society as it relates to the burdens of adjustment. The burdens of adjustment are being weighed heavily on the shoulders of those least able [*Desk thumping*] to carry the burden. That is the point I am making, and you cannot continue that way, and you expect us to come here and support you. How can we support you?

Social justice is not achievable without fiscal justice. I want to repeat that: social justice is not possible, or achievable, Madam President, without fiscal justice. [*Desk thumping*] You cannot take advantage of the ordinary people through these backward, reactionary, right wing, conservative policies. That is the road that you are on. Where is the balance? My hon. colleague, the Minister of Labour and Small Enterprise Development, she is trying, but I want to tell the hon. Minister of Labour and Small Enterprise Development, she should move post-haste and bring to this Parliament an amendment to the Retrenchment and Severance Benefits Act and forget consultation. [*Desk thumping*] I would ask the Minister to meet with the Tripartite Committee, indicate this is important, and get the support, and bring this legislation to the Parliament. You will have the support of the PP and the UNC, and the COP on that measure. [*Desk thumping*]

So, Madam President, we are very, very disappointed with this midterm, or mid-year review. This mid-year review is designed to put more pressure on the ordinary people, on the poor, on the vulnerable, and on the middle class in particular. You want to impose a 7 per cent levy on online purchases, when the former Governor of the Central Bank told you who had been taking all the moneys out of the foreign exchange system, what did you do about it? [*Interruption*]

Sen. Hadeed: “Buss he throat.”

Sen. W. Mark: “Yuh buss he throat.”

Madam President, let me withdraw that, he did not “buss his throat”, he, in a very sophisticated way, dismissed him. But you know, Madam President, you are now coming to say, ordinary middle class people who are doing online shopping—because there are merchants in this country who are ripping off poor people. Something that you could pay \$10 for in the United States, they are charging you for it, \$150 for the same \$10. So people want choices, Madam President, but you now want to inflict a 7 per cent levy on this country.

Madam President, I want to ask the Minister of Trade and Industry, what is the Minister of Trade and Industry doing about the Current Account? I saw in the Central Bank bulletin where they are predicting, at the end of fiscal 2016, there is going to be a minus 2.5 on our Current Account. It means that we are importing more than we are exporting. What is the Minister of Trade and Industry doing in terms of our trade policies to get more goods out there so we can earn more foreign exchange? What is the hon. Minister doing? I want to tell you, Madam President, the Current Account gives you a reflection of the economic health of a country. It is the balance of trade, and if you have a deficit emerging over and over, you are going to be in trouble.

So the Minister of Trade and Industry, instead of crying, should be standing up and doing what she is supposed to do in the interest of the people of this country. Madam President, I want to warn the hon. Minister of Finance, you see savings, the Heritage and Stabilisation Fund; we want to serve warning on him and his Government that we will mobilize the country if you dip into the Heritage and Stabilisation Fund. [*Desk thumping*] If you go and put your hands into the people's savings to deal with recurrent expenditure, we will mobilize the country against you.

I think that we will need to have a general election long before five years if you continue where you are going. [*Desk thumping*] Madam President, if they continue how they are going we will have to call, through mass mobilization and organized action against this Government, a general election in this country so that the people could take them out. [*Desk thumping*] This Government fooled the country, "mamagued" the people, and, Madam President, in closing, let me tell you something, the biggest con job ever perpetrated against the population of this country was by the PNM when they told the country they are going to reduce VAT from 15 per cent to 12.5 per cent, [*Desk thumping*] and they never told the country they were going to widen the base for these goods and services. Had they told the country that, Madam President, they would have never been elected by the people. So they pulled a con job on the people of this country.

Madam President, we are here, we represent hope for the people of this country. We are the alternative Government [*Desk thumping*] and we will not stand idly by and allow this Government to undermine the rights and the freedoms, and the democracy of this country, and the people. If they want confrontation, if they want collision, they will get confrontation, they will get collision, because we will not stand idly by and allow this Government to undermine [*Desk thumping*] our

democracy and our freedom, and the people of this country.

They are not operating in the interest of the people, there are not consulting with the people, and they are doing things as they please. They do not care, and those who cannot hear will feel the way of the people at the appropriate time. I thank you very much, Madam President. [*Desk thumping*]

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

Sen. David Small: Thank you very much, Madam President, for giving me the opportunity to join. There is no way, Madam President, that I can even attempt to follow the passion of my erstwhile colleague on the Opposition Benches. But before I begin, Madam President, I think that the tone set by the hon. Minister of Finance this morning was a very sober tone, because I think the magnitude, or the depth, depending on which of the challenge that the Government is facing, I am not sure if everybody fully appreciates it. The depth of the problem facing the Government is huge, and Government's options for dealing with this are limited. They are limited, and if we do not want to accept that then we need to be doing something else in another place. So that is my perspective, with the greatest of respect, Madam President.

Madam President, we have been, over the past few months, as the Government has started to roll out various measures, as outlined here, I think the Minister very clearly indicated—the hon. Minister very clearly indicated that while the Bill deals with expenditure we cannot look at it in a vacuum, and he needs to understand what the revenue situation is. Part of the message going out to the public is about—we keep hearing the words, “tighten yuh belts”, and the problem is that there is a level of cynicism in the public environment. As I often share in this august Chamber, I am a regular normal person and I live in a regular normal community, and there are challenges that people have.

You know, when you try to process that a lot of people in this country live, what we call month to month. If their salary is one day late or two days late their home life is in crisis, but there needs to be an appreciation for what I described. The successive administrations have made policy choices but what they have not done is fully put on the table what the cost of those policy choices are, and that is my bone of contention. So I believe, Madam President, I have listened very well to the hon. Minister of Finance today, and in the other place, and I believe that the Government has started a process of making the necessary economic changes to align our expected expenditure with our revenues, but, as the Minister of Finance

clearly indicated, there is still a large gap as we sit.

11.45 a.m.

The challenge, Madam President, is the outlook for energy revenues, based on the current projections that I have looked at, suggests that for the next 12 to 24 months, we will continue to experience relatively low energy prices and that has a direct impact on government revenues. I believe that the hon. Minister of Finance is doing his best to hold things together and hoping that the situation improves. The issue is, of course, what if it does not? What if it does not improve?

Madam President, I want to just quickly talk about the oil sector as it is one of the—unfortunately for me it is an area where I spend a lot of my time. We have a challenge in the country with oil production. Oil production is in the doldrums and the biggest potential for us right now, given the existing portfolios, is within the Trinmar assets. The problem with the Trinmar assets is that the company, Petrotrin, is strapped for cash, and then there is a challenge with even trying to find someone who is willing to come in, there are other issues around the partnering. We are all aware of the issues with the South West Soldado Field Development. A lot of things have happened, bad things have happened, but we need to try and find a way to get those assets working for us.

When we talk about natural gas, I think—I had a conversation earlier this morning with the hon. Minister of Energy and Energy Industries who was here earlier and it is clear that the natural gas situation is getting better in terms of managing the shortfall situation. The bp Juniper, the AOG, things are coming on schedule late 2017, early 2018. And I saw in the other place, the hon. Minister indicated that the Centrica assets in particular, the PSC has been assigned to a new operator and that is going to, hopefully, come on in 2018, early 2018. So that it is not a huge, big single large field, but little that will make the difference.

The big exploration excitement that we have in the country, and I am very excited about the BHP deepwater campaign. I think it represents the one opportunity for us to find large resources more or less in one place. But here is the challenge, Madam President. BHP is supposed to start their work later this year, I understand in a couple of months. But if BHP hits a big find on day one—well they would not hit it on day one. Technically it takes a few weeks for them to hit, but let us say by the end of the year they hit a big find, the production for that will not start until around 2024. We are in 2016, so that there are six to eight years. Yeah. The production will not start until around 2024. So that we have a gap that in the

meantime, if everything works and that happens, we have to manage in that gap period.

The hon. Minister of Finance would know that as everybody who is following the numbers should work, from the beginning of the fiscal year in October to yesterday, WTI, the marker crude for our product, averaged about \$37, \$38 a barrel.

Hon. Imbert: Thirty-seven.

Sen. D. Small: Thirty-seven. I have \$37 also. Yeah? I looked this morning at the Energy Information Administration short-term energy market outlook dated April 12, 2016, that is today. They forecast that crude will average \$40 through 2016 and \$45 by the end of 2017.

I have looked this morning, Madam President, at the wonderful NYMEX forward curve. When you look at the NYMEX forward curve, as of last Friday they are projecting that oil will not get to probably about \$45 till about the middle of 2018. So right now all of the—[*Crosstalk*] well my own was from Friday. So forgive me, hon. Minister. That what I am sharing is that the outlook for prices is not something that gets anybody very excited. Yeah? The one thing that works for us is, at least for the industry, the industry is hopeful, that the demand for oil continues to increase. This is the fundamental strength of the industry, the demand for oil is increasing. World oil demand in 2014 was 91.4 million barrels per day. In 2015 it was 92.9 million barrels a day. So the demand for oil is increasing, the problem is not keeping pace with the addition to supply.

What is required for the market to come back into equilibrium is for there to be a reduction in the supply. And the OPEC partners have a meeting, I think, on the 17th of this month, in a few days from now, that could be important. But here is what is interesting. I was reading in the *Financial Times* yesterday morning an article dated—entitled “Opec’s economic power is broken.” It is an article by Daniel Yergin. *Financial Times* April 11, 2016 and I quote. He says:

“The era of Opec as a decisive force in the world economy is over.”

And the thesis for that is that, because OPEC has for the first time had somebody or an organization or a group that is challenging their power in the market, they do not know how to respond. They have never had to deal with that. And because they do not know how to respond, they are in disarray. And if they are in disarray, the party that has always been able to intervene in the oil markets

and bring some kind of order to the oil markets, is no longer able to do it. What it means is that the market will become even more unpredictable, even more uncontrollable.

So, Madam President, quickly. I have a few things I want to touch during my short talk here. It is interesting when we always talk about the shale and just one number I want to put on the record is that, if you look at the drilling numbers for drilling rigs in the USA, the drilling rig numbers have dropped significantly, but the United States oil production was 12.9 million barrels in 2014, but it was 14 million barrels in 2015. So that this year it is actually forecast to cut back to about 13.6 million barrels today because the low prices are starting to have the effect. And that is where everyone is hoping that a lot of the loss in supply counts on the US and it can impact the market to bring the market into more or less equilibrium. That is what we are hoping. If OPEC and Russia and the other parties get together next week and work out a deal, then perhaps that may happen sooner rather than later, but I would not bet on it at this point in time.

Madam President, I want to quickly talk about the gas market. I think that I have heard all sorts of things about Atlantic and I have a particular view that I have shared on more than one occasion here. And I have a proposed recommendation for the Minister of Finance in a couple of minutes. Atlantic shipped—forget me—last year Atlantic shipped 12 million tonnes of LNG, 9.1 of that went to the Americas, just about 78 per cent of its cargoes. But here is what. The hon. Minister of Finance laid it out. The market price for LNG has collapsed and what has been interesting is that whereas—right now in the Argentina, Brazil and even in the JKT countries, the price is about \$5, \$5.50 per million Btu. That is just unbelievably low for LNG. And what is interesting is that whereas there used to be an opportunity to have arbitrage between the Americas and the Asian markets, the prices of all converged. And the prices have converged because there is just so much supply. The market was oversupplied.

You have a situation where last year 14 million tonnes of LNG was added to the market. This year it is forecast 42million tonnes will also go into the market. So we have a situation where the outlook, again, for LNG prices is going to be controlled or likely to remain very low because of the fact that the market is also oversupplied. I think that these are the things that are important about the market. When you look at what is happening in the US with Cheniere. Cheniere is also going to be part of that 42million tonnes. And at the end of the day, Madam President, is that we have to figure out what do we do. If we understand and we

accept that the oil prices are going to be likely moderating and the prices earned for natural gas in the international market are going to be relatively low, what do we do?

I think in the other place the hon. Minister of Finance mentioned that several other countries who have heritage and stabilisation funds or sovereign wealth funds have dipped into those funds to balance their budgets. But the issue also is that those countries have also undertaken other activities. It is not just dipping into the wealth funds. So that they have tried to figure out ways now to reshape their economy and that is what we need to do.

So Saudi Arabia has said listen, what they are going to do, they are going to do an IPO with the Saudi Aramco and they are going to put about 5 per cent of the company in an IPO, but what are they going to do with the rest? The Government of Saudi Arabia has recognized that for the longer term, for them to really survive, they are going to be pledging—because Aramco is totally owned by the State—they are going to be pledging the majority share of the government's stake into a sovereign wealth fund, into a new fund. And the way it is going to work, it is going to be the assets of Saudi Aramco will be able to back investments that they make overseas. And it is something similar to the way in which the China Investment Corporation works. And these are things for countries who have huge, huge funds. We have to find other ways. But what I am sharing is that we have to recognize that even those who have a lot have a cushion, are trying to figure out ways to survive in the longer term.

So, Madam President, as I wrap that section of my talk, I think I will posit that we are in for a lengthy period of moderate crude and gas prices. I think we also have to accept that there is a low probability of the other sectors taking up the slack in the short to medium term. Anyway, I will look at the data shortly. I will talk about that.

Scaling back public expenditure is mandatory. There needs to be scaling back of public expenditure. We need to sharpen the pencil on that. Deficit budgets, we should try to avoid like the plague. I understand the short-term challenge now especially with some pressure for some payments, but we need to fix that.

Madam President, we keep hearing about the diversification agenda and that is an ongoing challenge in Trinidad and Tobago. It is a challenge because the subsidies and tax system that we have make it very difficult for us to really meaningfully pursue diversification. That is the reason it has not worked before

and because it is just too easy to be “profitable” in Trinidad and Tobago. You can, depending on the type of business that you are in, because of how the system is set up with the subsidies and the very low—and these things are business friendly. But what it does, it has a limited effect on wanting to do something unique or different because it is very easy to come and do business as usual and be very profitable. So there needs to be a balance there.

Madam President, I noted in the document in the presentation made by the hon. Minister of Finance in the other place, where he indicated that energy exports, I think, for 2015 were just about \$7.5 billion. I am looking at some data from the Central Bank here, and when you look at non-energy exports over the past—from 2007 to now, none of—the highest year when you had the highest number for non-energy exports was in 2012 with 2.4 billion. So we all have to try to restructure the economy and we have to diversify. But when you look at non-energy exports, the highest it has ever been was \$2.4 billion. It brings to bear the magnitude of the challenge we are facing as a country. And it is not that they cannot do it, but the gap is so huge to be filled, that because of the shortfall in oil and gas revenues, that gap is huge and that is not going to happen the short to medium term. It does not mean that we stop, but it probably means that we need to accelerate the activities to get the non-energy sector going.

Madam President, I want to talk quickly about the subsidy. I believe that has been very well ventilated. And I think that the issues are that the fuel subsidy is something that has been, is largely an inheritance from previous administrations at a time when the country had better economic circumstances. I support the move to reduce the subsidy or eliminate it altogether and put in place a system where people pay the prices based on what the market price is. And I mean, just for example, you look at—I looked at the same United States Energy Information Administration outlook this morning and I saw that the average gasoline price, super gasoline price in North America, the average price today is \$3.15 a gallon. [Crosstalk] Excuse me? No, sorry. Three dollars and fifteen cents a litre, a litre. I did the conversion. So I have their data. I have their data and I converted it into TT dollars.

So their regular price for—their price for regular fuel is cheaper than ours now. By comparison in 2015 it was \$4, and in 2014 it was \$5.60 equivalent. And it just speaks to the fact that, as the crude price is down, the product prices have come down. That is all it speaks to.

So, I think that we need to understand that the subsidy is something, when you

look at—if you roll this discussion up, Madam President, we talk about being sustainable in the things that we are doing and the question is, and I always ask, how sustainable is it for us to continue with these subsidies at this scale? And I am of the view that the pain has to be applied if you want to put it that way, but we have to be serious about trying to see what we can do for Trinidad and Tobago. And while we recognize that there is going to be an effect across the board, I am also of the view that those who could pay more, should pay more, and I will come to that shortly.

12.00 noon

Madam President, we talk about the fuel subsidy, because it is the number that is quantified often. But, do we understand what the electricity subsidy is. Are citizens aware that there is an electricity subsidy? And this is another issue, and I want to be clear. I am not here trying to say that the Government should immediately raise electricity prices. What I am saying is that these are policy choices that have been made by the Government of the day, but, when we make those policy choices quantify it so that citizens can understand what it means. So, I will give a little calculation—Minister of Finance, I will not put the actual numbers, I will use some notional numbers, but it will be enough to guide. According to the Ministry of Energy and Energy Industries data for 2015, an average of 295 million cubic feet per day of gas went to PowerGeneration.

If we assume that gas to PowerGeneration is sold at less than something called the National Gas Company's weighted average cost of gas. What the NGC does, it buys gas from different suppliers, there are different prices, different terms, but they come up with a weighted average cost of gas to the company. If we say, assume that the price that they sell to PowerGeneration at is lower than their weighted average cost, which is a fact. I can say that, that is pretty much a fact. The hon. Minister is shaking his head agreeing.

Hon. Imbert: I am nodding, not shaking.

Sen. D. Small: Oh, forgive me. I mean no disrespect, hon. Minister. So, work with my calculation, Madam President. Let us say that gas/electricity is less than NGC's weighted average cost by a dollar million Btu, then the daily cost of that subsidy is US \$295 million or TT \$1.9 million a day, or TT \$700 million a year. And, if, this looks much worse, if we consider the opportunity cost of using that gas for something like ammonia. So, let us assume again that if some of that gas could have gone to ammonia and the difference in price between what NGC gets

for the gas for power as opposed to selling it to ammonia is \$3 a million Btu. Then the revenue lost comes to an annual total of \$2 billion.

Hon. Imbert: You are absolutely right.

Sen. D. Small: So that, we live in a place here and we do not understand the extent to which the Government has been subsidizing our lives, and subsidizing it at these numbers is not sustainable. It is not. As a citizen it may cost us, we may feel some pain, but we have to recognize that this level cannot, cannot continue.

So, Madam President, what I am suggesting is that if through energy efficiency and conservation we can even capture 10 per cent of this. This will transit to \$200 million additional for the Minister of Finance, or whoever party. And I think that this is something that we need to look at, and, all I am saying is when policy choices are out there, citizens must be fully informed about what is the cost of those policy choices. So that when the Government says “Whoa, this is actually costing \$2 billion a year, and we cannot afford that, we have to raise it”, and the citizens have the information. Forgive me for putting this type of information in the public, but this is what people need to know so that when the Government comes with measures people have a better grasp of what is going on.

So, Madam President, I have a couple recommendations to the Minister of Finance. I would lay them out: I think that serious consideration must be given to adjusting, over time, electricity tariffs to at least reflect the NGC’s weighted average cost of gas. Over time, it cannot happen—I think that this has multiple benefits:

1. It will force users to be more efficient in the use of electricity.
2. It will obviously reduce the subsidy that the Government is paying.

But, also, importantly for the things that are going on in the macro sector, it reduces, what I call the leverage of certain large upstream companies that frequently suggest that because they provide cheap gas electricity it entitles them to broad incentives that actually hurt our energy tax base. So, these are things that I feel very passionately about, because we need to be forthright, and these times call for blunt discussions. The time for niceties, “Hello, nice to see you, but we need more money”.

Madam President, I want us to get serious with energy efficiency. This Chamber and this building are good examples crying out for help. The AC is always on; my fingers are almost numb; and, so are the lights, so I will warm them

up. Madam President, I ask, what is the cost to retrofit timers and motion sensors to the lighting controls so that we can conserve electricity? Every Government Ministry and Department should be mandated to evaluate its cost of energy consumption and come up with strategies to reduce it by at least 10 per cent in the next 60 days. I feel if every Ministry has a facility manager where you can work out a strategy to say, listen, we need the AC off at this hour; we need the light off, and you would be surprised at how it adds up. And this is well tested in the EU. Perhaps, I travel too often. I go to foreign countries, I go to meetings, when the meeting room is closed and you walk in the room the lights come on, otherwise the room is dark because the cost of electricity is high.

For the future, Madam President, the Government has to really go back to look at gas fired air conditioning. Gas fired air condition, and that would have to be at the design phase. But, for a building complex such as this, gas fired air condition has the ability to throttle the performance of the unit. You need more AC in the day, you need less in the night. With an electricity powered unit it just has to keep working. Especially in this building where the thermostat is shut. With a gas powered unit you can also capture the waste heat and you can turn that into hot water, and even do a small generation facility to have emergency back-up power.

So, there is technology out there, certainly, for the future. I would say, Madam President—I would suggest to Government to remove all taxes, all duties on solar water heaters for a period: Three years, five years to get that part of the—let us remove it. Make it tax free. [*Desk thumping*] Remove it. As the hon. Minister of Finance has said, remove all taxes, duties on OEM CNG maxi-taxis, for at least three to five years. Remove them, and allow parties, because people would have bought maxis over a period of time and maybe still have instalments to pay. But, when is time to change that, allow them to be able to bring in a CNG maxi at the cost. We have to try to find ways to cut these costs.

All HDC properties should have a free change out to energy efficient light bulbs. Energy efficient light bulbs, there are other issues with florescent light bulbs, but where we are we have to work out ways to conserve electricity. Why does every Ministry and every Department need a \$500,000 vehicle to move mail and documents? Burning diesel. Why? Government should—at the time when vehicles require change out, Government should invest in a fleet of OEM CNG and hybrid vehicles for all Ministries and Departments. There is absolutely zero need for every single Ministry and Department to be driving a half million dollar diesel guzzling vehicle to deliver mail. There is no economics in that.

Madam President, I move quickly now to one of my other areas I want to talk about. When the hon. Minister is speaking about revenues, he also has to look at places where there has been haemorrhage of revenues. And I have this little section entitled “errant state enterprises”. I am fortunate to be as part of this Parliament a member and chairman of a committee on state enterprises, and the committee has begun a process where several state enterprises have been delinquent in submitting their reports to the Parliament, as required by law. And I would say to this Parliament, certainly, by the end of this term every enterprise under our purview will be up-to-date with their records. We have made it mandatory. There is no flexibility. We still have a challenge with the audited financials, and I am actually scared about what will be revealed when those accounts, for all those other entities, are brought up-to-date.

Madam President, last week I sat on a committee here and an entity showed its accounts. It showed that in this year it lost \$99 million, and then when they did a restatement of the accounts for the next year the loss moved from \$99 million to \$562 million, a \$460 million change in losses. And the people gathered in front of the committee had no answers. Why? Because we were looking at 2009 accounts. And you cannot blame anybody who is sitting across from you because none of them were there. And, I do not want to be disruptive, but I have a theory, and I want to say, Madam President, it is a theory. I have a theory that there is a pattern of behaviour, or misbehaviour where entities dither—D-I-T-H-E-R—on providing timely audited financials with the sure knowledge that by the time someone picks up the malfeasance, the bird has flown the coup. But, Madam President, remember, that is just a theory. It is a theory. All we can ask now is, “Where de money gone”? That is all we could ask.

Madam President, I want to just diverge for one second, because I understand the hon. Prime Minister is attending something called the Anti-Corruption Summit in the UK, and this is timely, because it would be the first summit of its kind, and it is bringing together world leaders to agree on a series of practical steps to, and I want to quote from their website:

1. Expose corruption so there is nowhere to hide.

And this is the missing link in Trinidad and Tobago.

2. Punish the perpetrators and support those affected by corruption.

Punish the perpetrators. Punish the perpetrators.

3. Drive out the culture of corruption where it exists.

And, while it may be a first measure, this anti-corruption summit, I want to remind Members that there was a Prime Minister of UK called Tony Blair, who started something called the EITI. And, when he started that, where are we now? Trinidad and Tobago is now praised as one of the best performing countries under the EITI. We became members. So, sometimes things have a beginning that is relatively humble and then they morph into—I hope that this follows a similar path, because we have a problem with corruption. Because, Madam President, I am on record here in this House as saying corruption does not exist. Not until somebody cuts a jail on a regular basis for stealing Government funds, taking food from the plates of the poor people in this country to enrich themselves. [*Desk thumping*] Until that happens, corruption does not exist. It is not real.

I see I have 10 more minutes, so I want to deal with one other recommendation. I want the hon. Minister of Finance to consider, and the hon. Minister of Energy and Energy Industries to consider—put the data in the public about what has been the revenues of Atlantic LNG and then what is the Government's take from those revenues. Madam President, I have put a calculation on the record in this Parliament more than once, and I have shown a calculation where, certainly when energy prices were higher, Atlantic LNG gross revenues were around \$60 billion to \$65 billion. What is the Government take in those years? And I know there are confidentiality issues, but we need to build a case to understand that there is an agency, a company here doing the bidding of its shareholders, which is their right, and I have no problem with that. They are protecting the interest of their shareholders, but they are also using 75 or 80 per cent of our gas, and we are not getting 75 or 80 per cent of the revenues. So, there is a huge disconnect, and we need to find a way to have that conversation.

So, Madam President, the Minister of Finance is also aware that the contract for the supply of gas for Atlantic LNG Train I, is coming up for review. I have a simple recommendation. One, stop the direct sale of gas to LNG from bp and BG. Stop it. And, second, give the National Gas Company control of the gas allocation to Train I in the first instance, and allow the NGC to implement a pricing model that gives the State better control and access to a greater share of the LNG sales revenue. [*Desk thumping*]

And, how you do that, Madam President, is that—for the NGC in particular, because they have their own issues—you have to be able to segregate or ring-fence those revenues in a special purpose entity within the NGC and allow 100 per cent

return, less admin expenses, to the State. Not dividends. Have 100 per cent return to the State on a quarterly basis, so that the Minister of Finance gets this money in more of a real time rather than the hon. Minister of Finance has to write a letter seeking dividends. We can have a separate discussion if the Minister is interested, but I believe this is one of the things we must do. We must find a way to increase the rents from this.

Madam President, there has been lots of talk about the GATE Programme. I would be remiss if I did not say, I think it needs review. At the time when I was a—I had an afro and I wanted to do tertiary level studies. [*Interruption*] I had an afro, I had an afro comb, I had everything. [*Laughter*] A “lil” while ago. I had to take a bank loan to do my tertiary studies, and I paid it on my own. And I am not saying that because I paid, everybody else should pay. But, we have reached a stage with the programme—I think the programme needs review, and I will come back to the argument of sustainability, Madam President.

12.15 p.m.

In the UK, for example, the Government of the United Kingdom will lend any eligible student money to pay for their tertiary studies. But graduates, once they have completed their studies are required to begin repaying the loan. There is a minimum threshold salary that you must earn before the Government can start to get money from you, but the system is progressive. So as you start to earn more the repayment numbers increase.

Madam President, the question I want to ask, perhaps it is time we consider whether free tertiary education with no commitment to repay or give back service to the Government, is it sustainable? I am not saying take it away. Perhaps we need to figure out a new way to structure the programme, but I do not believe that as it is currently structured, we can continue to ad infinitum to pay for tertiary education and there is no repayment to the State or no service to the State. It is either one of the two or both. So that, I think we need to have a different discussion about how we manage the GATE Programme going forward.

Madam President, could you tell me how much time I have again?

Madam President: You have five minutes.

Sen. D. Small: Thank you very much, Madam President. I have a couple of little things I want to talk about. I mentioned corruption. It does not exist. Clico, HCU, FCB, IPO, all of those things have gone silent. Nobody has been brought to

bear, to face any sort of justice in this matter and the State, I am looking at line items, repayment of HCU bonds and I am saying that is coming out of the taxpayers' money. But the perpetrators, ask Allen Stanford and Raj Rajaratnam, what is the meaning of corruption. Because I understand right now they are very, very, well taken guests of the United States Department of Corrections. And they will be guests of the United States Department of Corrections for several years to come.

That is what you are supposed to do when you run a Ponzi scheme; you rip off people and the Government has to stand in, come in and bail out. But people are living fat in Florida and wherever, living well and there are no penalties, and it is not only Allen Stanford and Raj Rajaratnam, they do not just incarcerate you, they seize your assets. Because at the end of the day when people steal they accumulate wealth to get things. All the Government in the United States and other countries, "oh, you want the money, we take what money and then we take the things". So we need to figure out a way to deal with that because this that is going on here is too long, too far.

I looked at the Central Bank Economic Bulletin and I am seeing the gap between deposit and savings rates. It is about 8 per cent. I understand the hon. Minister of Finance made a comment a few weeks ago in the newspaper that he has some leeway in the matter. I beg the indulgence, every time we are asking the citizens to—the Government is asking the citizens to bear with the Government, tighten your belt, well give the citizens something.

Tell the banks this spread, 8 per cent, is too high. You are robbing people. I as the Minister of Finance I am asking you to say, listen, could you do something about this thing in the way in which citizens can get some benefit. And within its own control, the hon. Minister of Finance, there is something called Tax Free Savings Bonds. I have advocated for that. Every session of this Parliament since I have been here, where are they? As a citizen I have zero ability for my savings to earn. And there is something that while we ask citizens to tighten, the Government can say, well perhaps we can help citizens save and earn something on their savings.

My last issue I want to talk about, well, two, I have two more. Madam President, I am a citizen of Trinidad and Tobago. I have a passport that says I am a citizen of Trinidad and Tobago. My driver's permit say I am a citizen of Trinidad and Tobago. Great. When I want to go to Tobago there is an issue, because I cannot go to Tobago when I want and I certainly cannot—if I am in Tobago I

cannot leave Tobago when I want. I, as a citizen of Trinidad and Tobago, should have unfettered access to the wonderful Pigeon Point Beach or Black Rock or wherever I chose to go, and when I get to the airport I should be able to get on a flight. Why are we having this problem, Madam President, is because of the structure.

We are asking Caribbean Airlines to provide a service but not to lose money. You are trying to provide an essential service but keep it from losing money. It is economically—it is at odds. What is happening is that the factor of trying not to lose money is pulling this way and the service is going this way? And that is all that is happening. I try to avoid going to Tobago now because when I have a meeting sometimes in Port of Spain and I need to be back. I do not want to be in the airport, well, the plane late and I do not have people to call to help me get on planes. *[Interruption]* I have one more minute. Thank you very much, Madam President.

Let me wrap up. Madam President, I want to wrap up by saying this, I am a citizen of Trinidad and Tobago and I am proud to be a citizen. Every day I wake up, Madam President, I make my peace with the father. I thank him for giving me health. I try every day to come to do right by Trinidad and Tobago. The country is in a situation where we have an unprecedented oil and gas market scenario that I challenge anyone to say that this is an easy water to navigate. These are, difficult, difficult waters. We need people to really stop the noise and let us focus on the issues and see how we can rally around Trinidad and Tobago. This is our country and we should really at this point in time recognize that these problems are so large that require everybody to get behind the Government and try to see how we could best work together to make sure that Trinidad and Tobago as a sustainable feature going forward, for me, for you, for everyone and for our children and our families.

Madam President, with those few words I want to thank you for the opportunity to speak. *[Desk thumping]*

Madam President: So at this point we will suspend for the lunch break and we will resume at 1.30p.m. So this sitting is now suspended.

12.21 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

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

Mr. Vice-President: Sen. Dr. Henry.

Sen. Dr. Lester Henry: [*Desk thumping*] Thank you, Mr. Vice-President, for allowing me to join this debate here today on what the Minister of Finance described essentially as some basic measures in terms of transferring funds from one heading to another. But as we all know, of course, there is a wider context in which this simple Bill operates and that is in terms of the overall problem and the issues facing our economy.

Now, I would like to pick up to some extent where Sen. Small left off when he talked about the potential problems going on with the energy sector and oil prices, and to cover to some extent the external threats facing our economy before I say a few words on the domestic situation and what we are really dealing with.

Now, there are two potential international threats that the Trinidad and Tobago economy will face over the next 12 to 24 months, that the population should be aware of and that will have a direct or could have a significant consequence for our economic fortunes. I will break them up into two items, primarily, one dealing with—well two global issues. The potential for global economic instability is real and is present.

When you look at the crisis that is potentially developing in Europe with not only the refugee crisis but the potential for European economic stability in terms of instability, in terms of a brexit as they call it, a British exit from the EU proper, and there is a looming issue of another crisis developing in Greece by this summer. So there are significant concerns in the global economy that this could have ripple effect and damage our already fragile international economic growth.

Also, the problems that are mounting continue to mount in China and in America, in particular, with problems of deflation in Japan, Europe and America continuing unabated, mean, which is basically, the problem of falling prices and weak consumer demand as we know over the years, especially in the last five to six years, China was the engineer of international economic growth and there has been a slowdown in the Chinese growth rate which has affected a lot of emerging economies as well.

So, in terms of the overall economic outlook for the globe, it is not a pretty picture and we could suffer the consequences of the possibility of another financial crisis hitting us. I have been warning about this. Well, not only me, but many others in the international financial system and commentators abound, have been talking about the possibility of a global financial crisis once again. We all know what happened in 2002, 2007/8, 2008 into 2009 and we are in no better position to

withstand that kind of crisis today than we were in 2008/2009.

1.35p.m.

In fact, we are considerably worse off, thanks in no small measure to the past Government over the five-year period 2010 to 2015. *[Interruption]* Yes, but you left a mess—so in no small measure, due to the irresponsibility, the reckless mismanagement that we just came out of between 2010 and September 2015.

Sen. Gopee-Scoon: Indeed. *[Interruption]*

Sen. Dr. L. Henry: No, we could say it a thousand times, it is true. So that is one problem, the global financial crisis that could possibly hit because the real issue, Mr. Vice-President, is that there is really no solution to the original financial crisis in 2008/2009—was really unresolved. What the major powers that be in the US and in Europe, they basically passed the problem forward. They kicked the can down the road, as some would say, and they engaged in a kind of quantitative easing, basically printing money to cover up the wound, rather than heal the wound.

So things seemed to be emerging and growth seemed to have been restored in the US and so on, because of the quantitative easing measures. But, really, the underlying problems within the financial markets remained unresolved. So many, including significant international commentators, have been warning about a meltdown sometime soon. And again, because they have been able to invent policies to hold it off, all appears to be well.

So that is the kind of situation that we are facing in terms of the overall global economy. Again, that issue, separate and apart from the potential crisis in the energy sector that we are seeing—and we are seeing no real end to the problem of low energy prices anytime soon and the international opinion varies very widely on this. Every other day you pick up a paper or you read a website like *Oilprice.com*, *Bloomberg* and other business media, one day they tell you, well, the oil price could pick back up by the end of the year, and the next day they tell you, no, it will go on for two years. Sometimes it is the same author. So we really do not know. We are in a very significant period of uncertainty in terms of oil price and energy prices going forward. You could read as much as you want. You read 10 articles, you read 15, you still end up in the same position. No one really knows. Because in the same day on the same site you see two different opinions and each sounding good. So each one sounding very, very articulate, very well-reasoned, and they are saying the opposite things.

So this is what we are facing in the world today. So the combination of continued energy problems, we know, as Sen. Small said, that OPEC is meeting soon and there is some hope that they could come to an agreement on production cuts which would boost the price of oil and natural gas eventually, but many people are saying, that is not going to work. They are going to just meet and argue among themselves and continue what can be described as the race to the bottom where each one tries to out-produce the other to get more revenue and in the process damages their economy and other oil-producing nations.

So we have seen some initiatives that have been attempted to resolve the situation. I think the Russians seem to be trying to get Saudi Arabia and others on board to control the price of oil outside of the OPEC arrangement and we hope that that, for our sake, at least, for Trinidad and Tobago—we could be a little bit selfish here and say that we hope that some of it bears fruit so we could again see some brighter days. Because all the talk about diversification of an economy and so on, will not happen with low oil prices. Some would say this is the best time to diversify, to try something else, and that might be true, but the problem is to finance diversification efforts you need money, and when you are broken it is a tough time to engage in developing new industries and hitting and hoping. Usually the time to diversify, or even if you have any chance of achieving some moderate success, is when you are doing well.

And speaking of diversification of the economy, I know a lot of people talk about this, and one thing I would like to say is that this country has, contrary to public perception, attempted to diversify, beginning back in the 1960s, and the rhetoric that is out there that has become urban legend is basically that we made no attempt to diversify and that is why we are in this situation, and that is absolutely not true. It is absolute nonsense.

In fact, I had a student at the university who came to me and told me she did not like the PNM because it did not do enough to diversify the economy. So I said, “What did you base that on?” She said, “Well, you know, that is what people say”. I said, “No, no, no. This is a university. You do not go by what people say. Go back from 1956, come forward and research the issue and we will talk.” She came back. She ended up doing her Master’s project—Master’s thesis—on the topic with me. She came back and she said, “Oh my God. I did not know so many things were done”. [*Desk thumping*]

When you go back to the '60s, the Industrial Development Corporation, all the plans, the five-year plan, the second five-year plan, the whole development of the

local poultry industry, the screwdriver industry, the auto assembly, many of us here are old enough to remember them. These were all attempts at diversification. [Crosstalk] No, these were all attempts at diversification. And, you know, strangely enough, diversification is now—you know, people talk about it like it is something you could get up in the morning and you diversify. The idea behind it is that, it is not because we were not smart or we were not proactive. You know, this is just old talk. This is what they call in Trinidad parlance, “rum shop talk”. When you go back and look at what was attempted, you would be surprised. It is very difficult because it is hard to pinpoint any country that started off as an oil economy and successfully diversified into anything. It is difficult. Trinidad is probably one of the best countries in terms of efforts to diversify, but yet we hear the rubbish talk all the time.

I mean, look at the Caribbean islands like Barbados, Jamaica, St. Lucia. At one point they decided they would diversify away from tourism, back in the '80s. There were initiatives: the Caribbean Basin Initiative promoted by Ronald Reagan and so on, and CARIBCAN and all these trade agreements. And they said, “Okay, we could get out of tourism and diversify into textiles”. They all set up textiles. In fact, they set up free trade zones, including Jamaica, and it was working for a while, even though the free trade zone products in Jamaica, which were meant for export, they would just put in on the ship in Montego Bay and drive around and sell it in Kingston. So it defeated the whole purpose.

But what the real problem was with textiles, the effort to get into textile manufacturing, was the big elephant in the room, China. So China developed, started to change their policies, become capitalist in certain areas, and started exporting textiles, and what you could produce for US \$1, the Chinese could produce with 15 cents, and that killed off the diversification effort in many of the Caribbean islands. But people need to understand this, that it is not just a question of having the right smarts and so on, sometimes global economic developments turn out to work against you even with the best-laid plan.

I mean, we had the issue with the steel plant recently, when the PNM Government decided to go into steel back in the '70s and we invested a lot of money in that plant. Part of the problem was that we did not have the marketing avenues for the production of the steel. From all reports, it was not a bad idea, and the steel was of good quality, but if you do not have the markets—you could produce anything you want, you know, if you do not have the market to sell it. One of the reasons why ArcelorMittal would have come in and be able to sell was

because they already had the market, and also the reason why it would be difficult to buy it and try to run it. Unless you have the contract to supply somewhere with the steel, what are you doing?

So sometimes we tend to exaggerate and not give ourselves credit enough, mainly because of partisan ideas and so on, but really and truly, the country has made some attempt to diversify and to get other areas of revenue-generation mainly under the PNM, of course. In the past five years, from 2010 to 2015, there were basically no revenue-generation measures, and it is something that is a fact that the UNC has to live with.

I sat over there, budget after budget, telling their finance Ministers, “Why did you not come with some idea to generate revenue”? And now that the PNM is taking the responsible position of coming up with revenue measures, they are screaming bloody murder, as though a country could run only on expenditure. That was basically the UNC assumption. You would not have any protest, you would not introduce new taxes to remain a kind of bogus popularity, and then, of course, when a responsible government comes in and says, “Well, no, but you need to pay your taxes. We need to raise revenue somehow, because how is the country going to run”, you scream bloody murder.

The people out there are smarter than that. People know that taxation and revenue-generation is an essential part of any government’s activity. But they pretended as though there was no tomorrow. So in each year in government they brought bigger and bigger budgets, and each running a deficit for five years straight, with oil prices averaging above \$90/\$95 and then want to come and play they are condemning us when oil dipped under \$30, and we are dealing with \$38, \$39 now.

When you had the chance—and one of the things I heard Sen. Mark talk about, the Heritage and Stabilisation Fund, as though the UNC had some claim on that. I mean, what—anyhow, let me be parliamentary. I mean, there was no national savings under the UNC. There was none. Zero. There was no savings. If you run budget deficits for five years in government, there is no savings.

So do not talk about the Heritage and Stabilisation Fund as though you have some allegiance to that. None! So what they did, they borrowed money while running deficits and put in the Heritage and Stabilisation Fund. So it is like going to the bank, taking out a loan, putting it in your savings account and patting yourself on the back for being such a prudent saver. Nonsense!

1.50 p.m.

So you are in no position to preach to anybody about the Heritage and Stabilisation Fund because oil prices averaged over \$90 for four of your five years in office, and you did not see the need to add anything to national savings. [*Desk thumping*] In fact, you increased the national debt significantly because every budget deficit adds to the national debt. National debt is the accumulation of budget deficits. So that is why you cannot commit, and which is why I made the statement that we are worse off in terms of what could potentially happen in the global economy that could impact on us today. We are in a worse position than in 2009 because we had significant buffers, and I am not talking about reserves and heritage and stabilisation. We had national savings and you left none.

So the Minister of Finance in the first year, hon. Winston Dookeran, Minister at the time, used to talk about the cash balances being rundown at the Central Bank, which was true, but there was cash there to be rundown. You left nothing, which is the big difference. I mean, the hon. Minister mentioned this, that the overdraft was positive and so on. This is what we are talking about.

So what you did, you left nothing for a rainy day and maybe because you all predicted that you would be out of office before the rains came, sometime in late—you were really supposed to be out by June, but you cheated and took an extra three months. You should have been gone before. Of the five years you stayed in office, you were there four years and 300 and—[*Interruption*]

Hon. Senator: You are not even convincing yourself.

Sen. Dr. L. Henry: I would not engage.

Sen. Gopee-Scoon: Not at all.

Sen. Dr. L. Henry: No, not at all. So basically, what we are doing is damage control and trying to restore some sanity to the governance of the country. That is the mission we are on after you wrecked it. So do not play pious and talk about going to the people, and protest and all kind of nonsense, as though your five years will be quickly forgotten in terms of what you did, in terms of running up the debt, saving very little. In fact, saving nothing at all.

In terms of some of the other issues in the local economy, of course, every year of the UNC's terrible reign they created some kind of economic crisis or disaster for the country. Out of thin air sometimes there was no reason, some own goal; like in 2011 when you just jumped up one morning and declare a state of emergency.

There were signs of an economic recovery in the early part of 2011 and they killed it off. Called a state of emergency, killed off business activity, caused a tremendous slowdown in the economy and then wanted to know at the end of 2011 why there was no economic growth as though they could not see the logic. Even the oil rigs and so on, there were complaints about people not being able to work in the nightshift and so on because of the state of emergency. So do not come here and act like if you just drop from the sky.

I mean, they talked about there might be negative economic growth this year and probably 15, but the negative economic growth started under you. Since January last year, the Central Bank—even though we have to question their figures, but that was under your watch. The recession was well on the way. So do not try to make it seem as though since the PNM is in power all of a sudden there is a recession. I mean, that is disingenuous to put it nice. The fact is, you had \$80 oil price, \$90 and \$100 at one point, and gas price is near \$3 and some higher as the Minister said in different Asian markets and South America and so on, and you still could not generate any economic growth in five years. What did you do?

So the country has to understand what the PNM inherited and what it is dealing with, and I think people are much more aware of the situation. 2016 is not 1986. I think people are much better informed; the labour movement is much more sophisticated and advanced, and they understand the economic problems the country is facing. Not the PNM, not the UNC, the country. So they have an idea of what it means. People have a better understanding. There is more cable, there is more social media along with the Internet access, Mr. Vice-President. So people are much more aware of the serious issues. So they know not to take on the alarmist rhetoric that those on the other side are going to try to come and palm off on the population here today.

We know the average taxi driver, the person in the street knows, that oil and gas, at the prices which are prevailing now means that we are in a difficult, very difficult situation, and the picture I painted about the global economy and the potential crisis that lies ahead. Back in 2009 and 2010, we were able to weather that financial crisis, as I said, because of the buffer, and we did not have massive layoffs and big cuts in social programmes, primarily because we had national savings to fall back on.

In this case, today, we have no such thing. Outside of the Heritage and Stabilisation Fund that is it. So it means that we will have to borrow as the Minister pointed out, and any basic, sensible person understands that until we can get

over—[*Interruption*]

Hon. Senator: Basic and sensible?

Sen. Dr. L. Henry: Yes. Well I know that includes certain people, but that is okay. But what we know is that the people understand the problem and they will not fly off the handle so to speak, and they will understand that difficult measures, as the hon. Prime Minister pointed out on Friday, will have to be taken in order for us to swallow our own bitter pill and not rely on external agents to come and tell us which pill to swallow because their pill will be a very bitter pill. Ours, so far, is mild or moderate.

In fact, the Minister of Finance was rather measured in the measures that he chose to engage in to help stabilize the economy because most of the social programmes are still intact. What the Minister did not say was as important as what he said, and today he elaborated on it further when he said, “Well, we did not touch GATE, we did not touch CEPEP and URP.” What would you have done? I challenge, just like him, any on the other side to say what would you have done differently if you needed to cut \$4 billion or \$5 billion, let alone possibly up to \$15 billion in revenue shortfall? What would be your approach?

So our social programmes—the thing that really makes us different from a lot of the Caribbean economies, and a lot of developing economies, is our social programmes largely implemented by the PNM and some of them expanded by the UNC. The same ones that they cursed when they were in Opposition like CEPEP and URP and GATE and so on, they doubled and tripled them; and when they were in Opposition they ranted and raved about these things. So most of the social programmes are intact and the country can function relatively normally for some time to come.

Of course, as many commentators have pointed out, if we do not get some relief perhaps in the next year or so things might change, but for now we are holding it steady. One of the disappointments, I am sure, the UNC has is, they thought that the Minister would have cut even more and stifle the economy in the process. The fact that he did not do it and took a very responsible approach leave them wondering what is up, because they thought they had wrecked the country enough to the point that the PNM will have to come in and cut everything and become unpopular instantly. That was their hope. That was the poisoned chalice they were depending on, but that is not happening today to their dismay.

So if we did not do what was expected of them in terms of being unpopular,

cutting all the programmes right away—and that does not seem to carry any currency, that line of attack—what do they do? Well they make it up. They just continue as if we cut everything and damaging the poor people and all this explosive rhetoric.

Let me just touch on a couple of other things, hon. Vice-President, before I close. I sat listening to the debate, the issues in the other place on Friday, and I find it quite strange that the UNC continues to raise questions over the foreign exchange situation which is something, I think, if they had any shame they should be extremely ashamed of. I find it astounding that any UNC speaker, Member, whatever, could raise issues about foreign exchange. When did the problem happen? You all do not know? When did this problem arise?

Mr. Vice-President, it is actually shocking to hear them talk about, “Well, you know, when are you going to do something about the foreign exchange crisis?”—and so on. It started in 2014, a full year and a half of the UNC’s reign. How come it did not happen in the 21 years before? Twenty-one years before, we had a stable foreign exchange situation. All of a sudden, big trouble. Where did that come from? It just happened out of the blue? Who was in charge? And the problems were so significant that—

2.05 p.m.

Mr. Vice-President: Senator, your time is almost up.

Sen. Dr. L. Henry: Okay, yeah. So I will just continue on this for a couple of minutes and then I will wrap up. Right.

So now, I have seen spokespeople disagreeing with the Minister talking about the exchange rate should go—leave it let it float and go all up to 12 and God knows what number, and this is highly irresponsible. In times past, no serious economist, politician, would want to speculate on the country’s foreign exchange rate like that. It is just something you do not do. It is like encouraging of speculation and some of the same people did not say anything similar to that when oil prices were high and we were enjoying better times. So I find it quite strange that the Minister took a very measured approach in terms of dealing with the foreign exchange crisis and speaking of the currency band in terms of which the rate might move, which should calm fears about further depreciation of the currency.

But yet, you have people coming out and—which should be a good thing for all

of us, because I can assure you, unless you have narrow self-interest in that you are one of the people who took out a lot of US in the past 12 to 15 months and you want to bring it back at 12 or 15 to one so you gain that way. If you are not one of those people, you have nothing positive to gain from a dramatic depreciation of the currency. You have absolutely nothing. In fact, it would be terrible for 99 per cent of the population and we know what it was like back in the 1980s with the devaluation and so on. Many of us are old enough to have lived through that. So I find it quite irresponsible and reckless for people to be advocating that kind of nonsense, right, and many are well-learned people, at least. So we have to be careful in terms of the way going forward.

The last thing I would touch on is the tax on Internet shopping. This is something that I had written about since 2001 and I also published a second paper with my colleague from the university, Simon Fraser from management, on the consequences of online shopping back in 2006. All right. So this is something that we knew was going to happen with the advent of wider Internet access and so on. And there are some issues, as the Minister said, in terms of the application of the tax and the actual mechanics of how it will be assessed and how it will be collected. But the tax, in itself, is something that is probably overdue.

As we know, online shopping is a tremendous source of leakage of foreign exchange and also, yes, it encourages a certain amount of bypass of local producers and importers of course, and it is, after all, shopping. If you buy a shirt in Trinidad and you are paying 15 per cent VAT and you buy a shirt in New York, you should pay zero? What is the logic behind that? What is the logic behind that? So the idea of a tax on Internet shopping is not something that people should be so alarmed about. *[Interruption]* Yes, and because for the years past, you got away with it and you did not pay any sales tax, except the duties. *[Interruption]* Right, when you pay duties. Yeah, it is just like a sales tax. When the cars—you pay sales tax, VAT and duty? It is the same logic. Yeah, okay. My time is up by the way.

So, with these few words, I thank you, Mr. Vice-President. *[Desk thumping]*

Sen. Gerald Hadeed: *[Interruption]* I speak on behalf of the people. *[Desk thumping]* Mr. Vice-President, I am pleased to join this debate where the Government is seeking to transfer \$559,434,129 from the Ministry of Social Development and Family Services, Ministry of Education, Ministry of Health, Ministry of Housing and Urban Development, Ministry of Sport and Youth Affairs to the Parliament, Office of the Prime Minister, Ministry of National Security, Ministry of Labour and Small Enterprise Development, Ministry of Community

Development, Culture and the Arts and the Ministry of Planning and Development.

I would like to deal today, Mr. Vice-President, and my contribution would focus and deal with the misrepresentation of fact on a number of issues that has been made by the Minister of Finance over the last six months. The PNM Government has elevated misrepresentation as a weapon of political strategy in an effort to mislead and misinform the people of this country on the current economic reality when one cannot believe—imagine, when one cannot believe what is being said and what is being told to the country and twisting and turning information that misleads and misguides the direction that the country is supposed to be put into, to be explained properly what the problems are so we can face it. If we are being misled by the Minister of Finance and the Government, how in the name could we believe that they can put anything in place to straighten out the problems that the country faces today? [*Desk thumping*]

Let me first deal with what was spoken here today by the Minister of Finance concerning the Clico and MHTL shares and he stated that as a result of mistakes that the People's Partnership made, we lost approximately \$2 billion in revenues. He blamed the People's Partnership for that. Now, I am going to correct that piece of misinformation at this present time. He said:

“However, by September 2015, when we came in, all that had occurred in the 2010 to 2015 period was, as a result of an irresponsible breach of a shareholders' agreement, a contentious arbitration and an order to the previous Government to sell...methanol shares at a price considered by many to be \$2 billion below market, thus losing billions of dollars of asset value in the process.”

The facts are:

“...the German shareholders of MHTL, whose interest in the billion-dollar company is held in a company called Consolidated Energy”—alleged—“that the Government transferred...6.54 per cent of Methanol Holdings (Trinidad) Ltd held by CL Financial to Clico on September 16, 2009.”

Sen. Mark: Repeat that.

Sen. G. Hadeed: Alleged—

“...that the Government transferred...6.54 per cent of Methanol Holdings (Trinidad) Ltd held by CL Financial to Clico on September 16, 2009.”

Sen. Mark: Who was in power at that time?

Sen. G. Hadeed: The PNM.

Sen. Mark: Exactly. [*Desk thumping*]

Sen. G. Hadeed: The PNM was the Government at the time.

“The transfer of those shares to Clico gave the insurance company a 56.53 per cent stake in the methanol company—and a majority position in MHTL. KfW, the German financiers of MHTL and Consolidated Energy—comprising German companies Proman, Helm and Ferrostaal—are claiming that the transfers of the shares from CL Financial to Clico is in breach of the loan, security and shareholder agreements by which MHTL was established and operates.”

That is the fact. Those are the facts. One would go back to the memorandum of understanding of January 2009 when the Government—the then Government transferred all of the assets of both Clico, MHTL and everybody into the Government’s shareholding to hold because they were going to bail—and this is a condition of bailing them out. So the problem started not during the course of the People’s Partnership regime, it started under the PNM.

In an article in the *Guardian* dated Saturday, May 07, 2011, I will continue and I quote:

“At the heart of the contention by the German shareholders of MHTL, whose interest in the billion-dollar company is held in a company called Consolidated Energy, is the allegation that the Government transferred the 6.54 per cent of Methanol Holdings (Trinidad) Ltd held by CL Financial to Clico on September 16, 2009.

The transfer of those shares to Clico gave the insurance company a 56.53 per cent stake in the methanol company—and a majority position in MHTL. KfW, the German financiers of MHTL and Consolidated Energy—comprising German companies Proman, Helm...”—et cetera.

They claimed that those shares transferred breached their agreements and it was for this reason, the start of the arbitration took place. [*Desk thumping*] So it had nothing to do with the People’s Partnership.

I now turn to the second issue of mass misrepresentation of fact made by the Minister of Finance. Mr. Vice-President, I wish to refer to a statement as recorded in page 14 of the *Hansard* in which the Minister of Finance stated and I quote:

“By way of example, just a few days before September 2015 election, the former Cabinet approved short-term loan six month facility of \$1.6 billion for T&TEC. This matured in February 2016. Can you imagine...”

And the antics he had going with it whilst he was saying it.

“Can you imagine”—hands flaring—“while you have to send money for children? While you have to send money for the homes for the aged, Madam Speaker? While we are talking about this which is what we are talking about today. Can you imagine while you are grappling with this situation being faced with the requirement to pay in full a \$1.6 billion short-term loan with oil prices below \$30, the Government overdraft maxed to the limit and the Exchequer Account overdrawn by \$30 billion? This is what we face.”

This is what we face. This is what the Minister of Finance said, and I will show you and this country today misrepresentation once more.

2.20 p.m.

Mr. Vice-President, the background to the loan was that T&TEC owed TGU US \$250 million for electricity supplied. T&TEC was not in a position to settle the indebtedness. It was agreed that T&TEC would borrow the money, based on a government guarantee and pay off the outstanding indebtedness in summary.

The arranger of the loan was Republic Bank Limited. Republic Bank indicated that they could not raise the US loan in the time required and asked whether they could advance the money in TT dollars and be given a period of time to raise the US loan. The Government consented to this arrangement and gave Republic Bank Limited six months to raise the funds. Consequently, Trinidad and Tobago dollar loan was advanced by Republic Bank Limited for a period of six months, with the understanding that when the long-term US dollar loan was raised within the six-month period, that would pay the proceeds over to T&TEC which would in turn sell the US to the Central Bank for TT dollars and use that to pay off the short-term TT debt loan.

There was no additional risk being created for Government but this transaction, as long as the Minister of Finance proceeded with the arrangements that had been put in place, it is possible that the present Government may not have followed through on the arrangements made the same way that they did not follow through on the cash flows due to the Government for the TGU and the IPO. This is fact. If the money was not paid, if the debt was not paid, the Government could not draw

down on the moneys that they are now drawing down on. [*Desk thumping*]

I remembered in the last Senate I asked the Minister, earlier this year, about TGU: who owned TGU?—because I said to him I understood it was being sold to Ferrostaal; and he said to me the Government do not own that asset. That is what he said here. How could a Minister of Government mislead and misrepresent fact in that? I mean, it is impossible now to believe anything that comes out of the Minister's mouth. How could you run a country and how could a country take the word of a Minister of Finance who seems to be waffling with his contributions from day to day? Nothing [*Desk thumping*] that I can see or hear gives me any inspiration whatever that he is going to tell the truth to this country.

Another area of misrepresentation, I recall that on November 22, 2013, during the debate of the Excise Duty (Compressed Natural Gas) Order, 2013, the hon. Minister said, and I quote:

“All this mad rush to CNG, the Government needs to carefully examine what it is doing. Look at the amount of revenue that would be lost through import duty, motor vehicle tax and other taxes on CNG vehicles, and see how long it will take for the fuel subsidy or the reduction in the fuel subsidy to compensate for that.”

But if you did a proper audit and tried to understand why CNG has been a failure in Trinidad and Tobago, not just for the last three years but for the last 20 years, try and understand why, Mr. Vice-President, and you do the kind of research that the car dealers have obviously done, you will understand that you are spinning top in mud.

Not only has the Minister of Finance reduced taxes on CNG vehicles, he has also added hybrid and electric vehicles to the list. He has flip-flopped on his own words. Here you have, in one time in your life you say X and when you come in another time in your life you choose to say Y. Words spoken in this Parliament will come back to haunt any politician because they forget what they say, especially if they want to misrepresent the facts. I am not saying “lie” because I understand you “cyah say dat” in this Parliament. But you are misrepresenting the facts. [*Desk thumping*]

I would like to know if the Minister of Finance can share with us the audit that he claimed did not make sense then. I know he will come here and wave a piece of blank paper like he always does. He said nothing, he said nothing, he said nothing, and he points.

Okay, Sen. Dhanayshar Mahabir, I have something noted for you. But he must answer questions. I will haunt him every day of his life, whilst he is in this Senate, to answer questions and I will do it publicly, I will do it in here, I will do it on the radio, I will do it everywhere. He must answer questions. He cannot continue to misrepresent the truth. We must know the truth. [*Desk thumping*]

And just for the record, I would like to point out why he can achieve this today and make the bold pronouncement that that is why he can do and bring CNG vehicles to this extent. What was achieved for CNG under the People's Partnership Government:

1. The budget of 2010, we passed into law new incentives such as the removal of motor vehicle tax and VAT on new CNG vehicles and on CNG kits.
2. We gave tax credits for individuals who converted vehicles.
3. We opened the first new CNG station in 20 years at Brentwood, Unipet and Medford.
4. We opened a new CNG station on the Eastern Main Road. This is at Peake's in Tacarigua.
5. We built the Ramco Trinity Station, very soon to be outfitted for CNG.
6. We built the new St. Christopher's on Wrightson Road. Very soon to be completed with CNG.
7. Converted 10 per cent of the PTSC fleet to CNG. New CNG buses will be operational this year.
8. Built a CNG station inside City Gate to fuel the new CNG buses.
9. NGC purchased 200 CNG vehicles.
10. NGC built its own private CNG station.
11. Petrotrin currently changing its fleets to CNG.
12. Established in January 2014, the NGC/CNG new company dedicated to implementing the CNG programme.
13. NGC/CNG signed an MOU with the Maxi-Taxi Drivers Association.
14. NCG/CNG signed an MOU with Unipet and the National Petroleum Marketing Company.
15. NGC/CNG and the Bureau of Standards have developed new CNG

standards.

The reason why the Minister cannot come and say this is what he is doing is simply because we have done the work for him. [*Desk thumping*] We have done the work for him. I will continue.

16. NEC has trained and is training CNG technicians.

17. Awarded a conversion licence to Massy Automotive Components Limited in O'Meara Road, Arima.

18. Approved conversion licence for Ansa McAL and Dunmore.

19. A new gas station is being built on the corner of Tumpuna Road and Churchill Roosevelt Highway will have CNG.

The 10 sites recently mentioned in the newspaper were all planned and developed under the tenure of the People's Partnership via NGC and CNG.

We on this side are very happy. We are very happy, Mr. Vice-President, that the hon. Minister has taken what we have done and has implemented it. The first of all that we have done is all he has done so far. I do hope he continues taking what we have done and completes it for the benefits of the citizens of Trinidad and Tobago. [*Desk thumping*]

Again, I want to point out what is fabrication and what is the truth. So my contribution, I said, Mr. Vice-President, is solely to bring facts to the table and to dispense with fiction—facts and not fiction.

The Minister of Finance is on record as saying that the IMF and Standard & Poor's have all been critical of the economic management of the previous Government, comments that are totally untrue and misleading. This type of misleading information is part of what I call the PNM politics of destruction. They destroy everything that is good. They even, at this time, are destroying the country's reputation, the reputation of the country. Standard & Poor's never, never, condemned the management of the People's Partnership Government in its tenure in office. [*Desk thumping*]

Let me spend some time, Mr. Vice-President, to clear up some of the erroneous pronouncements made by the Minister of Finance. At their January 2015 visit to Trinidad, the IMF said the following:

We support the Government's prudent decision to prepare revised budget plans based on conservative price assumptions. There has also been further progress

on financial reforms while improvements in easing the cost of doing business have indeed been impressive. Procurement legislation has been passed and, once implemented, should help to improve expenditure efficiency and allay concerns regarding corruption.

[MADAM PRESIDENT *in the Chair*]

Since this Government has come into office, Madam President, the procurement legislation in no way around. I am told that it is now going through another process of reformation and God alone knows when this piece of legislation will see the light of day.

Let me turn to Moody's Investors Services for a second, Madam President. On May 04, 2016, Moody's Investors Services pays Trinidad and Tobago Baa2 ratings on review. They said, in part, Moody's would downgrade Trinidad and Tobago's Baa2 rating if its rating review were to conclude that the Government's plans are unlikely to be adequate to sustain Trinidad and Tobago's economic or government balance sheet strength.

2.35 p.m.

I would like to suggest that should the country's Baa2 ratings be downgraded, it would be because of the PNM Government's failure to sustain the economic balance sheet strength that was left by the Persad-Bissessar Government in 2015. [*Desk thumping*]

Another misrepresentation of fact, I would now like to turn to Standard & Poor's last December. Last December, this is what Standard & Poor's said in its statement:

"We are affirming our 'A' long-term foreign and local currency sovereign credit ratings on Trinidad and Tobago."

Standard & Poor's said:

"We are revising the outlook on the long-term ratings to negative to reflect...at least one-in-three chance that prolonged low energy prices could result in potentially low GDP growth prospects and a steadily rising debt burden, causing a downgrade in the next two years."

Standard & Poor's said:

"...Falling energy prices have also sharply reduced T&T's typically large trade and current accounts surpluses."

Madam President, Sen. Dr. Lester Henry just intimated somewhere along in his contribution that the then Government did nothing.

“...Falling energy prices”—I would like to repeat by Standard & Poor’s—“have also sharply reduced T&T’s typically large trade and current accounts surpluses.”

Standard & Poor’s continued:

“An increase in exploration activities in the oil and gas sector in recent years should sustain energy production over the coming decade, contributing to long-term economic growth.”

The former Minister of petroleum, Mr. Kevin Ramnarine, has to be commended for using his initiative in granting the oil companies concessions to continue and to start exploration and development in Trinidad and Tobago. [*Desk thumping*] I have said in this House on many occasions that it was not bad spending by the People’s Partnership that caused the problems in Trinidad and Tobago. I have said it was because, Madam President, from 2000 to 2010 drilling days and drilling activities came to almost nothing, none. If you do not replenish your dwindling reserves, you cannot expect to have oil and gas production to take care of the problems that we are facing today.

There was no planning by the PNM Governments between 2002 and 2010. They did not want to give up any tax revenues to the oil companies. We as a responsible Government took the initiative through the Ministry of Energy and the Ministry of Finance to give the tax concessions, and that is why today—hon. Sen. Franklin Khan, you will agree with this—this is why today we have drilling activity in this country. [*Desk thumping*] No one could ever say that that is not so.

Sen. Khan: I will deal with that.

Sen. G. Hadeed: You could deal with what you want then. Standard & Poor’s affirmed long-term foreign and local currency sovereign credit ratings, but revised the outlook based on what they forecast for the economy. The future of our economy has not deteriorated because of the People’s Partnership Government. Should it deteriorate, it would be because of the PNM Government’s policies.

Madam President, the Minister of Finance has not been telling the truth to the citizens of Trinidad and Tobago. [*Desk thumping*] The Minister of Finance did what he can do best—create chaos, panic, instil fear and create anxiety amongst the population. I call this destructive politics, destructive politics.

I deal now with the exchange rate. On Friday, hon. Minister Imbert deceived the nation on the TT dollar exchange rate when he said:

“Over the last 6 months, our exchange rate has moved 3.7%, from 6.37 TT dollars to 1 US dollar to 6.61 TT dollars to 1 US dollar.”

Minister of Finance Imbert further stated, in his best pretend “honest Joe” voice that:

“Appropriate measures will therefore be taken to ensure that our exchange rate does not move by more than a further 3.3% from today’s rate.”

Madam President, compare finance Minister Imbert’s claim with the truth. The Unit Trust Corporation which is a wholly owned state financial organization sells the US dollar at \$6.85, which means that the value of TT dollar against the US dollar has eroded by 7.5 per cent, double the figure that the hon. Minister of Finance used to mislead the Parliament. I should say the other House, the other place. This means that the finance Minister is talking tough and acting as if he understands where he is right now. His target for further erosion of the value of the TT dollar has already taken place.

Further erosion will take place. The way this Minister is playing with the TT currency is like bleeding to death one drop at a time. If he intends to devalue the dollar, he needs to do so now and give the country confidence in the dollar, but the way he is playing with the dollar brings no confidence whatever.

Today people are selling the US dollar for \$7.50. That is what the dollar is trading at today. We asked him a simple question: are you aware of the black market in US currency? He stood up and said one word, “No”. He did the same thing today, “No”. The population is going to tell him no one day. [*Desk thumping*] If he continues to insult the intelligence of this country, he will pay the ultimate price. [*Desk thumping*]

During the People’s Partnership Government term of office, foreign exchange reserves expanded between 2010 and 2015 by as much as 22 per cent alongside the 59 per cent expansion in the Heritage and Stabilisation Fund to US \$5.7 billion. I am sorry Dr. Henry is not here to listen to this. I suppose he needs to get something after what he said or go somewhere after what he said.

On reflection, when one looks at the mid-year review, the direct misrepresentation of foreign exchange can only conclude that if the PNM is placing measurements on distortions of fact, there is no way the country can realize

realistic economic targets.

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

Sen. G. Hadeed: Thank you Ma'am. Another matter to be addressed is the distortion of the facts regarding the Central Bank overdraft. The Minister of Finance has made heavy weather over the Central Bank overdraft on the Government's Exchequer Account, which the finance Minister Imbert, going as far to refer to it as unprecedented recourse by the previous administration to the Central Bank overdraft.

The first point is that the Opposition had made it clear on numerous occasions that the account was properly planned for with \$13 billion in revenue inflows expected over a seven-week period from September 07. After spending months dismissing the position of the Opposition and denying that any such inflows were planned, Minister Imbert, on Friday tried to hurriedly skip past a very important statement he made in the mid-year review, which is effectively an admission that the Opposition's position was correct.

Despite denying collections on the existence of amounts owed by TGU, finance Minister Imbert said:

In addition, having already received US \$300 million owed (TT \$1.9 billion) from TGU, we expect to collect a further US \$255 million (TT \$1.7 billion) from TGU in the second half of the fiscal year.

Madam President, this is the same gentleman that told me we did not want this. How are we receiving money from something we do not own? If he cannot even answer a question in this House truthfully, how are we going to believe anything that is said?

Madam President: I think at this stage, Sen. Hadeed, I have to point out to you that you are imputing improper motives to the Minister of Finance by what you just said. Okay?

Sen. G. Hadeed: Okay, I withdraw. I would restate the statement. Despite denying collections and the existence of amounts owed by TGU, Minister Imbert said:

In addition, having already received US \$300 million...(TT \$1.9 billion) from TGU, we expect to collect a further US \$255 million... from TGU in the second half...

I would like at this stage, Madam President, to lay on the table that the hon. Minister must, at all times, represent what is there, and not what he wants to create to be there. So it is my duty to advise the country to pay attention to what the Opposition is saying, and not to believe everything that comes from the Government's side. I thank you, Madam President. [*Desk thumping*]

Sen. Dr. Dhanayshar Mahabir: Thank you very much, Madam President. At this time, Madam President, coming in number two on my bench, I feel there really is a lot that has been said, and I hope I should be forgiven a bit if I reflect on the economic history of Trinidad and Tobago.

2.50 p.m.

Madam President, in 1992, then finance Minister, Wendell Mottley, presented, what I considered to be a watershed budget in Trinidad and Tobago. It was entitled, "...from Stabilization to Growth", and that was a presentation that was made after eight years of economic adjustment and stabilization, which spanned three Governments, the Chambers administration, the Robinson administration, and then the Manning administration. The 1992 finance Minister, Wendell Mottley, could say that he was now presenting a budget that will move the country from a period of stabilization to a period where we can expect a growth momentum, and we experienced growth from 1993 well into a decade and a half later.

When I reflect on this mid-year review what I see is that the current finance Minister is presenting a mid-year review after eight years, similarly, of stabilization which started in 2009, and it crossed, similarly, Madam President, three administrations, the last Manning administration, the Kamla Persad administration, and now the Keith Rowley administration. So there are certain similarities between the 1992 presentation and the presentation today. But there is, Madam President, a salient difference, whereas in 1992 we were speaking about the prospects for growth, in 2016, eight years after our period of stabilization, second period has started, we are talking about a period of stabilization continuing, and the prospects for growth are nowhere on the horizon.

This, to emphasize Sen. Dr. Henry's point, places us in a position of tremendous uncertainty, because without growth there shall be no revenue of two types, no increase in Government's revenue and no increase in foreign exchange revenue; the two types of revenue that we so critically need. What we have been doing for the last eight years is running deficit after deficit, after deficit,

continuously, and the prospects for deficits over the next few years are also very much in order. So we would, in our economic history, be experiencing a period of more than eight years where we have not been able to resume growth, and this is the makings of a situation where in Trinidad and Tobago we are now at a pivotal point that will require all of us in this Chamber to craft solutions on how we are going to manage our way out of this persistent protracted difficulty.

I have not seen this before in our economy, and I have analysed this economy since 1492—1498, rather, when in fact we had the European invasion. We did have an economy, Madam President, with the native people, and as much as I ask the anthropologists whether there was a currency then, they were not able to tell me. There was an economy, but whether there was a currency and terms of trade I cannot say, but from 1498 I have a reasonable idea of how this economy has functioned, and we have not seen a situation like this prior.

So we are in very interesting times. What have we been stabilizing? We have been stabilizing, over the last eight years, a level of employment. If I sound professorial, Madam President, please forgive me. I like to understand and explain before I proffer a solution. So we have been stabilizing employment. We have tried to maintain laudable objective, full employment over the last eight years, spanning three administrations. But the cost of maintaining full employment has been at the expense of spending more than we have earned, and each year that we spend more than we earned we build up a deficit which was financed by borrowing, and we have borrowed continuously for the last eight years—from whom? We have borrowed internationally. We have borrowed domestically, floating our bond issues. We have borrowed, as it came out recently, from the Central Bank via an overdraft that was larger than it should have been.

So we have borrowed significantly. We have also sold some our assets, but the borrowing is what concerns me because we are going to be borrowing some more in the future, and the problem with borrowing is this; there is a big difference between borrowing and grants, we need to repay. If we do not repay we find that our creditworthiness is compromised and we face difficulties in raising financing, as we did in 1992. We had difficulties in raising financing, but we also are going to require a larger and larger amount of our recurrent revenues to service our growing debt. It is in this context, I think, in this mid-year review I would have liked for the Minister of Finance to let us know, not only what the foreign reserve position of the Central Bank is, by extension the Government, we know it is some 10 months of import cover, or 11 months, or about \$10 billion, we know that—I am coming to

that—but we do not know the stock of debt in this country, the Petrotrin debt, the T&TEC debt, the WASA debt, the Central Government debt, and the slew of debt which is rising, in addition to the Clico debt.

So I am hoping the Minister will set to task his officers at the Ministry of Finance to let him know what the stock of indebtedness, for which he is liable, is at this time; not difficult to determine at all, but it is information that we need if we are going to craft solutions out of the difficulties that we are currently facing. The reason, Madam President, is a simple one. Greece can initiate a huge amount of debt and get away because they are part of the EU. Puerto Rico has a huge debt problem and it can escape—we are not so sure—but it can escape reasonably well because it can depend on financing arrangement from the United States. We are not so fortunate, and we have to be sure that we are not going to find ourselves in this situation.

The reason, Madam President, is a simple one, if we cannot service our debt we are going to jeopardize the long-term economic welfare of all of our people. So while we have short-term gain we do not wish to have long-term pain. We want to ensure that over the medium term, over the next decade, for example, when hopefully all of us will be here, the quality of life of all can continue, at least to be preserved at its current levels, or to rise somewhat. The Minister has, in addition to this, giving us the figure on the public debt situation, also given us some indication as to how he is going to finance the gap, the \$15billion gap that he has advised us. He has said that he is going to sell some assets, that there are assets for sale, the Clico assets, and so on, that he will sell. Let us hope when these asset sales, Phoenix Park, and some more FCB, that the IPOs then will be a little more transparent and a little less corrupt. So we do need to ensure that these situations we have learnt from—*[Interruption]* Yes. Well, we get the assurance that there is going to be great deal of transparency, but in filling the gap we know that he is looking at asset sales, sales of the country's property, sales of the country's assets, what does that do? What it does is that in the future it undermines the country's ability to earn revenue from profits.

The Government can earn revenue from profits, as it has in the past, as well as tax revenue, and it is incumbent on the Minister to ensure that when we sell assets we are not compromising the ability of the future to raise revenue, especially in an environment where the growth prospects are rather dim for revenue enhancement. The Minister has indicated that he intends to dip into the Heritage and Stabilisation Fund; well, I think the Minister ought to know that that is a very sensitive issue.

The heritage funds of Qatar and Kuwait, and Norway, and Saudi Arabia, and those countries, are in the hundreds of millions.

I think the Qatari fund is something like \$700 billion. What happens there is that while they are dipping, it is going to be returned. It is going to be returned, when you look at \$700 billion owned by Qatar, by 5 per cent which is their targeted rate of return, they are estimated at some \$35 billion per annum, and they can easily take \$35 billion and next year they know it will return in interest and principal. We are not so fortunate. We did not build up a fund to an extent where the returns on the fund, once it is withdrawn, will be returned in the next year, and, therefore, any withdrawal we take is really a withdrawal in principal, and that is something that we need carefully to watch.

But the Minister also has to indicate to us, while he said that he is going to cut his spending on the gas subsidy, Madam President, he has to indicate how he is going to share the burden across all sectors of the population. The petrol subsidy is one that all of us benefited from as a people and once it is cut, all of us will experience a fall in our purchasing power, and we have to make the adjustments—of course, more on that a little bit later. But I understand that there are companies in this country, large oil companies that for this year when the Minister needs money the most, is not getting anything because of the way the tax regime is so structured. I think we need to be looking, once again, at how our tax structure on the business sector is created to indicate to the country that they too will be making an adjustment, that we are going to be looking at some loopholes, we are going to be looking at the corporate income tax, we are going to be looking at some of the petroleum taxes, we are going to be looking at some of these allowances which will allow oil companies not to pay taxes for a considerable period of time.

We need drilling but we also need revenue, and I think this is a time for us to renegotiate our pact with the private sector so that they too will contribute in the revenue that the Minister so badly needs at this time. In that context, the Government has created, what I consider to be the most important institution of the last decade in this country, and that is, finally, we are serious about tripartism. We are speaking to labour, Government, and business.

I commend the hon. Minister of Labour and Small Enterprise Development, Sen. Baptiste-Primus, for bringing the tripartite commission together so that we could begin to work—the tripartite council together so that we could begin to work and begin to dialogue, and we can begin to craft the solutions that we need in order for us to move from where we are to a more acceptable position. But regardless of

all of that, Madam President, regardless of all of that, it is always said that if the mountain will not come to Muhammad, then Mr. Muhammad will have to go to the mountain. What is the mountain? The mountain is that expenditure of the Government of some now \$59billion; that is the mountain.

3.05 p.m.

And we cannot now say—the Minister when he addressed us in October indicated that, well he was not going to cut expenditure. I think that was just the politics there. The economic reality is that we need to be looking at whether the expenditure of \$60billion in the environment in which we are in in which there is, Madam President, no light in the immediate or in the medium term with respect to raising the revenue whether that is sustainable.

And the answer is that if we are to protect the welfare, the public interest, we have to give serious consideration now, not only to enhancing the revenue flow which we can do via increasing collections, asset sales. All these are temporary measures, because soon we will run out of assets to sell. Soon we will, Madam President, not be able to raise taxes more because there is a time when you overtax a country and it leads to tax evasion. Soon the time will come when the individual, the rational self-interested individual will find clever ways of not paying his share to the State. So we need to get optimum taxation. We agree with that. Optimum collections, but at the same time we need, Madam President, to look at our expenditure, the expenditure in the State.

The Minister has started. He has started with that petroleum subsidy. He is cutting his expenditure there. He is going to have to continue and he has to continue because this \$15billion he is speaking about that he has to finance must come from somewhere and it is going to come from borrowing which will lead to, and further enhancement in the stock of debt. So again, I want to reiterate the point, we need our debt monitoring unit. I have said it before, but it is critical. We want to ensure that we do not reach a threshold where the amount he has to pay on debt servicing is almost equal to his public sector wages bill. He has to watch that figure very carefully. It is like a medical doctor looking at a patient on the operating table and monitoring the blood pressure. He does not want the blood pressure to go to too much of an escalatingly high level. So he wants, the Minister, needs to control that level of stock of debt. The reason, Madam President, is this. When the revenue is flat and your debt is rising then you have to pay a greater percentage of that \$40billion to service debt. A greater percentage of \$40 billion to service debt means less would be available for all the social services that all of us

would want, the Opposition, the Independents and the Government, all the services we want the Government to continue to supply. So let us look at the debt. Let us look at our revenue collections and let us look now at expenditure reduction.

In expenditure reduction, we agree, we cannot continue with the level of subsidies that we have had in the past because the economy has changed. Until we talk about restructuring the economy which is going to take time—and just as an aside, Madam President, we have had three epochs of economic diversification. Sen. Henry was right. The first in the 1960s, the Pioneer Industries Act; the second was the Point Lisas heavy industry; the third in Trinidad was LNG in the 2000s. We are looking for a fourth, and unless we find that fourth here, the Minister of Trade, Industry and Investment will be playing a critical role. Unless we have that fourth so that we can participate more effectively in the global economy, we are going to find ourselves in a period of uncertainty. And while we are uncertain, we need to really reduce the expenses.

And in this context we know that the Minister of Finance when he is allocating funds has, Madam President, to send a directive to all his line Ministers and to all the Permanent Secretaries on how they can reduce their level of spending. In fact, what I have seen here is that the Minister has started. He has started with respect to the reductions in expenditures which are—this is, amounts reduced Ministry of Health, Ministry of Housing and Urban Developments, Ministry of Sport and Youth Affairs—well I suspect that he has eliminated some of the LifeSport from in there—Ministry of Social Development and Family Services.

But what I have seen, Madam President, is that the Minister has increased the Ministry of National Security by \$40,000. And asked myself, it was not an error, but expected to see a reduction. You see, in this country there is a view that the moment you mention the words national security, if there is a reduction in allocations there, it would appear as though the Government is not interested in crime reduction. The reality is this. We have been allocating on an annual basis since 2000 every year an increase to national security, every year an increase over the previous year, and yet we are not seeing this reduction in crime.

But just last week I heard the hon. Attorney General—and information like this very vital and critical—giving us a clue as to how you may reduce expenses there while not injuring the public interest. The hon. Attorney General indicated in the public domain that in the prison system there is a large number of persons who are in there not because they stole \$20 billion like in the Clico HCU thing and in the FCB/IPO. They are there; perhaps they were smoking a joint of marijuana and they

could not pay or they failed to pay child support. They were low-risk prisoners.

One suggestion, could we go through Ministry by Ministry like this and just as the AG indicated that this is a feature in national security, could we not have—and this is where we need to be creative. All Ministers need to be creative. Every prisoner ranked low risk, medium risk, high risk. Low risk prisoners, well let us just have them out of the prison system where they are costing us \$25,000, so he says, per month, bring them out, work with the community police to do community work, cleaning up the beaches, painting schools, doing repairs. It is going to benefit the community by getting work done. It is going to benefit the Minister by saving money and it is going to benefit the prisoner by getting him out of the jail.

I think these are things we need to be looking at, Ministry by Ministry. And this is, I would imagine, something that every Minister will have to be charged with in the new environment. If I were the Minister of Finance I will charge every Minister in my Cabinet. Find me ways in which we can discharge our functions without injuring the public interest and saving money. It is challenging. It will require creativity, but they are there. “LifeSports” are there in every Ministry. And the reason is, Madam President, we raise public spending from \$13 billion to \$52 billion in an eight-year period. Clearly, as we raised spending there were many things that we could have easily avoided. And we can afford it when we have money. We have no funds now and we have—it is called organizational slack. We need to cut that slack.

Take the case of prison transport. We spend a large amount of money on transporting prisoners. Every time I come to Parliament I have to pull aside when the prison van is passing with an escort. That is costing money. It is somebody who has a contract. I know somebody will suffer, but the Minister can easily save some money. Could we not have the judicial arm of the State have locations close by the prisons so that you walk the prisoners over? Less risk to the prisoners escaping and so on and avoid the transport charge. We need not to spend our way out of the problem, Madam President, we need to think our way out of the problem. Think of it rationally.

And again, in national security we are allocating them \$40,000 more, Minister. I think we should cut some of them and national security would not be compromised. National security in the past has required hardware like a blimp and armoured personal carriers. These hardware, these things are expensive, hundreds of millions if not billions. I would recommend in the interest of the public that every such expenditure now be subject to a thorough cost-benefit analysis so that

we will know when we purchase an armoured personal carrier, a drone, an offshore patrol vessel, we will know in a reasonable way what we can expect to see with respect to crime reduction. If not, we simply cannot afford it. Cost-benefit analysis was passé when we were rolling in funds, now it has to be reintroduced given the critical revenue shortage that we have.

Madam President, the problem for us is that expenditure cutting is going to be difficult, but the reality for us is that it has to be done and we need to educate the population. In fact, I think it is incumbent upon all of us to educate the population. That it does not matter who is in power, the environment does not respect the political party. The economic environment would have to be handled by the Government and the Opposition along the same lines. We have to adjust. I agree with Sen. Henry. We must be in control of our adjustment not an external agency. Let us adjust and cut in a manner that is convenient to us, and let us adjust in a manner that is convenient to us with respect to time.

And while we are looking at each Ministry—so I expect the hon. Minister to tell me about the public debt. I expect him to indicate that a directive has been given to all Ministers. We are seeing as Ministers report in the public domain. I cannot know. I am not in there. We have little bits of information on what is happening in the Ministries. When they appear before us in the joint select committees we see the amount of waste which could be eliminated, but I think it should be for every Minister a report to his Cabinet colleagues on how much I have been able to save the Government simply by reorganizing my Ministry and finding a different way. And the Minister will understand this. He has to ensure that they reengineer their operations. We have to do that since we are in the environment of uncertainty.

And as we reengineer our Ministries, as I think we can do health, Ministry of National Security, education, everything, there are some things that I think the Minister can do to bring some relief for the ordinary people. Let us allay the fears of the ordinary people. Let us tell them that although the revenue is just \$40billion, there are things which could be done and will be done that we could do now to improve the quality of their life.

I raised this point, Madam President, on the last occasion. I saw no traction on it. But take the case of one of our most vulnerable groups in society, our old age pensioners. Many of the old age pensioners are immobile. But old age pensioners must report to the old age pension office once a year still to ensure, to let the officers know that they are alive. You know, NIB, we were able to get NIB to get rid of this. The private sector is following. I think we could simply look after our

senior citizens by telling our Minister of Social Development and Family Services, look just follow the NIB model. Just let the old age pension office look at the amount of the death certificates on a monthly basis, simply strike off from their list of recipients all the death certificates and those who are not a death certificate are alive and do not subject the people to this kind of harassment. Many of them are elderly.

As now Chairman of Social Services Committee we will be looking at some of these things because it is going to cost the senior citizen taxi money now to go down to the office simply to show he is alive, money \$200, \$300 that he can keep for himself, will not cost the Minister of Finance anything, will save the old age pensioner \$300 or \$400 a year.

Let us now look, Madam President, at a suggestion raised by Sen. Small. He has raised this in the past, let us see how it is going to play on this occasion. And this is, in old days of the 1980s when the Government needed to borrow, it had a programme known as the 5 per cent tax free savings bonds. And once someone purchased the bonds up to a certain limit, they got 5 per cent on the bonds and they got a tax credit from the Minister simply because they saved with him, as opposed to saving with the commercial bank.

3.20 p.m.

I think given the huge borrowing requirement of the hon. Minister, and the Minister is persuadable. I see the Minister, although he may put on a kind of a stance, he is persuadable, and I would try to persuade the Minister to give some consideration to the reintroduction of this particular programme so that the savers out there who are getting nothing for their money can lend to the Minister, and not only the financial institutions will benefit, and, through you, Madam President, the hon. Minister can work through the Unit Trust. Let the Unit Trust open a bond fund. They have a Money Market Fund and an Equity Fund, a bond fund; and so, if I want to purchase the Minister's bonds at 5 per cent or 6 per cent, I simply buy units in the Unit Trust Corporation, and I am able to get that high rate of interest at the same time. If he wishes to give a tax credit he can do that. But, the 5 per cent tax-free saving bonds idea with a tax concession, I think, can really benefit the retirees, the public servants with gratuities—I am coming to that—and people with some money who get nothing from the commercial banks. And people who get nothing from the commercial banks—

Hon. Senator: Is everybody.

Sen. Dr. D. Mahabir: Is everybody. I have here a bank statement, and again, a suggestion to the Minister of Finance. I would not mention the bank, except it is a very regal bank, and the opening balance on this fund is \$21,162.70; joint account between two Mahabirs, my daughter and myself. This is my daughter's money. I taught the child to save money. She saved up \$21,162. At the end of the month the amount here is \$21,142. She did not withdraw anything because she is abroad. Twenty-five dollars came out as a service charge from this account. Basically, you started with \$21,162, you ended up with \$21,142. What we are in here is negative interest rates. The bank is charging \$25. No interest, you know. Sen. Small, check that out. [*Interruption*]

No interest payments, and so I would like to recommend to the hon. Minister of Finance that he would review the Central Bank Act, and upon review allow the Central Bank the power to regulate bank fees because the amount raised in fees are in the hundreds of millions of dollars; [*Desk thumping*] and at a time of economic decline, when banks cannot make money one way, they will tax the customers in another way. So, we need to review that Central Bank Act for that purpose. [*Interruption*] Yeah, yeah, no, Central Bank Act. Bank charges, regulate them. Let the Central Bank regulate.

Sen. Small: They have to be reduced. [*Laughter*]

Sen. Dr. D. Mahabir: Reduce them, all right. Let me recommend, again, with respect to pensions. It is now 10 months that the Government of Trinidad and Tobago owes me a pension for serving in the last Parliament. When I tried to explain to people who are waiting for their pensions two years, and three years, and so on, I say, but, I am supposed to be a big man in this country, and 10 months later I cannot get the pension. And, it cannot be that they are finding it difficult to calculate my pension, because I can calculate it in two and a half minutes flat. Given the small amount and given the simple formula, [*Laughter*] they owe me something like \$60,000. They owe Sen. Small and Sen. Roach the same amount, and Senators in the front bench too. Sen. Hadeed, probably, is entitled to some pension too.

What I would recommend, Madam President, is that we set a cap, the hon. Minister of Finance should let his department know that they should finalize someone's payments within a 12-month period. That seems reasonable. And, if 12 months were to elapse then we should get an interest payment. I would say since we have to pay the BIR when we owe money, when the Government owes us money, after a year, I think it is only fair, they pay me 10 per cent per year, per

annum or any part thereof for holding back my money for no just cause. There is no reasonable cause, especially when they do not need any more information, they do not need any more data. So, that is something for him to consider.

Foreign exchange allocation. Well, the Minister of Finance gave the assurance that he was going to look at ForEx allocations to people for health and education. I speak not for myself only, but for people across the country; foreign education, I tried to obtain \$5,000 Canadian to pay fees. Last week Wednesday I got \$1,500; Thursday I got nothing; Friday I got nothing; Monday I got nothing; today I was told I could get another \$1,500. Clearly, in the bad old days when you needed ForEx for foreign education, you simply presented your school letter to the Central Bank and they stamped it, and the commercial bank was bound to give it to you.

Now, with the bank under control, taking out \$25 for which they have done nothing, and every time they sell me \$1,500, I have to pay a wire fee to them and a wire fee to somebody else, and so, they are hitting me senseless. I would like the Minister, who has given us the assurance, to simply now have the directive sent out, cast in stone. And the directive is simply this: health and education, please do not fuss. That is critical for the country's welfare. So, Minister I look forward to when the commercial banks will begin to really comply with the directives that you will give them.

Madam President, just two more points before I close. We have heard talk about the property tax. Like the Heritage Fund, it is going to be a contentious issue. But, let the Minister give consideration to the fact that the country has recognized that we do need to pay a tax on property, but across all locales, property taxes are not meant to go into general revenue, they go into local government. Once you marry property taxes with the local services we receive, it is going to be equitable and fair. There are people out there who built houses for \$40,000, 1973; houses are now valued at \$4 million; their salaries did not rise in tandem and they are panicking simply because of what the Minister says. He can allay some fears.

And, finally, Madam President, let me see how we could bring some relief to the commuting public. Whenever we talk about raising the prices of gasoline, and the fact that someone has a car. We know in the North Atlantic there is an option. The option is mass transit. In Trinidad when we abandoned the train in 1966 we never really had a good mass-transit system. There is an option. The option is what the Government itself implemented a couple months ago, a short while ago. The Government invited me to the inauguration of the council on tripartism. I was asked to park at Queen's Hall, and I took the shuttle to the Diplomatic Centre. It

was park and ride, and the reason was, it was going to be difficult to accommodate everybody in the Diplomatic Centre. Could we not extend park and ride so that down by the Nagar out there we have a parking, opposite Trincity Mall we have parking, so Sen. Small and colleagues from that area can simply park there, ride to Port of Spain on a shuttle. There is a benefit. When you ride with a lot of people—I met a lot of trade unionists and I met a lot of industrialists at the same time on the bus; there are benefits.

So, let us look at park and ride, and, also, Madam President, decentralizing. The Minister of Planning could be asked to decentralize, to continue that. It will give the motoring public an opportunity; park and ride so that they do not have to use their car and consume so much petrol. Decentralize, work closer to home.

Madam President, I must conclude, but there are many things we can do. We need to think our way. The solutions are not hard. Once we do that, this crisis, this difficulty, shall pass.

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

The Minister of Rural Development and Local Government (Sen. The Hon Franklin Khan): [*Desk thumping*] Madam President, I rise to join this debate on the Finance (Variation of Appropriation) (Financial Year 2016) Bill, 2016. This Bill simply seeks to move around allocations on Heads, and that was fairly well articulated by the Minister of Finance during his presentation. It only calls for \$16 million in additional expenditure for the Parliament, and all other allocations are internal adjustments, largely based on the realignment of the Ministry portfolio, and the orders as to what functions fall with each Ministry, and it is listed here in the documents. So, I would not repeat it, because it was said by a lot of the speakers before me.

Madam President, before I begin, I want to formally congratulate the Minister of Finance again for a well-presented document, [*Desk thumping*] especially in the Lower House where he had 90 minutes, 88 minutes he took, and I think he did an excellent job here, you got an abridged version, but just as lucid. And, I want to bring the attention to this House that, if I should say so myself, he just keeps getting better and better. [*Desk thumping*] In my view, and this is an honest view, I am not pampering to him at all, he has brought an analytical and organized mind of an engineer to the very chaotic financial situation and economic environment he finds himself in.

He has brought order and clarity, most important, to the Clico situation, and I

will spend a couple minutes on that. He has brought order and clarity to the cash-flow situation, the overdrawn Exchequer Account, the Central Bank overdraft limit. We are now starting to see a semblance of order in all this chaos in the financial situation that we met. He has brought order and clarity in defining the deficit. So, after his presentation in the House last week Friday, and today, we are now seeing what the deficit will really look like, and how we plan to narrow the deficit by cutting expenditure, trying to increase revenue, but more importantly, this year in particular, by the sale of specific assets. And speaking of that, before I delve into my core contribution, let me just rebut or make some comments on statements that were made.

Sen. Mahabir spoke about, we should not sell the Clico assets. Well, we should consider looking at revenue or profits from these assets, and not trying to sell it. I just want to draw to the attention of the House that the Clico assets were not bought as an investment. They were part of a bailout situation. So, when the federal Government of America bailed out Freddie Mac and Fannie Mae, they did not keep their investment in these institutions and say, I will get profit from them when they become profitable. They wanted back their money. So, we cannot keep the Clico assets and now make them state enterprises. We want back the cash we had put out during the bailout, and that is the basis of the sale. It has nothing to do with investments.

Sen. Dr. Mahabir: Would the Minister give way?

Sen. The Hon. F. Khan: Yes, I will give way.

Sen. Dr. Mahabir: Minister, I was not really referring to that. What I am referring to, are the sales of, say, the FCB IPO where we are selling out state assets to fill our gap. And, second, the Phoenix Park, those are the assets that you own. And those are the assets that will generate profits for you, which will not be available to you if, in fact, that goes to—

Sen. The Hon. F. Khan: For the record we did not do that. And you did, in fact, talk about the Clico assets. So, I stand corrected. With regard to reengineering of the Ministries, I will deal with that later in my contribution. The Ministry of Local Government is being reengineered for local government reform context.

The reduction of expenditure, and I want to spend a minute on that because we have grown accustomed in this country to massive expenditure. I just want to draw the attention of the Senate that in Mr. Manning's last budget, the 2009/2010 budget, the expenditure was \$45 billion. This skyrocketed expenditure started

under the UNC in 2010/2011, and they reached \$63 billion in 2015. And they had that level of expenditure when oil prices for three quarters of their time was in excess of a hundred dollars per barrel. They ramped up the borrowings, so your debt to GDP ratio ramped up; your income stream from oil and gas ramped up; and yet you have nothing to show for it, expect a limping highway going down to Point Fortin. [*Desk thumping*] And all you have in Trinidad and Tobago to show is box drains.

And, let me just re-track here. This country experienced three energy booms. The first was under Dr. Williams, 1973 OPEC oil price skyrocketed; we got into the East Coast discoveries and we introduced something called the supplemental petroleum tax, which is a windfall profit tax. It brought in massive revenue into the country. The analysts say it was not well handled; they have all types of analysis, but at the end of the day, agriculture was subsidized, fuel was subsidized, transportation was subsidized.

3.35 p.m.

But look at Port of Spain. You have the Twin Towers to show, you have the Hasely Crawford Stadium to show; you have Mount Hope Medical Hospital to show; you have the Solomon Hochoy Highway to show; you have the dualling of the Churchill-Roosevelt Highway to show; you have the Hall of Justice to show, the Mucurapo Foreshore, all these were infrastructural building in the country. [*Desk thumping*]

The second energy boom came under Mr. Manning.

Hon. Senator: Do not forget Point Lisas.

Sen. The Hon. F. Khan: And Point Lisas. Well that was diversification. But the second energy boom came under Mr. Manning's regime when the gas price in particular—Mr. Imbert and Sen. Small mentioned with the high gas prices that we experienced in 2005 going on in 2008, when we had \$15 billion surplus, \$12 billion surplus. What did the Manning administration do? You have the Waterfront and the Hyatt to show. Good. You had the Grand Bazaar Interchange that was built by the hon. Minister of Works at the time. You had the third carriageway of the Churchill-Roosevelt Highway. You had NAPA and SAPA, and more importantly, and Mr. Manning's legacy will be recorded in that regard, he invested for the first time heavily in human capital and the tertiary education moved from 15 per cent. [*Desk thumping*] CDAP, UTT, tertiary education moved from 15 per cent to well over 50 per cent. We have invested in human capital.

Ladies and gentlemen, Members of this Senate, members of the public, the third energy boom came under the last UNC administration. One hundred dollar oil price from 2012 to 2014. And what you have to show for it, a limping highway to Point Fortin which I will deal with later. You ramped up the borrowings. And all you have to show is overpriced projects and tremendous box drains throughout Trinidad and Tobago. I stand here to say today again and we have said it all on the platform, the UNC Government was a box drain Government. All they have given this country was box drain. [*Desk thumping*]

Just to rebut Sen. Hadeed on one point he made when he said Minister Imbert spoke about the failure of CNG over the last 20 years. He said that in a context.

Hon. Imbert: I say that?

Sen. The Hon. F. Khan: No, not in this term, in a previous *Hansard* he read. But the point he was making at the time that CNG cannot work with the current price of diesel. So if you had no intention of removing the subsidy on diesel it made no sense investing in CNG, because the incentive would not have been there. Today, we have taken a decision as a government that we will be weaning the population away from the diesel subsidy so now that puts the context in which we can proceed with an expansion of the CNG market. Okay, so that is the context in which he made this thing.

And finally, Sen. Hadeed spoke about Moody's, Standard & Poor's and the IMF. But just for the record, let me say, the IMF Report, Article IV, Missions to Trinidad and Tobago states clearly:

"Despite the great challenges posed by the need to adjust to energy prices, Trinidad and Tobago still has enormous strengths, including a well-educated work force and a stable political system. With substantial financial buffers and low, albeit rising levels of public debt, Trinidad and Tobago is not in a crisis. Nonetheless, in recent years"—and this is the point—"in recent years"—that is the last five years, and one year 'all yuh did not even invite them'—"in recent years, taking into account the size of energy...windfalls, the country has under-saved and under-invested in its future."

Sen. Gopee-Scoon: That is you.

Sen. The Hon. F. Khan: Under-saved. Where is the savings? Budget deficit after budget deficit and under-invested.

So, Madam President, let me proceed with the core of my contribution. And I

just want to go back to the presentation that the Minister of Finance made in the other place. And a lot has been said about what he said about gas and oil and removal of VAT and whatever and whatever and on specific terms. But he made certain fundamental points that I think evaded the attention of most of the speakers. And I want to quote from his presentation in the Lower House, because, Madam President, Trinidad has changed fundamentally. And I quote from the hon. Minister of Finance:

“Madam Speaker, if anyone in Trinidad and Tobago doubted that we are in a new paradigm in terms of national income and expenditure, those doubts should have been erased by now. Indeed, the change in the global economic environment, particularly for oil-based economies, has caused what is referred to in the literature as a ‘sea change’...”

Point number one, Sen Mahabir, a “sea change”. Sen. Small, a “sea change”.

And he went on at the end of his presentation to make the same point and I really want to make it again here today.

“It involves spreading the burden of adjustment across the society and getting used to the fact that as the Economists would like to say, that we are in an era of a ‘new normal’...”

A “sea change”, a “new normal” and then he used the colloquialism to end off by saying:

“...we must now cut our cloth to suit our measure”—and you cannot have—
 “Champagne taste with Mauby pocket.”

The colloquial to the sublime. The literature, the economist, the professional, all well captured into this document.

Madam Speaker, I just want to let this nation know, as Dr. Rowley likes to say, the circumstances in Trinidad and Tobago has changed fundamentally. Let me call on Sen. Chote, you are not watching, but in contract law there is something called changed circumstance. And changed circumstance is sometimes a clause that is included in contracts, that when circumstances changed at such a fundamental level that opens up back the contract for renegotiation. And that is the position we find ourselves in today. Because, Madam President, through you, prosperity in this country could no longer be based on the bounty of God. Prosperity in this country now has to be defined by our creativity, by our resilience and by the productivity of the people of Trinidad and Tobago. We cannot no longer depend on the bounty

of God as it is reflected in oil and gas revenue.

I just want to put a little historical context into this now. There is a misnomer in this country that Trinidad is an oil-rich country. That is furthest from the truth. That was long ago. In 1977 crude oil production peaked in this country at 276,000 barrels per day. I was working at Amoco at the time and I just left high school, in Point Galeota because I am from Mayaro, and the oil fields of Poui, Teak and Samaan which were the three Amoco oilfields at the time, was producing at 150,000 barrels per day. We used to be sending out an oil tanker every three days out of Galeota. Now it takes three months to full a tanker—150,000 per day. And then the trust in exploration at that point in time was to find more Poui, Teak and Samaan.

As a matter, the American Association of Petroleum Geologists, the AAPG, published a special bulletin on Teak field and called it the giant oilfield of the decade, 1970 to 1980. As we speak, that Teak oil field in Galeota has produced over one billion barrels of oil. Check that in today's terms. It is the only oilfield in Trinidad that has crossed the billion barrel mark. Today, Poui, Teak and Samaan have been leased out to Repsol. And they produce a mere 15,000 barrels a day as we speak. That is the life, 15,000 to 20,000 at most; that is the life cycle of an oilfield.

Sen. Mahabir is right, you have to continue the exploration process. But I will give you some petroleum history. Amoco continued to explore for oil hoping to find more Poui, Teak and Samaan and all they found was gas. In those days when an exploration well was logged, by Schlumberger and the logs came to shore, in those days we did not have digital technology, wireless to Houston, you had to physically wait for the log, and you see gas, you steups. Gas again!? And the gas inventory was piling up and piling up and piling up.

As a matter of fact, in the exploration history of the East Coast, the first actual gas prospect was drilled quite in 1989, because every discovery of gas that was made prior to 1989 was found in the search for oil. And then, what did we do? The PNM administration developed a gas monetization policy, under Patrick Manning. [*Desk thumping*] And the gas monetization policy is what brought all the revenue to Trinidad over that period.

Today, we are in a downturn. We have to boost exploration. BHP is in the process of doing a deepwater well, Sen. Small spoke of it, the Minister of Finance spoke of it. Keep our fingers crossed. The technology is there today to image the

subsurface and we are banking a lot on this as a country and everybody in Trinidad and Tobago should go down on their knees tonight and pray for a discovery to be made there.

I just want to say something now on the refining sector. Because there are structural weaknesses in the local petroleum sector. In the 1970s, the Pointe-a-Pierre Refinery was a big Texaco Fuel Oil Refinery, a capacity of 350,000 barrels per day throughput. At that point in time all the majors had fuel oil refineries in the Caribbean to service the fuel oil market in the eastern seaboard of the United States. They had massive refineries in Aruba, in Curacao, in St. Croix and in Pointe-a-Pierre. There is no longer any refinery in Aruba, you know. There is no longer any refinery in Curacao, you know. There is no longer any refinery in St. Croix, you know. They were all shut down in the early '80s. As a Government we try to protect what should have been a dying refinery, the same thing we did for Caroni (1975) Limited. You cannot protect something that is dying forever. The approach we took we should do a refinery upgrade.

So, we spent billions of dollars, on what you called the Gasoline Optimization Project or the Ultra-Low Sulphur Diesel Project, and while this has bought some greater level of efficiency to the refining business, and right now Petrotrin boasts that they are making a US \$10 margin on the barrel because of the low oil prices. In hindsight, it would have been better to shut down the refinery and build a brand new hundred thousand barrel a day modern refinery to refine local crude only.

Hon. Imbert: Correct. It would have cost less.

Sen. The Hon. F. Khan: It would have cost less and today we would have been laughing because the foreign exchange that is pumped to import 100,000 barrels of crude per day to run in a still largely, not as efficient refinery as you want it to be, it is draining the foreign exchange in the country, it is hampering the cash flow of Petrotrin and worst of all the subsidy is now becoming unbearable to the Government of Trinidad and Tobago.

So that is the situation we find ourselves in, especially at Petrotrin. Petrotrin is in some serious trouble and the country should know that. I think they have appeared before the Joint Select Committee on State Enterprises and you have asked for more information on certain projects. Let the chips fall where they may. And let me just deal very shortly before I move into another point, on petroleum taxation. Because there are people in this country who feel that if you are producing 100,000 barrels of oil per day and oil is selling at \$50 a barrel the

Government is getting US \$5million every day. It is not so. The Government only gets revenue from the energy sector through petroleum taxation.

3.50 p.m.

That is something that the country needs to understand. And petroleum taxation is a unique form of taxation because it is taxing the extractive industry, the non-renewable resources of a state. And the principle of energy taxation and non-renewable taxation—the taxation of wasting assets—is that the State on principle—because the resources belong to the State—must extract maximum economic rent from that asset because it is not renewable.

If you have a copper mine in Zambia and you mine out the copper, Zambia does not get any money because the copper does not replenish itself. By the same token the oil reserves and the gas reserves do not replenish themselves. So the nature of your taxation has to reflect the fact that you are taxing a wasting asset. And Trinidad's current tax scenario is not bad, you know. It is a balance between encouraging investments from the energy sector and getting maximum economic rent for what the State owns.

And I will just go through the scheme for you. The energy companies get revenue from the sale of gas and the sale of oil. That is gross revenue. From your gross revenue, the first thing that is deducted from the top is royalties. Royalties range from 10 to 12½ per cent, it depends on what blocks are there. So the State gets, at a minimum, 12½ per cent of the gross revenue of every single barrel or MMcf of gas that is sold in Trinidad and Tobago.

After that, you can deduct operating expense, capital allowances; then you now become subject to supplemental petroleum tax, which is a windfall tax which is not applicable as we speak because supplemental petroleum tax only kicks in above \$50 per barrel. And then on your taxable profit, the petroleum profit tax is 50 per cent, and the unemployment levy is 5 per cent. So it is really 55 per cent effective petroleum profit tax. Corporation tax for other industries is 30 per cent and you are paying 55 per cent after you have already paid royalties, and after you have already paid supplemental petroleum taxes based on where the oil price is.

So, in essence, this is not a bad taxation regime for the State, but what has become contentious—and the Minister of Finance has said it and it was alluded to by Sen. Mahabir—is the situation we find ourselves in this year and possibly next year, is the write-off of your exploration expenditure in one year, 100 per cent capital write-off, and with low oil prices, when your revenue stream has dwindled,

where your gross revenue has dwindled, where the exploration cost is significantly higher and it goes into billions of TT dollars.

Hon. Imbert: US \$1.8 billion.

Sen. The Hon. F. Khan: US. So that is almost TT \$10 billion.

Hon. Imbert: More than \$10 billion. About TT \$12 billion.

Sen. The Hon. F. Khan: About TT \$12 billion. If you are allowed to write off that in one year, you obviously would not be subject to tax.

Hon. Imbert: Negative cash flows.

Sen. The Hon. F. Khan: And then you could carry over the write-offs, you know. It is not to say that you have it in this year and then you use up all and the rest is abandoned, you know. You could roll over what you are not using to the following year, the following year, so you may not have a tax liability for five years.

So when Sen. Mahabir—no, Sen. Hadeed, in particular, spoke boastfully about Sen. Ramnarine's tenure.

Hon. Imbert: He knows nothing. [*Crosstalk*]

Sen. The Hon. F. Khan: You spoke in glowing terms of Sen. Ramnarine's tenure as Minister, and as Dr. Rowley would say, he was already sewing a suit to get an award to be the best energy minister in the world. [*Laughter*] Somebody they paid for that award to give it to him. [*Desk thumping and crosstalk*] It makes no sense.

Hon. Imbert: Madam President, Standing Order 51(1)(f) with reference to Sen. Hadeed.

Sen. Hadeed: Always Standing Orders with you.

Madam President: Sen. Hadeed, just let us hear the Minister's contribution, please.

Sen. The Hon. F. Khan: So Sen. Mahabir is right. While the basic framework of the taxation legislation is robust, that concession made by the UNC administration to allow 100 per cent write-off in the year that it was expended and to carry over the surpluses on the expenditure is not acting to the benefit of Trinidad and Tobago, as we speak. One thing about us, a PNM administration, and Trinidad in general, we honour the sanctity of the contract, we honour our

legislation. We will have to meet the companies and try to negotiate ourselves out of this dilemma, understanding both parties and hope that we come to an amicable compromise.

Again, just for the record, I am just trying to put the energy sector into context, you know, and to show you all that that is a new normal in truth. And then Sen. Gopee-Scoon will speak about diversification. She will speak about other aspects of the economy. Sen. Clarence Rambharat and possibly Avinash Singh would speak about boosting agricultural production, dropping the food import bill, making agriculture move from 0.5 per cent of GDP to something like 1.5 per cent within a reasonable period of time.

In 2012, oil revenue as a percentage of total revenue was 37.06 per cent. In 2013, it was 32.49 per cent; 2014, 33.17 per cent; 2015, 21.31 per cent and forecast for 2016 is a mere 7 per cent. Imagine, Trinidad and Tobago, we used to boast in 2006/2007, 50 per cent of national revenue came from the oil sector. We are down to 7 per cent, Members of this Senate, through you, Madam President.

It is really a new normal. It is a sea change. Understand that. Put it in your pipe and smoke it. This is nothing to smile about; it is nothing to cry about also. But we now have to start the process to be a resilient people. As I said in my opening remarks, we can no longer depend on the bounty of God; we have to depend on our own resilience, our own creativity and our own productivity. Trinidadians have to stand and wake up. You remember when George Chambers say, “De fete done”? “De fete done again.” The laziness has to stop. The unproductivity has to stop. People now have to go out and give us a fair day’s work for a fair day’s pay, in all sectors: the public sector, the private sector, the service sector, the manufacturing sector. [*Desk thumping*] Everybody has to do it.

So I have given a sort of historical synopsis of the energy sector, both upstream and downstream. I have shown you where the taxation laws are fairly good in principle and in theory, but where the major issues lie as we speak. And finally, Madam President, let me just speak about all those who are saying they “eh” want to support touching the Heritage and Stabilisation Fund and what have you. We know it will be touched as a last resort, but as Minister Imbert said in the other House, it is not a trophy on a wall to just stay and look at it.

Hon. Imbert: You feel “we chupid, yuh know.”

Sen. The Hon. F. Khan: It is designed—

Hon. Imbert: You feel “ah cupid?”

Sen. The Hon. F. Khan:—to stabilize when your revenue stream has dwindled because of commodity prices. Because in this single product economy, you suffer from what you call price shocks, and these funds were created to hedge your risk against price shocks, and we are experiencing a significant price shock.

I am reading from an Internet article here from Bloomberg’s Business:

“Norway to Start Withdrawals From Oil Fund to Plug Deficits.”

Hon. Imbert: Saudi Arabia did it.

Sen. The Hon. F. Khan: Yes, and I have one on Saudi Arabia too. So I will go through it very quickly.

Hon. Imbert: Go through all “ah dem”.

Sen. The Hon. F. Khan: Saudi to start withdrawal from oil fund to plug deficits. Not Saudi, Norway.

“Norway predicts it will for the first time need to withdraw cash...”

But Norway is big too; \$820 billion sovereign wealth fund, the largest in Western Europe:

“...a record chunk of its petroleum revenue to cover budget holes and stimulate the economy.”

Norway is doing it. Good? Saudi Arabia—Sen. Small mentioned it—plan to privatize some aspects of Aramco’s assets. Okay? And hear how it goes:

“If the flotation goes ahead it will be the”—world’s—“most valuable quoted company...dwarfing firms like Apple, Exxon and Google”

Saudi Aramco is worth 10 times Google, you know. And lastly, Madam President:

“Saudi plans spending cuts, reforms to shrink...budget deficit.”

Hear what Saudi is going to do for the first time in its history, Madam President. They are going to adjust the subsidies on water, electricity and petroleum products.

Hon. Imbert: Imagine that.

Sen. The Hon. F. Khan: The great Saudi Arabia is now going to increase the price of gas.

Hon. Imbert: And electricity and water. [*Crosstalk*]

Sen. The Hon. F. Khan: Electricity is going up in Saudi, water is going up in Saudi.

Hon. Imbert: Madam President, Standing Order 51(1(f). Sen. Hadeed cannot keep quiet. I ask you to assist, Madam President. I want to hear the Member.

Madam President: Hon. Minister, please continue, but could I just say, not just Sen. Hadeed, but could all Members listen to the hon. Minister in silence?

Sen. The Hon. F. Khan: Thank you, Madam President, for that protection. But what we are saying, Saudi is going to divest certain aspects of Aramco's operation. They are going to drop their fuel subsidy. They are going to increase the price of gasoline. They are going to cut out some of the subsidies on electricity and water because water is a big commodity in Saudi. It is a big desert. So they are on the same track that we are following, or we are following on the same track that they have followed. I do not know which came first, the chicken or the egg, but I am just drawing these references to countries like Norway, Saudi, Kuwait, Bahrain, they are all moving along the same line, as this PNM administration.

Madam President, I just want to spend the next three or four minutes on a thing that I feel the country should know a little further on, the Point Fortin highway. Madam President, a contract was awarded to OAS for TT \$5.3billion. I have made this statement in this House already but I will say it again today. It is the largest single infrastructural project ever undertaken by the Government of Trinidad and Tobago, and in good UNC style, they funded it from the Current Account. It is unheard of in any part of the world. If Saudi Arabia has to build a highway, they still would not fund it from their current account. They might still go for a loan. How did they come up with that idea? God alone knows.

But having said that, the highway continued. They turned the sod. They did not have the site ready for the contractor. Jack Warner threatened Mr. Dookeran for \$1.5 billion. Remember in 2011/2012, they walked with a big cheque so, marked \$1.5 billion? Mrs. Kamla Persad-Bissessar went on the excavator and pulled something, dig a bucket [*Laughter*] and the press had three headlines that day. Nothing happened for one year after that, because the site was not ready. They had to pay compensation to the contractor. But having said that, the Point Fortin highway will go down as the most mismanaged project in the history of Trinidad and Tobago. [*Desk thumping*]

Madam President: You have five more minutes.

Sen. The Hon. F. Khan: And I just want the country to know, you see the creek where they bank up all that material on the left side of the creek? All that have to “dig back up” and be re-laid because of bad work. Sen. Shrikissoon, “yuh does be down south”, Sen. Ramkissoon—that whole side “ah thing”, because the compaction was bad, all have to be excavated, redone, and compacted in layers. Poor supervision. Poor supervision by the engineer and the client: NIDCO, AECOM, OAS. Okay? That is what has to happen. Okay.

But having said that, when you look at the Point Fortin highway, when you look at the type of equipment that was being used, you know something was wrong with that contractor from day one, you know. They never had the semblance. Their signage was bad. They did not have the ambiance and the verve of a big contractor handling a \$5.3 billion project.

4.05 p.m.

As we speak nothing is happening there, but I just want to spend the last three minutes that I have on something called Addendum II. When the contract could not be completed, on September 04, 2015—the last working day before the general election, you know. September 04th was the Friday, September 05th was the Saturday, September 06 was Sunday and September 07th was the election. On Friday, September 04, 2015, the former Government entered into a written agreement with OAS called Contract Addendum II, whereby they expressly recognized that OAS was bankrupt and stated that they could invoke clause 15(2)(e) of FIDIC contract, immediately terminating the contract which is what they were supposed to have done. However, despite this, they proceeded secretly to give up this right of termination and waived all claims against OAS, thus releasing and discharging OAS from any liability to Trinidad and Tobago. Imagine that.

This is the contract itself, and hear what it is, claims. Hear what they say you know, claims. You know this contract limping along, bad work all over. They are not meeting any deadline, and hear what the section of claims on this contract states, based on this Addendum II which supersedes the original contract.

The parties agree to release and discharge each other from all manner of action and actions, cause and causes of action, claims, debts, sums of money, interest accounts, costs, extension of time, damages, liabilities, proceeding or suits both in law and in equity of whatever kind or nature arising both present and future, and from any events that occurred on or before the date of signing of this contract, addendum whether notified or not, whether or not known to the parties, including

in relation to matters that could not with reasonable diligence have been discovered prior to the date of signing of this contract.

Imagine that. If you find something new that is defective, they are not liable for that. This is a criminal offence. This is a criminal offence, Madam President, [*Desk thumping*] and these are the things as a Government we were saddled with. I wanted to show the state of the energy sector, but I could not. It would be remiss of me as the Leader of Government Business in this Senate not to speak about the OAS contract.

I had a big speech here on rural development and local government reform, you know. “All yuh go geh it de next time.” Okay? But I want the country to know, in closing, Madam President, that we are in a new normal, and a new normal may be clichéd, but it is a fundamental change in our circumstances as a country. Trinidad and Tobago, I ask you to wake up.

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

Madam President: Sen. Ameen.

Sen. Khadijah Ameen: Madam President, I thank you for the opportunity to contribute in this debate on the Bill entitled, “An Act to vary the Appropriation of the sum the issue of which was authorized by the Appropriation (Financial Year 2016) Act”, as laid by the Minister of Finance.

In my contribution, I intend to address some more of the myths and truths on the Trinidad and Tobago economy, some of the untruths told by this Government in this Bill and, in general, some of the items mentioned by the hon. Minister of Finance as he identified a way forward. In my contribution, I intend to compare the people-centred development of the People’s Partnership Government versus the punishment that this PNM Government is inflicting on the citizens of this country.

Madam President, I noted that the Minister of Finance, he was very sombre in his delivery. He usually comes to this place with a lot of campaign rhetoric, and the campaign rhetoric of the Government, present Government, continued in the first sitting, which was the reading of the budget, and today I saw a little less of the political rhetoric from him. Perhaps it is because as time wears on he is perhaps now deciding to get down to work. Ironically, many of the measures that the Minister of Finance pointed out earlier could have come, and very well were listed in the People’s Partnership manifesto, and he seems to be only now coming around.

So, Madam President, I want to mention a couple of the myths that he has continued, and other Members of Government have continued, to say in the Parliament, in both Houses, as well as in the public domain even though the facts are different. The campaign is over. Trinidad and Tobago, the citizens of this country are tired of rhetoric. They are tired of the robber talk. It is time to get down to the business of running the country. This Government continues to tell the population that the People's Partnership Government "buss" the Treasury.

Madam President, one of the things that they often indicate is that there was a \$32 billion overdraft. The fact is that they mention that, but they do not mention the credits and give a proper balance and a true picture to the people of this country. When the moneys in other accounts—and, in fact, some Members do mention it in between, when they are speaking the truth, and then they divert to the PNM rhetoric and they continue to give the half truths. When the former Minister of Finance held a meeting to hand over, so to speak, to the present Minister of Finance, I am sure part of the discussions, if he was interested in the truth, would have included the facts on what the overdraft was.

The net overdraft, Madam President, was \$9 million. It was mentioned \$9 billion. That was mentioned by Members opposite. [*Crosstalk*]

Madam President: Could I please ask for everyone to listen to Sen. Ameen in silence. Thank you.

Sen. K. Ameen: Thank you, Madam President. It was mentioned by Members opposite, themselves, that the net overdraft was \$9 billion, and the Minister of Finance, himself, also indicated, when he opened, that the income from taxation and other places to the Government usually comes in at the end of the financial year. He mentioned some lean months such as May and June, but at the end of the financial year the Partnership would have ensured that there was sufficient revenue to cover the overdraft. The present Minister of Finance in his budget at the beginning of this Government term seems to have refused to credit this revenue to the 2016 accounts, and I wonder if this is an attempt to deliberately mislead the population to create the impression as they continue their campaign rhetoric that the People's Partnership "buss" the Treasury.

Earlier, Sen. Hadeed was reprimanded for indicating that the Members on the opposite side and, particularly, the Minister of Finance, was misleading and telling untruths, and that is because—and those rules are in place because Members are expected to tell the truth here, but if my truth is that someone else is telling a lie,

what am I to say? So I will try to continue my contribution by raising more instances where the complete truth was not told, without accusing the Members of anything unparliamentary. But if the shoe fits, Madam President, I am sorry they have to wear it.

The nation is looking on and the nation often sees through the untruths wherever they are told in the public domain. And if the Minister of Finance would truthfully include the revenue that would have come in at the end of the quarter, the last quarter of the financial year, he would have accounted for incoming cash flow from taxes to the tune of \$6.5 billion. He mentioned today income from the IPO of \$1.5 billion; he should have mentioned the income from the TGU which was \$4 billion; and income from loans which was \$1 billion—a total of \$13 billion which would have covered the net overdraft of \$9 billion and left you with a credit of \$4 billion.

Madam President, I want to say here on record that the overdraft in 2010 when the People's Partnership came into Government was \$16 billion left by the Government, the PNM Government, that included the present Minister of Finance.

Madam President, I want to continue with another myth that is being circulated and being perpetrated by this PNM Government that the People's Partnership Government wasted billions of dollars. You know, Madam President, the list of projects that the PNM Government ran over budget and over the estimated time, and the wastage caused to this country in the time that they were in office, leaves the nation ashamed of their track record.

I want to also tell you, Madam President, that the achievements of the People's Partnership, the things that the Partnership Government spent money on, the things that they call wastage include the San Fernando Teaching Hospital—does that include the MTEST headquarters, the Ministry of Tertiary Education and Skills Training headquarters in Chaguanas? Is it that simply because these developments were outside of Port of Spain that they do not receive the endorsement of this People's Partnership Government? The things that the People's Partnership Government spent moneys on were not in the high-rise buildings, they were not in projects that had value only in one part of the country, but in every part of Trinidad and Tobago, where every single citizen was able to benefit.

I heard the Minister of Rural Development and Local Government—of all things, Minister of Rural Development and Local Government—criticizing the former People's Partnership Government for building box drains. It is unfortunate.

Madam President, and it seems to me that he is using that as his excuse for not doing any projects for the seven months that he has been Minister [*Desk thumping*] and to hear a man like him who often speaks with passion about rural communities.

4.20 p.m.

He reminds us almost in every sitting that he is “ah Mayaro boy”. I wonder if he could honestly, in his heart—he does not have to tell us here because, you know, we want the truth. I wonder if, in his heart, he could point into things in Mayaro developed by this People’s Partnership Government that has tremendously improved the lives of the people of your hometown in Mayaro. [*Desk thumping*]

The approach of the former Government, the former PNM Government, in the manner in which they treated the Biche High School, speaks volume for their approach to development that has an impact on people outside of Port of Spain. For the entire term of the PNM’s term in office and under their former administration, the Biche High School remained close and the children of that area had to travel for many miles to attend school. It was when the People’s Partnership came back in Government that the children of Biche were able to attend the Biche High School. [*Desk thumping*] And there is nothing wrong with it and in fact, it is almost five years since that school is operating, and the children continue to operate there. There are no faults as accused by the former Government and gas leaks as the excuses that they had given us at that time to the extent where those children were labelled parrots and douen. I wonder who said that.

I ask the question today: is it the intention of this Government to create another Biche High School out of the Couva Children’s Hospital. The Couva Children’s Hospital is fully equipped. [*Interruption*] It does not have staff? How many unemployed doctors are there in Trinidad and Tobago?

Hon. Senator: None.

Sen. K. Ameen: How many trained nurses are waiting to be employed in this country?

Hon. Senator: None.

Sen. K. Ameen: Ask the association of medical professionals and they will share the information, because I realize that the Government seems to be short on a lot of information that is in the public domain. They do not seem to know that there are people who studied nursing and are begging for jobs, who are waiting to be employed, who they cannot engage. They do not know that, and that is in the

public domain, because they are not connected with the people of this country.

In a similar manner earlier, my colleague, Sen. Hadeed, referred to the Minister of Finance's response when he was asked in a previous sitting about whether he was aware that there was a black market where foreign exchange and US dollars in particular was concerned. His very short answer was no, and that approach, that arrogance, Madam President, will do nothing for this country. And it, again, shows how disconnected they are from the reality that the ordinary citizens are facing out there. There are people who go to the banks and withdraw whatever TT money they can and buy US currency on the black market for \$7.50 and even as much as \$8. And if he does not know that, I do not know what rock he lives under.

Madam President, another myth that continues to circulate is that the People's Partnership engaged in squandermania, that there was a lot of spending. There was a mad rush for spending to win the elections and so on. I want to indicate that the budgets of the People's Partnership, while in their five years in Government, compared to the budgets of the previous Government and if you look year by year and then look at the total increase, the PNM increased their expenditure from \$15 billion in 2002 to \$46 billion in 2009; an increase of 300 per cent. [*Desk thumping*] In the People's Partnership term, the expenditure in the budget went from \$46 billion to \$62 billion and that was an increase of 35 per cent over the five years. [*Interruption*] Madam President, that is about a 7 per cent increase of each year of the five-year term and that is also similar to the rate of inflation during that period.

I know that the IMF seems to be a go-to place of advice for the present Minister of Finance and I am sure he would have read in one of their reports that the IMF agreed with the strategy of running deficits to get the economy back to growth. In fact, many countries internationally, who chose to take that approach in terms of managing their economies, have come out quite well as opposed to those who have opted to use austerity measures.

I want to go to another myth. This Minister and the Government continue to say that the People's Partnership left billions in debt. They speak about the acquiring of the naval vessels, they speak about the hospitals, the many schools that were built. I want to say that, you know, government is a thing that continues. When the term of one government ends, there must be some continuity in the country and you must weigh, whether you are spending, whether you are borrowing to spend, any investment against the results. I want to quote the commanding officer of the coast guard in the *Express* in March in an article indicated that there was an 800 per cent increase in drugs intercepted because of the naval vessels acquired by the

People's Partnership Government. [*Desk thumping*]

Somehow they can mention the things that the Partnership would have spent moneys on and labelled them as bad debts but somehow the bad debts that the PNM left slips out of their mind. Clico, \$20 billion; VAT, \$4 billion; contractors were owed \$5 billion. All of these are debts that the Partnership would have met when they came into office in 2010 and would have had to manage in addition to all the other challenges that came during its term.

I noticed that one of the Members opposite spoke about the OAS highway. Madam President, for years, anything past the lighthouse and worse yet, past Grand Bazaar, did not exist in the minds of some people. The highway to Point Fortin should have started many decades ago. The people of south Trinidad have been very patient with successive Governments, and it was only when the People's Partnership came into office that the highway to Point Fortin became a reality and it should be completed. [*Desk thumping*]

I listened in awe when I heard Members opposite indicate that the highway, you know, should not have been done and so on. The last speaker also spoke and you know, the truth is that the planning of the highway, a lot of the establishment of budgets and so on, were done during the time that the PNM held office; be honest. And it continued and the People's Partnership ensured that it was implemented. But a lot of the planning took place under the PNM Government to the extent where it is now in the public domain, that NIDCO—[*Interruption*]

Madam President: Sen. Ameen, do you have a long way to go? You still have 18 minutes. Will you be availing yourself of the 18 minutes?

Sen. K. Ameen: I could come back after the break.

Madam President: Okay. So, at this time, Members, we will suspend the sitting for tea and we will return here at 5.00 p.m. So this sitting is suspended until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam President: Sen. Ameen.

Sen. K. Ameen: Thank you very much, Madam President. Before we went to the break, I was mentioning the myth that the Government continues to repeat that the Partnership left the country in debt for the naval vessels, for hospitals and

schools, and I reiterated on some of the information that is already on public record as to the amount of debt that the PNM left and the People's Partnership took responsibility for and managed when it came into office in 2010 to the tune of \$70 billion as mentioned earlier by one of my colleagues.

I was about to go into a point that the present Minister of Finance, I believe, was the Minister of Works and Transport when the day after the general election in 2010, while the Cabinet still existed in office, after it was known that the people of Trinidad and Tobago had voted out the PNM and the new Cabinet and new Prime Minister was not yet sworn in that, on that day after the general election, NIDCO had informed OAS, by a letter that it was the preferred contractor for the highway. I am sorry the Minister is not here but I am sure in his winding up, he could indicate why they were so eager to sign with OAS when they knew that the people of this country had voted them out and elected a new Government. [*Desk thumping*] And I am surprised to hear the Leader of Government Business here, in the Senate, speak as though he is against that project when, as I indicated earlier, the PNM did play a role in planning that project but it was the People's Partnership who executed and ensured that it came to fruition.

I want to use some of the remaining time I have to mention another thing that they continue to repeat. They give the country the impression that the Partnership Government somehow, illegal or unethically, raided NGC. [*Interruption*]

Madam President: Could we just listen to Sen. Ameen in silence, please? Everyone is now familiar with Standing Order 51 so could we listen to her in silence, please?

Sen. K. Ameen: Thank you, Madam President. The irony is that when a Member of the Government is speaking, the first person to bring the Chair's attention is often the hon. Minister who makes the most noise when a Member of the Opposition is speaking.

Madam President: Okay, Sen. Ameen, let me handle order in the Senate. I have brought it to the attention of all Members that they are to listen to you in silence.

Sen. K. Ameen: I was thanking you for your ruling, Madam President. I was saying that the Minister gives the impression that the partnership did wrong by utilizing funding from NGC. NGC increased its profits during the term of the People's Partnership from \$3 billion to \$9 billion. Their dividends increased from \$1.5 billion to \$4 billion. The only exception was, in 2015, when there was

additional special dividends and \$1.5 billion was requested as a result of the Phoenix Park IPO.

5.05 p.m.

Madam President, I shudder when I think about the things that were done and the impact they would have had if they were not done. The hon. Minister of Local Government, Mayaro boy, I am sure he knows Shell Recreation Ground.

Sen. Gopee-Scoon: Who you calling Mayaro boy?

Sen. K. Ameen: I am mentioning that recreation ground because I have worked with that community and the local government representative for that area and I know that the people in that community were very keen on seeing their recreation ground developed, as well as numerous other facilities throughout the country and projects and programmes that benefited ordinary people. So when you criticize, I wonder if you are saying that it would have been better if those projects were not done.

Madam President, the final one that I have time to bring to the nation's attention is the myth that the Partnership borrowed to the hilt. The fact is that the debt to GDP is 46 per cent and the IMF referred to it as a low but rising debt.

The Minister of Finance had indicated in a previous debate that if the PNM borrows an additional \$50billion, the debt to GDP will be 65 per cent which, according to him, will be reasonable and that is a significant increase compared to what was under the Partnership. Yet you criticize and you give the country the impression, with all hysteria, that the Partnership borrowed to the hilt. I want to quote the Minister of Finance when he spoke on the Development Loans Act debate. This was on December 08, 2015. He indicated, and I quote, he was referring to Sen. Mahabir who had mentioned something about Greece and he said:

We are nowhere near that and I think a debt to GDP ratio of 65 per cent, if we ever get there, is quite manageable.

—hon. Minister of Finance.

Madam President, I want to touch on some points raised by Dr. Lester Henry. I was deeply disappointed to hear an academic like him whose word carries weight because of his occupation in another place. I wonder, when I listen to him speak, if he knows that the United National Congress created the Heritage and Stabilisation Fund? In 1999, the Minister of Finance, Mr. Brian Kuei Tung, had budgeted oil at \$16 a barrel and during the course of that financial year, the Government

recognized that the revenues would be higher because the oil prices were increasing, and the Government at that time, in that budget, proposed the excess to go to a stabilization fund. It was called the Interim Revenue Stabilization Fund and that is how it was born. [*Desk thumping*] And it was set up under section 43(2) of the Exchequer and Audit Act, Chap. 69:01, the Laws of Trinidad and Tobago. The PNM amended it in 2006, and the fund existed and so you had that continuation in 2006, going into 2007, when MOUs, and so on, were signed and I expect a learned man like Dr. Henry to know that, even if the politicians choose to forget and mislead the nation.

Madam President, still on the Heritage and Stabilisation Fund, the Minister of Finance indicated, and I quote:

We must also avoid mistakes made in the last five years, that is under-investing and under-saving.

Here is the fact. The quarterly reports coming out of the HSF indicate that in 2010 the fund stood at US \$3billion. In 2015, towards the end of the term of the People's Partnership in Government, it stood at US \$5.7billion. [*Desk thumping*] There were challenges with falling oil prices at that time but the People's Partnership remained committed to that fund and did not even think about deciding to take out of it. The increase was 90 per cent under the People's Partnership Government. I do not know how Dr. Henry neglected to mention that.

The Partnership saved this country more money in five years than the PNM did in the eight previous years, [*Desk thumping*] and the revenues were much healthier during that time. Franklin Khan boasted about there being a—[*Interruption*]

Sen. Gopee-Scoon: Franklin Khan?

Sen. K. Ameen: Sorry, Sen. Franklin Khan, my apologies. Sen. The Hon. Minister of Local Government, indicated earlier in his contribution, as he referred to periods that could be considered periods of boom in this country.

Madam President, I also want to touch on the facts with regard to foreign reserves. In September of 2015, the foreign reserves were listed as \$10.3 billion.

In March of 2016, this year, it is listed by the Central Bank as \$9.3 billion, a difference of \$1 billion. Recently and during the questions to Prime Minister session in the other place, the Prime Minister indicated that there was, in response to a question, that there was no significant change and that they remained the same—referring to the foreign reserves.

The Minister of Finance also later gave a similar answer when this matter came up. The PNM is yet to even admit that there is a decrease in the foreign reserves, much less to say why. And I want to demand an answer from the PNM and from the Minister of Finance as to where \$1 billion in foreign reserves went over the last six months. [*Desk thumping*] And the answer cannot be, blame the Partnership. It cannot be, blame Kamla. You have been in office for seven months and you must answer to the people of this nation. [*Desk thumping*]

Madam President, the GDP in 2010, compared to the GDP in 2014, also showed significant increase, as well as in the non-energy sectors such as agriculture, insurance, real estate, and so on. The PNM inherited a robust economic platform, and yes, yes, there are challenges as many countries have faced internationally. But the difference, and I want to endorse sentiments expressed before, is the style of management that you choose. It is very clear that this Government has no clue, has no plan and will continue to lead this country down a dangerous precipice.

Madam President, in closing, I want to call on this Government to stop playing games and to open the Couva Children's Hospital. I join with calls made in other parts of this country. [*Desk thumping*] The people of Trinidad and Tobago deserve quality health care for every person free of cost. The PNM must not punish the people of this country for the good things done by the previous administration. [*Desk thumping*]

The stalling tactics being employed, we have seen them before with the Biche High School and with numerous other projects and I call on you to open the Couva Children's Hospital now. Thank you. [*Desk thumping*]

Sen. Stephen Creese: Thank you, Madam President. I think it was on i95.5 radio last Sunday that the Management Consultant and Motivational Speaker, Anthony Watkins, was making the point with respect to the budget presentation of the hon. Minister that it was, by and large, a transitional budget and that he did not have much of a problem with it because he expected that the measures taken would be along the way to a more transformational phase.

So that, he was citing a lot of the measures that were indicated by the Minister as being transitional and as being, as it were, a temporary plaster.

But I have a concern with that, in the sense that, at the presentation of the original budget last year, we were told that there would be a mid-year review and we were told about the consultations to come, so that I had expected that in the

ensuing period these consultations would have taken place and that at this juncture we would have been presented with a set of measures that were not only short term, in terms of balancing the budget, but medium to long term, in terms of the prescriptive remedies we expected to come into being.

So we find, as it were, and perhaps this is because of the spread of the casino institution in our country, we find the Minister of Finance and the Government, by extension to be “gallaying”, as they say, in the gambling industry; that they seem to be playing for what is in the pack; that they expect to get a better hand out of what the banker has, and I am not sure that that is satisfactory or even acceptable playing, “gallaying”, as it were, or is it fiddling in fact, while Rome burns? Because we have lost six months. We probably have lost more than that when one looks back at what has happened over the five years preceding that, but time is of the essence and it is a quantifiable wasting resource.

And, therefore, there has to be concern about what has really transpired over the last six months and what could have transpired.

You see, the People's National Movement is no longer a new national movement. It is 1956 now to 2016, and that passage of time that has transpired, there are in fact two consequences for them in their return to office. Consequence number one is that enough time has passed for that national movement to have established clear, politico-economic positions. We should have been able to, as a country, identify them with a set of policy perspectives in the way, let us say for instance, one can identify in the USA to the north, the Republican Party with conservative traditions, with religious perspectives, with certain stances and pro-choice or pro-life, et cetera. The People's National Movement has been around from 1956 to 2016 and much of that time in office, so they would have had the benefit of office to establish clear positions. So that is consequence number one.

5.20 p.m.

Consequence number two, and this is at the heart of the identity crisis which plagues the two dominant groups, the two dominant demographic groups in our society. In a sense, our ruling regime as a party is as much a victim of the racial demographic and seems unable to martial it. I know you might be saying what does all this have to do with the mid-year review, but there is a dialectical link, Madam President, between process and product, between methodology and outcome, and consultation, public consultation relates to process or method. That is where it fits into the whole question of the mid-year review. The mid-year review provided

method, it provided process by which these potentially—I do not want to say warring—but potentially different groups can meet.

The last six months should have been a period of intense consultation. Instead what we have had and what is now an old national movement, is a dysfunctional party and, in a sense, an underdeveloped party structure and consultation, you know, would have facilitated the backbenchers, for instance, to become a part of the process.

You see, the problem for our regimes when in power is that they do not adapt. They do not morph sufficiently into a new machine, a new machine where the Cabinet Members function as Cabinet Members, function as Cabinet leaders and the backbenches play a different role, and they take over the party machinery and strike a balance between the two entities. This is the kind of evolution that we have not gotten to and that we need to get to if we are to be able to carry out the business of governance in the modern era. Anything less—and all of us who watch CNN see it every night, but we do not recognize it. We do not recognize it. We are not evolving as political machines. We are evolving as party electioneering machines, but modern life requires much more than that. We are not up against an old colonial order, we are up against ourselves and the rest of the world, and we have to rediscover ourselves within that process. I am arguing today that consultation provides the mechanism through which that growth, that quantum leap to the next level can take place.

You see, the parliamentary debate of today should not now be over these miniscule measures, the fiscal measures, but should be really about all of those prescriptive remedies that our people in their various walks of life gathering in their various communities when confronted with the issues, when confronted with the Government's White Paper, Green Paper on particular approaches to particular aspects of our national issues, would begin to project their minds, and give their take on what remedies can be applied given their various experiences, whether at the workplace, whether as academics, whatever their walk of life. But instead we are still at the stage of being almost as it were six months behind and, in that sense, we are out of time. It is more than six months really because the problems that we are facing was staring us in the face since 2008 and, therefore, we have had enough time to have engaged ourselves in this debate as to whither the national economy. Where is Trinidad and Tobago going in all of this?

I want to return to consequence number one, in the sense that enough time has past for the now old national movement to have some core beliefs, and to develop

strategies out of these core beliefs. For example, what is the present regime's philosophy on ownership, the commanding heights or critical sectors of the economy? After 1970 and, particularly, after the oil boom—and there have been references to that first oil boom—the people's charter was developed—I do not know if all of us remember that—and in that the question of ownership of the national patrimony came up. Where is that today and what are the consequences of such an approach? Is it that ownership of certain resources—and at that time they were arguing that because of the paucity or the scarcity or the underdeveloped nature of local capital formations that the State was venturing into certain industries in order to fill that gap, to fill that breach as it were.

If that was the basis of the approach, then the question of disengaging from ownership—that is ownership by the Corporation Sole and the break-up of those entities and ownership being transferred to the ordinary man—but somehow along the way we have seemed to have lost sight of that perspective and the State seems to want to retain ownership of certain cash cows. But then they should come and say to us—that should be the national perspective—listen, we are going to own these cash cows because we want that cash to flow into the Treasury, we want that cash for national development or we are going to own these entities because we, the State, in the absence of other pioneers, are going to pioneer this particular industry and then transition out of it, and use the proceeds of that asset sale to fund ventures into other underdeveloped areas of our national economy, but we have to sit and think it through, and the consultation process was a mechanism available for engaging that debate and bringing our people into the heart, the meat of the matter.

One of the problems I consistently have with the changing regimes is their lack of a willingness, lack of a political will to bring our people and engage our people in meaningful debate across the length and breadth of this country.

In a sense and as a result of the loss of direction, the loss of perspective on the question of ownership of the national resources—whether the State has gone and owned on behalf of us and then bring us into the ownership, because it is our tax dollars they use to purchase it anyway, to develop it anyway—what has transpired in terms of the social formations has been the emergence under one regime of a black elite replacing the old colonial elite, and on the other of a brown elite, edging out the black elite and we get caught up in this colour game which really leads nowhere. So that there is an emerging class totally dependent on the purse strings of whichever regime is in power. So that is why I am saying that the consultative

process is critical, critical in terms of ensuring that collectively we all move forward together, instead of these two sets of hyphenated Trinidadians: the Indo-Trinidadian and the Afro-Trinidadian. We have had enough of hyphenated people.

So that we need to say to the ruling regime that they have to think through the question of ownership of the resources of the country, whether we are going to be owning some of these enterprises as cash cows to generate revenue for the State or they are supposed to be transitional. But I am saying we need to be wary, because in the process they create an opportunistic elite who at the end of the day act out the roles that they grew up seeing, the roles of the old colonial elite, and that has its own set of problems.

Consequence number two, the two Trinis. Again, if we are to forge a nation state of a country dominated by two groups, process becomes important. It is the extent to which people can see that the mechanisms allow for a level playing field for meaningful participation and not appropriation. "Well, I am the leader here and you will do as I say." We will be forever going down that divided highway. If we are to resolve the racial divide, we have to find ways of bridging that chasm, which brings us back to the whole question of process and product of method and outcome.

The irony is that we almost equate the ideal Greek polis or city state. We are a small twin-island nation. Just about everybody knows everybody, and everybody has access to everybody. That is one of the critical advantage of smallness. Yes there are certain disadvantages when it comes to economies of scale and so on, but when it comes to the social organism, smallness is an advantage. It is possible to gather most of us inside of a week—most of the voting adults inside of a week—and discuss any matter we deem to be important. In going forward we have to understand that if we are going to win the battle against exclusion, of alienation, then consultation has to be seen as a liberating journey of self-discovery.

You see, consultation is the quintessential democratic participatory procedure. It is what allows us to share each other's pain. It exists almost as a marketplace for sharing, for airing, for appreciating each other's fears, hopes, dreams and aspirations. You see, debate is not really about the particular and specific fiscal measures, debate is about the larger goal of building democratic traditions, of building inclusiveness, of pulling disparaging elements together, of founding a nation.

You know, it was just this morning again, on i95.5, I think Dale Enoch was

inviting people to comment on the question of consultation—whether the issue, you know, of having these consultations over the last six months before coming to the Variation Bill, whether or not people thought that was critical. I think at the end of his little poll, telephone call-in poll, the conclusion was that the Government should go ahead, you know, not be held back.

5.35 p.m.

You see, the efficacy of consultation strikes at the core of the post-colonial experience. In a colonial order we are the objects of history. In our post-colonial order we have to transform into the subjects of history. If we understand the Marlborough House arrangements, the failed federation, all these things were a function of a colonial order trying to quickly discharge its responsibility in the post-World War II period, we have to understand that the arrangements put in place then, even the 1976 Republican Constitution, really did not embrace the length and breadth of this country. The people in the floodplains, the people at the further extremes of the East-West Corridor, to what extent we are satisfied that they were part of that process? To what extent we are satisfied that in the ideal social contract phenomena that we really have forged a social contract? And the extent to which that is really not so, we have to grasp every opportunity to bring our people into the process, because it is the process that is critical.

At the end of the day we would not solve all these economic problems in one fell swoop, in one Parliament, in one Cabinet, or even in one political regime, you know, make no mistake about it, but the process brings with it commitment, stays off alienation. So if we want to get to the stage, where as we would see on CNN how an elderly gentleman like Bernie Sanders could attract the youngest group in the society and the younger people like Rubio and Cruz are unable to do that, then we would begin to understand the importance of process, of involvement, of participation.

So the challenge is how to move, when we have a history of being the objects of history, to becoming the subjects of history. You see, the budgetary measures, the fiscal measures are really the means to an end; it is not an end in itself. The consultation, that consultative process is about the larger end, the greater goal, the bigger ambition, the bigger country that we are hoping to build. The particular means would follow once the consultation process has begun, because you see our people have the collective wisdom, you know. Our fishermen out there could tell you what to do, where to put the port in Mayaro, or Moruga, for that matter, because they have been out there that long. The brothers on the drilling rig could

tell you a thing or two about what the multinational is doing and not doing because they have been out there, and they see and they know what is underneath the platform, and what the multinational wants us to know at a point in time and not know at a point in time. That is why it is important to let the sovereign people speak.

But within all of this we have certain social and cultural practices that we ourselves have to rid ourselves of as leaders, as managers, as the enabling elites in the society, and included in that is the need for a rejection of autocracy, for a rejection of authoritarianism, for a rejection of being large and in charge, for a rejection of the arrogance, that power, arrogance of office that power tends to breed, and the need to issue participation, inclusion as the way forward, as the way in which we do things.

You see, the UNC, the PP may very well go down in history for their contribution to local government via the provision of offices for councillors, for bringing that level of dignity to councillors in the local government system. The question is, will the current regime, will the PNM be remembered for the elevation for the town hall debates?—because when I heard consultation last September/October—like I say, I am a victim of watching CNN—so the expectation, and remember most of this country sees some form of American TV, so the expectations, the level of expectation rose. I think we had two consultations since, but the attendance level, because I myself could not get into the San Fernando City Hall, I had to stay in the lobby area, but the level of expectation of our people, and I must admit that there has been so many local government consultations, I myself as an employee there participated in several of them all over the country.

So many of them, so I was a little sceptical at first, but the turnout, as hon. Minister Khan would remember, is indicative that our people want to and need to speak and be spoken to. So what are we afraid of? Why are we not encouraging that process? That is why I am saying the question of autocracy, of authoritarianism, of the arrogance of power is something we always have to be mindful of. We grew up with certain colonial, political traditions and it takes a while to purge ourselves of that, and, therefore, we missed the boat this last six months on consultation, [*Desk thumping*] on the elevation of the town hall concept, and this is critical.

It is critical because the slaves of yesteryear, the indentured people of yesteryear, this is what we were denied, and in all that we do, if we are to develop

our people, if we are to raise the level of aspirations, that is the road we have to travel if we want to put an end to rum shop politics and rum shop discourse then it is our duty to provide a place for equivalent parliamentary discourse to take place in our communities, otherwise we would lose everybody to watching CNN on TV. And there is a danger there, because as the world becomes increasingly a large village, what you fail to provide here in this country, on whatever front, is an expectation they have because they are seeing it on TV, and if you are not delivering it here there would be a consequence.

There was a consequence in 1970 and there was a consequence in 1990, the question is, what are the triggers for the next consequence of such a nature? I also want to look at the question that has come up in terms of some of the specific measures, and we have seen that this debate has degenerated into one about new car importers, who is protecting new car importers versus those who are protecting the used car dealers, and then, on the other hand, the question of online shopping versus countertop retailing, and we have to be careful, both as the ruling regime and as the Parliament, that we are able to strike a balance. I take the Minister's point that those who have been doing online shopping have been accessing a facility without paying the requisite taxes. But something somewhere in there reminds me of the scenario I used to witness of custom officers in the 1980s, and in their role with the traders of that period.

Remember that period when "Trinis" used to be going Panama and Curacao, and Aruba, and so on, and airlifting goods back to vend on the streets of Port of Spain, and the customs officers used to be particularly gritty as though they saw their only role as winners of revenue for the State, and they were not too concerned about the rest of us standing in line, because there were only two customs officers on duty and a whole planeload, a charter full of people coming back from a weekend in Curacao, or wherever, and they are busy looking to win revenue and not studying the rest of us who came in on a midnight flight. So we have to be careful that we strike a reasonable balance and we do not appear to be punishing those who are entrepreneurial.

So a word to the wise they say is sufficient, because the question that is being asked in some quarters, has the State become, you know, the cheap tool of the business class, the big business class. In that sense, from that vantage point, that viewpoint, the debate had been petty measures, almost descends into a kind of very pedestrian physicality which distracts us from the larger picture. So the little subsidies removed here or there, or the little taxes placed here are small onions

really when viewed against what are the critical flaws in the national economy, and really, historically, it has been the high import bill, inclusive of the food bill, and the need for foreign exchange to purchase that, and then the inability to produce in the non-monoculture sector. I say non-monoculture sector because these days we interpret that to be oil and gas, but it was something else before that, it was cocoa, it was sugar, good, because if we remember during slavery everything was geared towards the production of whatever the planation decreed as relevant.

So food for the slaves came out largely from Canada where they brought in the pickled meats and flour, and if we understand that then we would understand we have a history really of monoculture production and import everything else. As a matter of fact, there was some light manufacturing because when I came out of high school it had factories like Eagle Shirt Factory, it had Tricia Jack's, and so on. So we were into garment production in a big way and all of that has disappeared. So we really have probably come nowhere in a sense, with all the oil we are talking about and the Point Lisas, and so on, we have come full circle back to one-crop production and everything else being imported.

5.50 p.m.

So that the larger picture has to deal with getting down to the business of producing more things here and producing things that we can sell abroad. And therefore, given—when we look at what is being imported and we found out by chance that PriceSmart is one of the biggest consumers of foreign exchange. And when you go into PriceSmart there are not really any essential items there, quite frankly. What is there in PriceSmart?

Madam President: Senator, you have five more minutes.

Sen. S. Creese: Thank you. What is there in PriceSmart that we could not organize differently or have a better value system governing how that is assessed? So we are back to where we were in the old days of foreign exchange control. And the headache for us really, if we take a short history—I think it was Sen. Mahabir who was trying to give us a quick, short history—1797 to 2016 is a monoculture of cocoa, sugar, oil and gas, imported slaves for the indentureds. We imported slaves. We imported labour. We imported food for the labour.

The critical thing is, what became of the profits of that enterprise? It went to the British crown, the absentee planter class, Tate and Lyle. Currently, the profits are whisked away to Tesoro, Texaco, bpTT, Schlumberger, Chevron, Chinese and Indian capitalists who have been brought in here, the Chinese construction firm,

ArcelorMittal at Point Lisas. Transfer pricing is the method, I think, Sen. Mark was harping on. So we are really back to where we were in the 17th, 18th and 19th Century. And I think I can say, you know, without fear of contradiction that ArcelorMittal had been transferring the profits out, even before taxes were due, to other cost centres. So Trinidad was supposed to actually have been, you know, a profit-making enterprise and to make sure that those profits were moved and then, of course, now the closure. So it would seem to me that neither the PNM nor the UNC has been able to deal with these multinationals effectively.

The former Minister of Labour irritated southerners, blue lights flashing on the crowded north-south highway, leaving the south late to arrive early in Port of Spain. Such was his legacy. I am hoping that our new Minister of Labour and Small Enterprise Development will not have such a legacy as a labour Minister.

Sen. Baptiste-Primus: You should know better than that.

Sen. S. Creese: I am hoping that within the period ahead of us, the legislation that would deal with protecting workers' benefits would come through this place and the other place so that ArcelorMittal and company will not be able to perpetuate the current injustice. [*Desk thumping*]

Sen. Baptiste-Primus: We will begin that conversation on the 18th of next month.

Sen. S. Creese: And finally in closing, Madam President, I want to refer to two things. Sen. Small dealt with the issue of the subsidy inherent in our electrical bills because it is the same gas that PowerGen and T&TEC access and there is a subsidy in the Bill. The question I have for this House, of the two subsidies—the one that is in our fuel at the pump bill and the one that is in our electrical bill—of the two of them which has the greater potential, if we remove it, for spiralling through the economy, having a multiplier effect and which has a greater potential if we tinkered with it for being more egalitarian? In other words, in this building, in the house in our residences, electric stoves, air-conditioning systems which we use for hours as opposed to the cars which we probably never drive more than two hours, three at the most at any point in time, which of the two has a more egalitarian effect if we were to implement the subsidy reduction? In other words, “who does burn more current and who does burn more gas?” Because if you are subsidizing the people who are burning more current, then know what you are doing. You are, in fact, subsidizing the wealthy.

And I want in closing to turn my attention because I think the issue about the

banks came up. I cannot remember which contributor did it, but I want to raise this matter here. The question of remittances for pensioners, I think Sen. Mahabir had made the point that through his committee's intervention, NIB started paying people without going through the long process of life certificate and so on. I wish to note that NIB also pays—*[Interruption]*

Madam President: Sen. Creese, your time is up.

Sen. S. Creese: So, I just wish to thank Madam President for the opportunity to have contributed and to say to the Minister of Finance, look into the question of paying taxpayers through their credit unions rather than through banks their pension. Thank you. *[Desk thumping]*

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you very much, Madam President, for allowing me to enter this debate on this Bill, the Variation of Appropriation (Financial Year 2016). While I want to use my time very efficiently, Madam President, I just want to give two minutes to correct the record in relation to what—some the things Sen. Ameen had said.

Now, Madam President, it is a matter of record, the Heritage and Stabilisation Fund was created by Act No. 6 of 2007, and if it means anything, under PNM administration, *[Desk thumping]* the Bill having been laid by, at the time, Sen. Conrad Enill, Minister in the Ministry of Finance, and as far as I recall he was then and remains a PNM member. *[Interruption]*

Madam President: Sen. Ameen.

Sen. The Hon. C. Rambharat: And while Sen. Ameen in previous sittings had problems acknowledging my own Mayaro roots, let me just remind her of the true accomplishments of the People's Partnership in relation to Mayaro and I will just give three accomplishments.

The first is the Rio Claro Library, ready for opening in early 2015. It is a matter of public spectacle that in June 2015 a formal opening was scheduled. One Winston "Gypsy" Peters, the then MP for Mayaro, was awaiting his turn to go up to the podium to speak at that formal opening. And instructions came from somewhere, the opening was aborted. And in October 2015 I had the pleasure of joining Minister Maxie Cuffie in my hometown to open that Rio Claro Library. *[Desk thumping]*

Spectacle number two, the Mayaro Fire Station opened with great fanfare in the

days leading up to the 2015 election. To date, that fire station is incomplete and unable to respond to any call of distress in that constituency. It is not equipped, it is not staffed and it is still not able.

And perhaps the biggest scandal of them all, Madam President, in Mayaro, very few—I do not think that I have stood here on any occasion and not referred to the Guayaguayare fish facility. It was the largest expenditure on agriculture under the People's Partnership, a \$60 million facility. It was opened in June 2012. There are two driveways, one on the eastern side and one on the western side, but not a single boat has been able to land a single fish in that facility. In other words, Madam President, fish could walk in on the eastern side or fish could walk in on the western side, but not a boat shall land a fish in that facility after \$60 million was spent.

Let me remind, jog her memory on that famous Shell recreation ground. It is 400 feet from where I was born. I still play on that ground. Let me remind her that her Government was about to take rusted drill pipes to erect lights on that ground. And one Luis Castillo led a march around town and they were stopped. On November 07, 2015, I had the pleasure of turning those lights on for the first time and playing football on that field. [*Desk thumping*]

Just to provide the context of this Bill, this Bill seeks to increase the allocation to the Ministry of Labour and Small Enterprise Development, the Ministry of Community Development, Culture and the Arts, the Ministry of Planning and Development, but in relation to the Ministry of Agriculture, Land and Fisheries, the increase to the Ministry of Labour and Small Enterprise Development, to provide this Ministry access to OJTs, would provide this Ministry access to the retraining expertise of the Ministry of Labour and Small Enterprise Development and other facilities offered by that Ministry. In relation to the allocation to the Ministry of Planning and Development, the increase in expenditure will provide the research services of the Institute of Marine Affairs, as well as Town and Country Planning and land use planning services and other things provided by the Ministry of Planning and Development. And that is the context in which I will speak.

The approach of the Ministry of Agriculture, Land and Fisheries, Madam President, to dealing with the allocation for this fiscal year is based first on this issue of agriculture's contribution to GDP. Now, I have been reminded many times that agriculture's contribution to GDP is minuscule. It is .4 per cent and declining. In fact, over the last five years agriculture's contribution to GDP declined by more

than 15 per cent. But we also recognize, Madam President, on all three benches and I think it is not in dispute that local food production is critical, and critical for two reasons in particular—critical to the country's food security, much talked about, but still to be achieved, and critical to the country's nutrition security. Again, much talked about.

Agriculture is very critical to the rural economy, Madam President, and I think there is no dispute about that. While agriculture contributes a very small amount to national GDP, it is significant in rural communities, in particular that belt from Matelot right down the eastern side down to Marac in Moruga and down in south-west Trinidad, agriculture contributes in some cases more than 50 per cent to GDP. And we also recognize the things like poultry, for example, where in the constituency of Mayaro, we have the highest production of poultry by contract farmers. A lot of women are involved. Agriculture is critical to the income-earning capacity of rural households in particular putting money in the hands of women. So agriculture, food production, fisheries are very, very critical as a country, but in particular to rural Trinidad and Tobago.

And every time we have spoken for the last 20 or 30 years, Madam President, about agriculture, we always refer to the food import bill. Sen. Creese referred to it a while ago. And last Friday when I spoke in the other place I referred to the fact that I have heard as Minister this notion of the food import bill and the link to agriculture so many times that I wondered as politicians if we have ever taken the time to figure out what is in the food import bill, because every Minister that preceded me made it a point of setting a target of reducing that food import bill.

6.05 p.m.

The reality, Madam President, is that in that food import bill, there are things over which this country has control. But, more importantly, there are things over which this country has absolutely no control. We will continue to import, and we will continue to import food items. And looking at the food import bill, and one of the first things the Ministry did, was to appoint a cross-sector committee to review the history of this food import bill, and identify the main components of that bill, and also identify those things which we can produce locally in order to substitute imported items.

And the top 10 things which are in that food import bill, are food preparations, which are used in—and this is the number one—food items that are used for value-added purposes by local manufacturers, a lot of which is then exported to

other countries. And that includes the wide range of peas, like pigeon peas, the country does not produce pigeon peas for canning and exporting. The country does not produce the base tomato products that we use in ketchup and other products for export, and for local use. For food preparations, much of which is value added and exported, comprises—is the biggest item in that food import bill, wheat, and we know we do not produce wheat in Trinidad; cheese, a still high percentage of chicken. Because, this country—as I made the observation previously—ought to be fully self-sufficient in chicken. Maize, soybean, beverages both non-alcoholic and alcoholic, beef and other meat products, and pastry.

In fact, when I made that comment in the other place on Friday, the Opposition Leader questioned me on this pastry, and what made it so significant. And I made the point that a lot of things, a lot of things sold by the fast food companies, for example, a pastry product brought into the country, minimal value added and sold over the counter. So, this issue of the food import bill, the approach of the Government is to examine this food import bill and identify those components of the food import bill, for which we can provide substitutes grown and produced locally. And there are things over which we have no control, there is always going to be, and in fact Raffique Shah in his column today in the *Express* makes that point, there are things in relation to which we will continue to import and we will have no control over the world market prices, and we would have to pay what the market demands of us. So, in relation to the food import bill, that is the approach of the Government and the approach of this Ministry to look for opportunities in which local producers can place an alternative to an import side by side and give local consumers a choice.

You must remember, Madam President, also, that these are not the old days of which Sen. Creese spoke, Trinidad and Tobago cannot erect tariff barriers and non-tariffs barriers. We cannot protect the local markets in the way we did before. We have entered into a series of bilateral and multilateral agreements. And, in trying to push our products, many of which were energy products, Trinidad and Tobago has conceded market, and conceded space, and we have to leave our markets open, in particular, to agricultural products from our trading partners. So, that is the context in which this country will continue to operate. We continue to rely on imported food. We will be able to provide substitutes in areas where we can produce, and we will have to continue to compete against imports because of the free trade agreements that we have in place.

Let me now talk about some of the key issues in agriculture, Madam President.

As Sen. Creese made the point about consultations, and consulting with the man on the rig, and the fisherman on the shore, the Ministry, I, together with Sen. Singh, Permanent Secretary, Deputy Permanent Secretaries, and the technical officers, over the last seven months we have been out, more than 90 consultations with fishermen, farmers, all interest groups, land users, people across this country; east, west, north and south, listening to their views, having understood, because not a lot has changed over the years, the demands have not changed significantly, but still listening to them in relation to their expectations, their needs, the policy direction they would like to see the Government take, and some of the physical needs. And I have been able, and we have been able as a Ministry to identify land tenure, and land administration as the number one issue facing farmers and anybody who wants to use state lands in this country.

Every politician faces the problems brought to them by their constituents. Every Senator, I am sure, hears the issues of land tenure. Sen. Creese chaired a committee last week that heard from users or people who have vested interest in state lands, some of the problem, and that remains the problem. What is this thing call land tenure? There are many areas/aspects of it. One aspect is the fact that we have had farmers who have been granted leases of state lands for agricultural purposes, in place like Wallerfield and Carlsen Field, and those leases have expired. In some cases for decades. Some cases in Wallerfield for more than 30 years. We have had people who wish to access new lands for the purpose of agriculture. All different types of people wanting to use lands for all different purposes, and not being able to access those lands. And we have other people who use state lands in this country, including those who use lands for residential purposes. For example, in St. Augustine and Curepe, most of those lands around the university area are state lands, given out on leases which, again, have long expired and many of those families cannot make long-term planning decisions in relation to their land, because the leases have long expired.

And the other element of this, which I regard as the complete collapse of the administration of state lands in this country. In 2003 when the Government offered the VSEP to the Caroni workers, that VSEP included the offer of two acres of land for agricultural purposes to any worker who was interested. And the offer of a residential lot of land to those workers who qualified for that lot. What that meant, Madam President, that Caroni VSEP programme brought 17,000 new files onto the land administration portfolio of the State. Eight thousand, eight hundred and eighty five former Caroni workers signed up for a residential parcel of land; 7,246

ex-Caroni workers signed up for a two-acre parcel of land for agricultural purposes. And that brought onto the already overburdened state land administration division, an additional 17,000 files. And, when the whole portfolio of Caroni was transferred back to the State, the 76,000 acres of land owned by Caroni were transferred back to the State, that brought with it 6,000 residential tenants; 5,000 squatters, and about 6,000 cane farmers who rented land from Caroni (1975) Limited.

At the end of it, Caroni alone has brought into the state land administration system about 30,000 land files. And, given the priority with which the Caroni VSEP workers were treated, it meant that in trying to create, because those residential lots and the two-acre sites had to be created. Lands had to be identified; those plots had to be surveyed; the infrastructure had to be put in. What that meant, and the priority given to that programme, it meant that the regular occupants of state lands for agricultural purposes were set back completely, and in this case by an additional 13 years. Because, 13 years after that VSEP, those leases to the Caroni workers have been given out entirely, and those other persons who rely on state lands for agricultural purposes have not been able to access new leases or renewed leases.

We also have PSAEL. Sometimes we forget about PSAEL. PSAEL sits on significant acreages. More than 5,000 acres of arable lands which should be put to agricultural purposes, but which have been left there and unutilized for that purpose. And then we have state lands across the country still available for use for agricultural purposes still available for forestry, which many persons across this country, including the private sector who would like to access these lands, cannot, because of the backlog. I estimate, Madam President, that the extent of the backlog, when I count the Caroni lands, the Caroni files, the PSAEL files, and the existing files where leases have been granted a long time ago and have expired, I estimate the backlog to be about 75,000 files. And let me give you an example of how that impacts food production. I use the example of Sakeer Trace in Navet Village in Rio Claro. Navet Village is a very vibrant agricultural community. In 1999, 17 years ago, close to a hundred plots were surveyed for distribution to farmers in that village, that community, Sakeer Trace. Those lands happen to still, 17 years down the road be in very good production. A lot of your dasheen and dasheen bush in this country comes from there. But, those farmers have not been able to receive a lease of their lands so that their families can be comfortable knowing that they have security of tenure, and they can continue to invest in those

lands.

Pinder in Siparia, similarly 1999 surveys done and those files of those farmers who should be given those leases and given the stability, and the tenure to allow them to invest and make farming a sustainable business, those leases are nowhere near to being prepared. And in Orange Grove, highly productive land, close to the East-West Corridor, close to the markets, those leases have not been given out to those farmers of the Orange Grove land. Los Iros, very productive land. Many of those plots identified 20 years ago surveyed, awaiting the preparation of leases, have not been given out to farmers. Tabaquite and Felicity, across this country lands that should be in the hands of bona fide farmers, lands that should provide stability to farmers and their families, lands that should be making a contribution to rural economies, those farmers are being kept back because for more than 30 years we have not found a way in this country to clear the backlog and move those leases along. And, this is the plan, Madam President.

When the Government came in, we said that were going to audit the state lands portfolio, what was formerly the Ministry of Lands, we were going to audit it. We were going to identify all the files which had been outstanding, and all the work that remains to be done, and we are going to provide the resources. First the structure for the Commissioner of State Lands, and the resources to get those files going. And, we also took a decision, that when those positions in the Ministry of Agriculture, Land and Fisheries expire—was contract positions—we are going to allow those positions to expire and those employees to go. And we are going to do the appropriate human resource assessment to ensure that the persons who work on land transactions in this country are qualified and competent to be able to close a file in the shortest possible time.

So, that work is going on, Madam President, and I expect in the next two weeks, people across the country will start seeing positions advertised from under the Ministry of Agriculture, Land and Fisheries for competent persons to come in and apply for positions in relation to all these land transactions. I am also hopeful that by mid-year the Ministry will start, just as we have done with the former Caroni workers, just as we have the lease distribution ceremony every month for former Caroni workers, I expect by mid-year that the Ministry will have distribution functions for farmers across the country, to be able to receive their state land leases, and be able to continue, and in some cases begin to contribute to food production in a sustainable way, knowing that they have gotten the tenure.
[Desk thumping]

6.20 p.m.

Let me talk about agriculture, generally, Madam Speaker. The first thing I would say, during the last seven months and based on these consultations the Ministry has had, I believe that these mega farms have been misconceived. Most, if not all of those mega farms are severely underutilized. And the Ministry has made an assessment that that is not the direction that we should be going.

We believe that there is a role for the private sector, many of those mega farms were put in the hands of the private sector. But based on discussions with potential investors and the business community, we believe that the role of the private sector is to introduce technology and innovation into agriculture and not go the way of planting a 100-acre parcel of land in the traditional way.

We believe that the private sector should be the ones investing in greenhouses and other forms of modern farming in order to reduce the reliance on labour, one; reduce the use of pesticides, reduce the reliance on other incentives and allow for the food production to take place in a very controlled environment in a way that they can control the final product.

And that is why, Madam President, I am pleased to say that one private sector group is about to embark on a \$30 million project dealing with agriculture in the way I have described it and using innovation technology and using a very modern approach to agriculture. Again, we can only permit this type of investment if we have the land administration system that can deliver a title, a lease to this private sector group in the shortest possible time.

I expect, Madam President, that in all categories of agriculture production, whether it is cocoa, coconut, short-term crops, fruit, there will be and there is an interest by the private sector. I believe the future of agriculture in this country will rest in the hands of small and medium families for continuing on their farms and the private sector making significant investments and adding to the food production. So there is a role for both the farmers, the traditional farmers, using their traditional methods, the private sector introducing new capital in this sector.

And what is the future of the mega farms?—these farms that are sitting there. Again, many of these farms would have to rely on existing farmers to assist in bringing the acreages into production and we see that in Orange Grove, where one particular mega farm owner has had to use a traditional farmer from the East-West Corridor to bring that mega farm into production and the farm is doing well. It is producing and I am sure that that is the way forward for what we described as the

mega farms—using real farmers to bring them into production.

Let me talk a little bit about fisheries, Madam President, to add to what I said about the Guaya fishing port earlier. A lot of investment has been made in this country on the infrastructure for fisheries. Across the country, still, even after that investment had been made in physical infrastructure, it is difficult to find a fishing facility that is fully functional and equipped and going in the direction that we should go. In particular, a lot of these facilities have suffered damage and do not present fish in a hygienic manner.

So again, this year the Ministry will make an investment in upgrading of the infrastructure, but we will also make a shift in how these facilities are being managed, moving away from having these facilities managed by the communities and managed by the fishermen and using, in the case of Ortoire and Guaya, the Seafood Industry Development Company Limited to manage those facilities on a pilot project basis to see if that would make a difference in the long-term management of these facilities.

So this year the Ministry would do capital development works on the Las Cuevas facility, Toco, Matelot, Salybia, Balandra, Otaheite, Ortoire, Guayaguayare facilities and, of course, my colleague Minister Khan was down in Moruga a few weeks ago and he launched the work that would lead to the \$200million Moruga fishing port. But it is not just infrastructure, Madam President. This country, around this island and all the fishermen, has long recognized that this country faces severe declining fish stocks. The catches across the country are not what they used to be and the experts have said, continuously, a major issue affecting fish stock and the catches of the fishermen around the country is the declining quality of the breeding ground for fish to reproduce and for the catches to increase.

So, Madam President, the Government intends in this year to make a decision on the future of industrial trawling in this country, to make a decision on whether we have the capacity in this country to man the seas and patrol the seas and keep the industrial trawlers where they should be, so they do not encroach on the breeding grounds, or whether we should, through legislation, ensure that those trawlers do not continue to harm the breeding ground. And that is a decision that the Government would make with the appropriate consultation and through the appropriate legislation, recognizing that it does not matter how much new infrastructure we create for the fisheries sector the issue remains—we have declining catches and declining stock and we have to address that issue.

Madam President, a critical issue in relation to agriculture and farmers has been this issue of agro-processing. And I do not think that in the last 20 years of budget speeches and in the last five general elections we have had a manifesto in which we have not addressed the issue of agro-processing. But the fact remains, we have not been able to create that opportunity, but the primary agriculture production of this country gets an extended shelf life through processing, through packaging, in the case of fisheries, through chilling and smoking of fish and doing other value-added things where we could extend the shelf life and we can increase the value that goes back to the primary producers.

So what we have, and that is the way it has operated for generations, we have farmers, for example, in visiting Sakeer Trace in Navet on Sunday, I also visited the dasheen farmers. And the dasheen and dasheen bush, I am not sure if you are aware, Madam President, is grown under very difficult conditions. So every time you consume your callaloo think of those farmers who go into their dasheen plantations in water up to here [*Senator indicates height*] to retrieve your valuable dasheen or dasheen bush. It is under very difficult conditions. And then it is brought to the roadside where it is picked up by a middleman. The farmer is paid a price per pound and that dasheen passes through several hands before you pick it up at the San Fernando market at \$8 or \$10 per pound.

And that is the way farming and that is the way marketing has been done in the country in almost every commodity. If you look at fishing, the fishermen in Guayaguayare or in Ortoire or anywhere else in the country, in Matelot, fish is landed and there is a middleman waiting there to take the fish off the fisherman's hands at a price and take it on to some other buyer or several buyers or through several hands where it eventually fetches the price of \$50. And the way to deal with that, the way to reduce that impact on the primary producer is either through agro-processing, through providing the adequate, in the case of fishing, the adequate facilities for chilling, for packaging, the marketing support and bridging that gap between farm to table, reducing the proliferation of middlemen and allowing primary producers to get the highest value. [*Desk thumping*] And the Government intends, once and for all, under the farm-to-table policy of the Government that has been handed to NAMDEVCO for execution, to bridge that gap during the course of this year from commodity to commodity.

And we have chosen, NAMDEVCO has selected pineapple extensively grown in south-east Trinidad but offered in Trinidad and Tobago in the same form for the last 25/30 years as a fruit unprocessed so that it has to be sold in a particular time

frame otherwise it has to be dumped. And pineapple has been selected by NAMDEVCO for their first agro-processing project for 2016 and they have identified the unopened—another facility of the last Government that was opened with much fanfare, notwithstanding electricity is not connected and there is no equipment in it—and that facility at Brickfield will be used for agro-processing.

The Government has already decided to, Madam President—[*Interruption*]

Madam President: Minister, you have five more minutes.

Sen. The Hon. C. Rambharat:—to establish in Wallerfield, a 130-acre agro-processing estate, to establish in Moruga a 20-acre agro-processing estate. The Ministry has already received and is considering an application from Central Farms, the biggest duck producer in the country, an application for expansion of their facility. The Ministry is currently considering from Arawak an application for 90 acres of land to expand in Wallerfield and then the Ministry is currently considering an application for land in Couva for the establishment of a \$75 million hatchery facility.

In closing, Madam President, the Government believes that through land tenure and proper land administration, granting the stability to the farmers, through the interaction between private capital and traditional farmers, by creating the right policy environment, by reaching out to farmers and fishermen and all other state land users and understanding their needs, by being proactive and sensible and by moving from conceiving ideas—which all administrations are very good at—to implementation, we will once and for all provide the stability in the agriculture and fisheries portfolio in this country, so that we could move towards greater food security and nutrition security, recognizing that objective is not to reduce the food import bill but deal with those aspects of it in which this country is capable of providing import substitution. I thank you. [*Desk thumping*]

Sen. Daniel Solomon: Madam President, I rise to contribute this evening to this honourable House. I am humbled to make this contribution and I am grateful for this opportunity to comment and hopefully my contribution will make some difference to the budget presentation as we have been shown by the hon. Minister of Finance in the Finance (Variation of Appropriation) Bill, 2016.

Madam President, I believe that there are two burning questions that the citizens of our country and the Government—they are calling upon the Government to answer. And the first one is, are we better off now than we were in August 2015 or prior to September 2015? Based on this budget review as it is called, presented by

the Government, which totally ignores the serious effects and negative impacts of the current turbulent pressures, economic and otherwise, that are foisted upon our citizens, I say that on a daily basis our citizens are suffering, and the answer is a resounding no. We are not better off. As the hon. Minister says, no!

6.35 p.m.

Madam President, we have regressed as a nation given that the state of the economy has also regressed. According to the Central Bank of Trinidad and Tobago, the unemployment rate has increased and is projected to increase further in the upcoming quarters. It is easy to understand, Madam President, why the unemployment rate is projected to increase, as in under seven months our nation has witnessed over 5,000 employees being dispatched, retrenched, a figure which does not come from this side of the Bench, but comes from the Government itself.

On our side, we say that those are the figures that are just officially recorded and, in fact, the figure is far more. We do not put it at 6,000, Madam President, 7,000, 8,000; we put it at 10,000 unemployed persons. The significance of this to this country is horrendous. That is not just 10,000 individuals. That is 10,000 households, 10,000 families, children, wives. That is families that are now facing increased cost of living, increased fuel prices, increased food prices and no income coming in whatsoever.

So, Madam President, are we better off now than we were in August 2015? No! According to the Central Bank once more, the headline inflation has increased from 1.5 per cent in December 2015 to 3.5 per cent in February 2016. Food inflation has also drastically increased from 4.5 per cent to 9.5 per cent in the month of February 2016. Madam President that is a doubling of the food inflation, to 9.5 per cent. That was something that the previous government was battling hard to bringing down, and as the PNM legacy had left us with massive inflation since 2010, we now see it re-emerging rapidly.

Again, the sustained increase can be easily attributed to the change in the VAT regime by the current administration. The exchange rate to the US dollar has increased from TT \$6.37 in August 2015 to TT \$6.6 in March 2016. This is according to the Central Bank, Madam President. However, we do know, as everybody does except apparently the Minister of Finance, that there is a crisis in terms of foreign exchange, and that there is a massive black market that is occurring in the country and persons are paying up to, as is reported in the media, \$10 to \$1 to obtain foreign exchange. If you go to the airport now and you try to

buy foreign exchange in the Cambio, it is \$7.81, if you can get it.

So, Madam President, are we better off? No. Is there a foreign exchange crisis? Yes. Therefore, one can culminate from the official facts and figures that our economy is in dire straits. The second, and two, of the two most critical questions: What are the strategies to be undertaken to alleviate these economic burdens? Madam President, our population, our citizens, we were expecting to hear strategies from the Government that would be implemented to protect our citizens from these turbulent and grave economic times. We wanted to hear clearly defined strategies being undertaken to cushion us and to stabilize this economy. In October 2015, the Government projected an expenditure of \$63 billion while only projecting a revenue of \$43 billion, an economic path of \$21 billion deficit which I believe, and I stand to be corrected, is the largest in our nation's history.

Back in October, Madam President, the Minister stated this deficit would be reconciled through a number of state resources, for instance, the sale of Clico and IPOs, as well as the revenue authority would be activated. We have heard some more details of that and we are grateful for that, but we need to hear much more about the specifics of how these assets are actually going to be utilized and maximized for the benefit of the people of Trinidad and Tobago. We do not want to just see a fire sale where these assets are sold and we do not know what is going to come after and what the money is going to be used for.

Madam President, I suppose one of the most irking and difficult matters that the nation has had to deal with is the fact that on top of all these hardships there is a sense that the Government is being autocratic. We are being told that we will have significant consultation. In fact—and I can quote from the *Hansard* where the Minister of Finance had said in October—and I quote:

“Madam Speaker, there is no denying the need for fiscal stabilization in order to facilitate faster economic growth over the medium term. However, it must be an adjustment strategy based on consultation with the public and one that protects the most in need in which the costs are shared proportionately by all.

Madam Speaker, the one month period since the general election has not been sufficient time to conduct full consultations with our various stakeholders. Accordingly, over the next six months we plan to hold a series of consultations with all main stakeholders and with the country at large on the state of the economy...”

Madam President that is the Minister of Finance speaking on October 05th in the

other place. And where do we find ourselves? Did that happen? Have there been consultations with the public? Has there been any sort of consultation whatsoever? And if I may, Madam President, I would like to refer to an article from the *Business Guardian* dated April 01st where:

“Joseph Remy, President of the Co-operative Credit Union League said it is unfortunate that the Government did not consult with representatives of key sectors in the country ahead of next week’s budget view. ‘There has been no consultation, no discussion with civil society. The Co-operative League was not consulted and we are one of the sectors that contribute to the...GDP’...

He said in the past the cooperatives movement have served as a buffer for the working class people in times of recession.

‘We want equity in society’”, he said. “‘Not only those who live in opulence should benefit’.”

And then he goes on to say we have over 500,000 members, an opportunity surely lost.

Hopefully, the Minister of Finance and this Government will change from this bottom-down approach and start consulting with the nation as they promised they would. Often the nation and the people of the country have the solutions, and if you had listened to them, we may not be in this position now.

The budget review lacked a clear economic way forward that would allow Trinidad and Tobago to prevent further contraction of its economy, spur on growth, protect and grow its foreign reserves as well as generate employment while combating inflation. Madam President, this is a view shared by the Executive Director of the Lok Jack Business School, Professor Miguel Carrillo, who in an article published in the *Newsday* of April 06th, said:

I would like to see a real economic strategy going forward. I would love to see as well a set of clear investment projects that will not only lead Trinidad and Tobago out of a recession but prevent a similar one from recurring in the future.

Madam President, this is what we have seen. We are seeing a lack of a vision, a lack of implementation. One is forced to question what is going to happen in the short term, the medium term and the long term. How is the Government going to generate revenue to reconcile its deficit?

Madam President, if I may refer—Prof. Miguel says:

I would like to see a real clear economic strategy going forward. I would love to see as well a set of clear investment projects that will not only lead Trinidad and Tobago out of its recession but especially help us to prevent a similar and recurring in the future. Asked what sort of measures he had in mind, Carrillo told *Newsday* 'That should include an industrial policy which supports those sectors, that have a multiplier effect on the economy such as manufacturing and construction. This policy should also, in a very decisive way, promote exports because the issue we have right now with our foreign exchange shortage is that we do not have enough economic power outside of the energy sector, and with energy prices low, is the exports of products with significant added value that will earn Trinidad and Tobago the valuable foreign exchange.'

So, Madam President, what we are saying is that because of this lack of vision, the lack of imagination, there is no plan. There is no investor confidence. This leads to a panic amongst the citizens of Trinidad and Tobago. And although the Minister has said that there is no foreign exchange crisis, the perception in the public is that there is a foreign exchange crisis. That has the knockdown effect of persons hoarding dollars when they do not, in fact, need to hoard dollars, according to what the Minister of Finance says.

So it is a matter of, not only sharing through consultation, this will ease the confidence of the people of Trinidad and Tobago, and confidence, as we know, in markets and economies is crucial to stabilization.

In the *Newsday* article dated Thursday 07th, it was said that the TT economic outlook remains weak. And what is quite ironic, Madam President, is that the Government forecast to spend \$63 billion in this economy but is unable to stimulate growth. That is bewildering. We therefore question whether this \$63 billion is, in fact, being spent or, in fact, if the figure is a lot smaller. Now, Madam President, the lack of consultation was echoed in the papers by many, many people. I refer to an April 11th *Guardian* article by Fishermen and Friends of the Sea that said:

Noting here that there was no forum or consultation process ahead of Friday's presentations, and they criticized that the top-down administrative approach, the group is calling Government to widen its consultative net to allow the best minds an opportunity to examine and comment publicly on the issues therein. Failure to consult will surely deprive our country of valuable perspectives on the way forward, as we continue to face unpredictable dangers ahead.

So, Madam President, when you have a lack of consultation and you have this top-down approach, what you lead to is the old repeating itself, repeating itself, repeating itself. And if I may refer to the *Sunday Express*, April 10th:

“Mid-year shallowness” is the title of this article by Ralph Maraj. And it describes it so well. He said:

To prove that old habits die hard, notwithstanding the recognition of reality the Minister’s mid-year review was still trapped in the hoary confines of the energy sector, ruminating uselessly on incentives to bring in revenues as before, unable to depart the old paradigm, and sounding like a voice from the past, stale, anomalous, irrelevant, it was all predictable revenue-raising measures. Nothing new or directional. Nothing significant on new foreign earnings. The only sustainable path from the abyss, nothing except ritualistic regurgitation about financial services, tourism, merchant marine and agro-processing. After seven months of dithering in office whilst US \$1 billion is evaporated in imports cover, and as usual, Imbert tried to disguise his emptiness with trademark aggression, arrogance, sneering and cynicism. This Minister’s attitude, easily brushed aside normally, is most offensive in these trying times when people are looking a direction and get mainly declamation and derision.

Although I might add, Madam President, to be fair to the Minister, who is not here, that his demeanour was a lot more amicable and acceptable in this august House, as it should be. Mr. Maraj goes on:

When last have we had foreign direct investment in Point Lisas? Instead, ArcelorMittal is departing for Iran with its 34 million cubic metres of gas reserves, 18 per cent of the world’s total. The world is leaving us behind but Colm Imbert does not get it. He is unable to see it. So last Friday it was mere bookkeeping. No plan for restructuring the economy, greater productivity, redefining the role of government, positioning the private sector as the engine of growth.

Madam President, this mid-year review keeps the nation crippled. It lacked depth, was bereft of philosophy and vision, provides no road map, keeps us marking time, stagnating and declining. It was all shallowness and staleness.

6.50 p.m.

Madam President, the nation needs to know where we are going. We need to know what is the vision, what is the plan. In order to restore confidence for persons

to not be hoarding money, persons not to be firing unnecessarily, we need a clear path forward. We have not gotten that. There is just absolutely no plan.

Madam President, it has been over seven months since the People's National Movement has assumed office. In that seven months' period the modus operandi of Trinidad and Tobago has changed from the execution of strategic objectives to ensure equitable and sustainable development, to the implementation of haphazard policies to place the financial burden on our citizens. All we are getting is tax, tax, tax, cut, cut, cut. It is time that the current administration inform the nation of the policies they have undertaken and what they intend to pursue.

Six months ago those opposite came to this honourable Senate stating their plans. Today, they have come once more not showing the results, but just dreams, dreams, dreams. This budget review was the opportunity and they did not take that opportunity.

As was reported in the *Newsday*, Monday, April 11th, "Budget Review: Same old, same old":

"Anslem Richards, Saturday dismissed..."

Anslem Richards, a political commentator and economist said:

"When you go through the presentation there is no innovation and creativity in these economic times. They have used the same old economic model — oil, gas, tax, spend."

Richards said this model had led this country on a downward spiral, economically...

'But there has been nothing to treat with our situation in the medium and long term, especially in the area of treating with new streams of foreign exchange activities...'

The TT Farmers' Association, meanwhile, also lamented the lack of attention...to agriculture:

'I would have thought that something would have been said in terms of diversification but now I am confused. I don't understand the signals I am getting,' said Shiraz Khan, president of the association.

On the income-generating measures implemented in the Review, Khan said the association was peeved by the fuel increases.

'That is a blow to farmers because many of them use diesel for their tractors

and pumps,' Khan said,"—noting—"that there has been a significant increase in diesel over the past six months.

'It has moved from \$1.50 per litre in October to \$2...in April. That is a 33 per cent increase and this will only put pressure on the farmer and small man.'"

Again, Madam President, what we see is we see that the pressures are just being put on the poor, on the small man, the farmers, and that is what the problem is with this Government. That instead of coming up with creative and innovative ways of getting foreign exchange, of creating employment, of diversifying the economy, what the Government finds themselves doing through lack of consultation and autocratic culture is just punishing the small man and shifting the entire economic burden onto the population of this country. [*Desk thumping*]

Madam President, as a nation we agree and we acknowledge the global drop in energy prices, as a nation we are dear to the fact there is need to increase revenue in light of decreased energy prices; however, as a nation we are better off with the changes in tax regime of the VAT. Are we? Are we able to sustain minimal lifestyle required to ensure the realization of the true potential of our citizens for the sake of increasing revenue?

It was only a few weeks ago, Madam President, that the Central Bank issued a media release, as I said before, providing information on the sustained increase of food prices within the past months, resulting in an increase in food inflation by 4.5 per cent as of February. It has appeared that the current administration has foregone, abandoned and given up its responsibility of protecting, maintaining and bettering the standard of living of its citizens with this specific policy change of VAT. Shoppers are paying a lot more. As was published in the *Sunday Guardian* article on April 02nd, shoppers are digging deeper into their pockets to pay for their monthly groceries. Some are paying as much as \$1,000 more.

We must ask ourselves, Madam President, why have the food prices increased so rapidly and suddenly? It is not a result of unethical pricing, it is the ultimate Trojan horse. We were told by this Government, by their manifesto—and perhaps many people voted on the basis that VAT will in fact be lowered from 15 to 12.5 per cent. When in fact what we were really were doing, and that was not in the manifesto, is that they were actually going to put VAT on 7,000 separate items. Household necessities such as rice and flour are now VATable, which means that consumers pay higher prices than they did before. As a consequence, any savings derived from the decrease in the VAT rate on some products by the 2.5 per cent

have been eroded by the 12.5 increase. So what you have, Madam President, is you have a number of retrenched people, with their families, looking at increased food prices, higher cost of transport, higher cost of living. It is a recipe for disaster.

Madam President, what is also quite troubling is that there are occasions when this Government, not only does not consult, but it appears to ignore the plight of some industries and would make rash decisions such as the ones that they are doing in the mid-term review, and with the VAT, which seem to be unfair, make no sense and actually damage the lives of persons, damage the economy, reduce foreign exchange income and reduce employment.

Madam President, I could give you an example where this has happened and I turn to the yachting industry. The yachting industry has since had a 12.5 per cent on goods and services. As I understand it, they have met with the Minister of Trade and Industry, I understand they have written to the Minister of Finance about their plight and I understand they have also met with the hon. Prime Minister on this issue, and there was much hope that in fact in this mid-term review that this VAT for this industry would not apply. This is VAT for services on yachts that hitherto did not exist.

Now, what you have is you have mainly in Chaguaramas a yacht service industry which supplies over 2,000 jobs. It is a massive foreign exchange earner of up to US \$40 million a year. It is a major tourism input as these yachtsmen come from all the world, sometimes spend as much as six months to a year while their yacht is being repaired. They employ numerous amounts of tradesmen, welders, mechanics, sail makers, fabricators, electricians. It is one of the few places in Trinidad where a young educated man, perhaps from Carenage, can actually go and work and earn US dollars. That is being stifled and deliberately killed by this Government.

Madam President, the Yacht Services Association of Trinidad and Tobago also put out a press release in the hope that the media and someone would take up their plight. Boats are leaving in droves, companies are shutting down, US dollars are not being earned any longer, massive unemployment is happening in that industry all because of this draconian measure. And I will read the press release:

“The Yacht Services Association of Trinidad & Tobago...is extremely worried that the impending imposition of VAT on the provision of goods and services provided to foreign yachts will result in a significant drop in business leading to reduced foreign exchange earnings and layoffs in the yacht service industry.

In virtually all countries services provided to foreign vessels which will be leaving the country are treated as an export and are deemed VAT free.

By imposing VAT, more cruisers will choose to have work done on the yachts in other Caribbean islands.

This is completely contrary to the Government's stated intention of promoting export earnings and boosting employment.

Ultimately the imposition of VAT on the export of these products and services will lead to a reduced work force many of whom come from already depressed areas around Port of Spain and Carenage."

Yacht Services Association of Trinidad and Tobago—"therefore calls on the government to review this decision and remove the VAT and put other incentives in place to enhance the competitiveness"—of this industry—"instead of stunting the growth of this vital foreign exchange earning..."

It absolutely fell on deaf ears, Madam President. The Minister of Finance, the Minister of Trade and Industry and the hon. Prime Minister are all aware of this situation.

Madam President, I suppose that the best way to describe the impact this has is to actually have it from the lion's mouth, and here is a letter written by one of the ship captains who has been coming here for years to have their boats refurbished, stored. As the hon. Member for Diego Martin North/East, the Minister of Finance, has said that this is a hurricane belt and that is why these yachts and shipbuilding is attractive, but they have been offered no support.

So what is happening is these yachts are actually leaving and saying, "Look, we are not going to pay the 12.5 per cent. We are going to go to Grenada where they do not have the 12.5 and have more or less the same services available." So this is a letter that I want to read. Well, the title is blunt, but unfortunately it really is the bottom line in this email.

For six years we hauled our sailboat out to Powerboats for hurricane season, a minimum stay of six months often longer. Along with the boatyard fees to haul, chock and store our boat, we also bought from the grocery store and chandlery, rented apartments and a locker, purchased laundry, shower and Internet tokens, and employed contractors for painting, varnishing and engine repair. Here are some of the other businesses that we purchase from.

Sen. Khan: Could you say who the letter is from, please?

Sen. D. Solomon: Yes. Dianne and Cindy Cross, the ship *Sit Antung*.

Madam President: Sen. Solomon, could you also give the date of the letter?

Sen. D. Solomon: Sure, the letter is dated March 08, 2016.

Sen. Baptiste-Primus: And address, please.

Sen. D. Solomon: And it is addressed to a Director of YSATT.

Here are some of the other businesses that we purchase from: Chaguaramas Metal Works for welding; alternator repairs at Tardieu; dingy repairs at Maxwell; canvas purchases at Alpha Canvas; canvas and zipper repairs at Calypso; canvas purchases at Radar Trading; cockpit cushion, foam cushions at Majestic; canvas and sheet fabric from Jimmy Aboud; hairstyling at Seales Style; two weeks dockage at Crews Inn; dinners at the Wheel House pub every night; two dresses for weddings; PriceSmart Shopping; Massy shopping; daily purchases at all the chandleries; taxi drives; tours; turtle tours; weekly purchases from various vendors, Western Main Road; and the list goes on and on.

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

These vessels, Madam President, average about US \$15,000 to \$25,000. Sorry. Apology, I see there has been a switch.

We had every intention of hauling our boat out next month, but the pricing at the new marina in Grenada is a saving of US \$2,000. Factoring the private attacks on yachts travelling to Trinidad and it made no sense for us to stay another season.

Believe me, this was a very difficult decision as we have come to know many of the Chaguaramas employees as friends, and some we have come to know their families.

Our hope is that your Government will eliminate or at least dramatically reduce the 12.5 per cent VAT so that we may return and everybody may benefit mutually.

So, Mr. Vice-President, you see the issues that we are facing.

I have another letter which I would like to read. It is dated Friday, January 29, and it is addressed to one of the managers at one of the larger companies that store and restore the vessels.

We spent about \$60,000 last year at your company for storage and a keel job. The work and service was great and we were looking forward to returning to your company in June 2016. However, we have made arrangements to store the boat in Grenada due to the VAT tax and the refusal of the Trinidad Government to provide safe passage for boats, both foreign and domestic, transiting the passage from Grenada to Trinidad. With the addition of the VAT tax, your storage rates are now significantly higher than that quoted tax-free from Grenada.

In addition, sailing to and from Grenada has become very dangerous since September 03, 2015, when the crew of the Tug Ann was boarded and robbed at gunpoint within sight of the Trinidad Coast Guard station, followed by the December boardings and armed robbery of two vessels at sea near the Hibiscus Platform.

We sailed from Chaguaramas about November 05th, just two days after the Tug Ann robbery. We asked the Trinidad Coast Guard to provide us with an escort for three sailboats leaving that morning. They politely declined to assist us.

7.05 p.m.

As much as we liked the people we worked with at your company and appreciate the good service they provide, my wife and I are not willing to risk our lives and our vessels so that we can be taxed at 12.5 per cent by a Trinidad Government that will not protect us or their own citizens from crime within their territorial waters.

I hope that you are successful in getting the Government to change its policies so that we can return to you in Trinidad in 2017.

So, Mr. Vice-President, I have a number of letters and I think that it is fairly clear what is happening here. This Government has not paid any mind to this industry. In fact, it has stifled this industry, it has chased tourism and it cannot say that it has done anything to enhance the foreign exchange. This shows a lack of imagination, it shows a lack of respect, it shows a lack of consultation, and I urge this Government to review this situation with the yachting industry and the associated small business and tradesmen that have been suffering as a result of it before we lose all our business to Grenada.

Grenada actually has started advertising no V-A-T to the boats. They also make it a lot easier. When these vessels come in, in other Caribbean islands, there is one form for customs and one form for immigration, it takes 10 minutes. In Trinidad,

we have numerous forms, numerous documents, it takes hours, there is massive confusion, and it turns the visitors off of coming here, spending this money, spending their money on the vessels, employing contractors and staying in Trinidad. Also, the time for staying in the country is limited to 90 days depending on the immigration officer that you get. In other islands, it is up to a year.

So what happens is a lot of these yachtsmen come here and they have to leave to renew their immigration status to come back. This is added cost and added inconvenience. These are things that this Government can facilitate easily. It does not require investment, it does not require foreign exchange and it can be done immediately with the stroke of a pen. So, Mr. Vice-President, I urge you, I urge this Government to please take into consideration the plight of this industry.

Another industry which has been suffering as a result of this Government's callous attitude is the foreign used car policy. Mr. Vice-President, this Government, in the past seven months, has implemented a number of harsh policies which had not been based on merit or within reason but, as I have stated before, have negatively impacted on the lives of the hard-working population of Trinidad and Tobago. One such instance can be demonstrated in the change to the foreign used car policy by the Minister of Trade and Industry. The most significant change to the policy was the change in the age of the used vehicle being imported. The new policy prohibited vehicles over the age of four years from being imported into Trinidad and Tobago. This change in policy saw an increase in the price of used vehicles as the four-year-old vehicles are more costly than that of the six-year-old due to being slightly newer.

One must question: why a Government would want to make it more difficult for lower income families to own a vehicle in a time period where a vehicle is seen as a necessity? In January, when this policy change was announced, the Minister of Trade and Industry informed the public, as well as the stakeholders within the industry that an audit will be undertaken and completed by March 31st which was confirmed by the *Express* story:

“Here’s the revised...used car policy”

—published on January 15, 2016. However, in an article published by the *Express* on Wednesday, April 06th entitled:

“Review for...used car policy”

Minister of Trade and Industry said the review is due on April 31st. So when is the

actual date of the review, I would ask. Is there actually going to be an audit? Based on the results of the audit, will the industry be returned to the previous policy or will more measures be taken which can further negatively impact the industry? One might ask: what is the relevance of this policy in the budget review? As mentioned before, our nation and its citizens continue to face tough economic times.

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

Sen. D. Solomon: Thank you. I think that in short, this is another industry that has been stifled, attacked; the livelihood of the industry, the businessmen themselves, the surrounding tradesmen: the mechanics, the painters, the welders, the brokers, the music technicians. I think it amounts to over 15,000 persons have been also negatively affected.

Again, as has been the thread of this Government, there has been absolutely no consultation, no consideration. It has been autocratic, top-down approach which is completely contrary to what we were told this Government would be doing, and these have been negatively affecting the citizens and the lives of persons in this country. And it always appears to us on this side that it is the middle class and the poor and the small businessmen, the farmers, the mechanics, the tradesmen—people who are trying to earn a living are being punished the most.

So, Mr. Vice-President, I urge this Government to, please, become more compassionate, become more caring and start consulting with the citizens of this country and hearing what they have to say. A year ago, those opposite have said, we are red and ready, it is more like they are dread and dreary. [*Laughter*] We have experienced, as a nation, in the last seven months is pain, pain, pain and we see, as the headlines in the *Express*, more pain to come.

Have we improved the lives of our citizens? Have we improved people-centred development? What about the life of the single mother? How do we protect her? What about the children? What about the protection of the breadwinners of the family? How are we creating jobs? Our greatest asset is our human capital, it is our people of Trinidad and Tobago, and we need to be treated with respect, we needed to be spoken to; we need consultation; we need to be protected and we need to see a way forward. That is what this Government has to do, Mr. Vice-President. Thank you. [*Desk thumping*]

Sen. Hugh Russell Ian Roach: Mr. Vice-President, I thank you and embrace the opportunity to make a contribution to this debate on the Finance (Variation of

Appropriation) (Financial Year 2016) Bill, 2016.

As expected, this mid-year review of the Government's 2015/2016 budget was eagerly anticipated by many across the wider society and rightly so. At the time, Government had sought time to fully assess and appreciate the realities of the country's economic situation having only assumed office a few weeks before the national budget was due. It was no small feat to accomplish but it was done with the yeoman service of tried and tested public servants.

Many members of the public had agreed that this new administration needed to be given some measure of time to effectively review the realities of the day; plan appropriately to address dynamic economic challenges; communicate a care strategy for dealing with same and inspire robust confidence in the nervous and anxious public who have been bombarded with constant news of oil and gas price decline and speculations of doom and gloom, as a result. The hon. Minister of Finance and his Government have kept their promise to present a review of the budget within six months. That was done last Friday and today.

Mr. Vice-President, after listening to the subsequent debate in the other place, reading and listening to a number of analyses and commentaries on the reviews by several stakeholders in the economy and also contributions made by fellow Senators here today, I am of the view that the Minister's review has shed some light on the country's economic position, while highlighting some of the Government's strategies to tackle a number of urgent issues directly related to the significant decline in oil and gas revenues.

The fact is that what our country is facing economically did not happen overnight and therefore, there is unfortunately no quick fixes to be had at this time. The old adage, Rome was not built in a day, is true but rebuilding our economy, we can do day by day with earnest effort and national will. What is clearly needed going forward, as we must, is confidence in our Government and the identification of fruitful opportunities in the economy to reset productivity and stimulate economic growth in every facet of local industry and enterprise.

Mr. Vice-President, what our country now needs are captains of industry and leaders in Government who are visionaries, willing and capable of taking us into a new era of post-oil and gas reliance. An era of diversification of the economy, not in words and intentions but by aggressive and assertive political and economic strategies and actions. It is time we do and stop talking of doing. It cannot be like my reservations for this honourable Senate that I view as a place of endless talk

and blunt actions. If we, as Members of Parliament, were paid per word spoken with the hurricane of words that occur during the debates, some of us would be multi-millionaires.

Mr. Vice-President, please permit me to give you and members of the public a most apt and current example of what I am speaking about when I say we need visionaries in our leadership. I have noted that other Members may have either read or listened, as I have, to the Deputy Crown Prince of Saudi Arabia, Mohammed bin Salman, who was interviewed by the Editor-in-Chief of *Bloomberg News* John Micklethwait and Glen Carey on Wednesday, March 30, 2016, in Riyadh, Saudi Arabia. The Deputy Crown Prince is 30 years old, the son of King Salman of Saudi Arabia. The interview features the Deputy Crown Prince in an over five-hour interview laying out his vision for the Public Investment Fund, PIF, which would eventually control more than US \$2 trillion and help wean the kingdom off oil.

“As part of that strategy, the prince said Saudis will sell shares...”

As we heard Sen. Small and some other Senator, again, hinted today.

“in Aramco’s parent company and transform the oil giant into an industrial conglomerate. The initial public offering”—the IPO—“could happen as soon as next year, with the country currently planning to sell less than 5 percent.”

He said:

“IPOing Aramco and transferring its shares to the Public Investment Fund will technically make investments the source of Saudi government revenue, not oil...”

He also said:

“What is left now is to diversify investments. So within 20 years, we will be an economy or state that doesn’t depend mainly on oil.”

The Editor-in-Chief of *Bloomberg News* said that after:

“Almost eight decades since the first Saudi oil was discovered, King Salman’s 30-year-old son is aiming to transform the world’s biggest crude exporter into an economy fit for the next era. As his strategy takes shape, the speed of change may shock a conservative society accustomed to decades of government handouts.”

Much like our own. He further said that:

“The sale of Aramco, or Saudi Arabian Oil Co., is planned for 2018 or even a year earlier, according to the prince. The fund will then play a major role in the economy, investing at home and abroad. It would be big enough to buy Apple Inc., Google...Alphabet Inc., Microsoft Corp. and Berkshire Hathaway Inc.—the world’s four largest publicly traded companies.”

That is buying Warren Buffet and Bill Gates, if you please.

Public Investment Fund “...plans to increase the proportion of foreign investments to 50 percent of the fund by 2020 from”—the—“5 percent”—it is—“now.”

Most importantly, it was noted:

“The blueprint for structural change follows a series of measures last year to curb spending and prevent the budget deficit from exceeding 15 percent of”—GDP. “At the end of December”—2015—“authorities raised the prices of fuel and electricity and pledged to end wasteful budget spending after oil prices plunged.

More will follow those ‘quick fixes’ as part of a ‘National Transformation Plan’ to be announced within a month, including steps to raise non-oil revenue steadily through various measures including fees and value added taxes.”

[MADAM PRESIDENT *in the Chair*]

Madam President, I am speaking here on one of the leading movers and shakers in the oil industry who has now set about, with a sense of urgency, to replace the country’s reliance on oil revenue to non-oil revenue with the focus on earning income from investment both locally and foreign.

7.20 p.m.

This, I certainly would like the hon. Minister of Finance to look into from our perspective and see how we too can leverage a home-grown strategy to move away from the mercurial revenues of oil and gas as a main source of national income and similarly like the Saudis move towards other opportunities of investment income generation.

Madam President, this brings me to one of the items in our hon. Minister’s review for planned action that may be reconsidered in light of what I have just said about investment opportunities. I quote from the Minister’s statement as follows:

“We have requested the Central Bank to transfer to the Government, Clico’s

shares in Angostura, Home Construction and CL World Brands, valued at \$3billion more or less, and after this transfer, we will take appropriate decisions to dispose of these assets in a sensible and productive manner.”

Minister Imbert went on to say, and I quote again:

“With regard to the other assets held by Clico, such as the shares in Republic Bank, we have requested the Central Bank to start the required preparatory work to allow the orderly disposal of these shares in 2017.”

Madam President, it is to this intention I would like the hon. Minister and his technocrats in the Ministry of Finance and any other competent experts in finance, economics, asset management and the like who he may involve to consider retaining these highly valuable assets identified for disposal to be instead kept by the proverbial gift that keeps on giving.

Banks in Trinidad and Tobago continue to make significant and sustained profits, so why dispose of Republic Bank shares instead of keeping same in the creation of a public investment fund that can help transport the economy and country to a new era of non-oil and gas income generation and reliance?

I noted that the hon. Minister Franklin Khan, in addressing a concern similar to what I am raising here, said that the Government in disposing of some of the assets of Clico, was doing that so as to recoup the money that was loaned to Clico and he drew a parallel with the United States when they were bailing out the various entities from their difficulties to recoup their money. But again, as I said earlier on, if we could engage in a home-grown strategy, we do not necessarily have to follow blueprints of everybody, be it a developed country or a developing country. We have a unique society. We are a unique people, brilliant people and we have to fashion, we have to engineer a different type of approach. This is a unique situation and it is something that we need to look at. We need new ideas. We need to be creative and a number of Senators that preceded me have all embarked and hinted to that effect. It is a commonality. We need to realize we need a new approach.

Madam President, this possibility excites me, as I hope it will the Minister and other stakeholders in the economy. This may, again, give impetus to Trinidad and Tobago being a financial hub for investment, which was an intention of a former administration. Madam President, all I am saying and urging is that we need creativity in our thinking approach to remodelling our economy and our society generally.

Speaking of the banks sustaining their profits, I must state that the banks also have to share in the economic burden of the country. Again, you heard a number of my colleagues lamenting about the banks' charges. Something, therefore, has to be done to curtail the financial abuse by banks through their unconscionable interest rates and administrative charges for what, in a lot of instances, are unjustified. They take your deposit and use it to lend other people and invest lucratively, yet do not pay you a reasonable interest rate for using your money. This is legalized financial abuse of the clients of the bank and it cannot be allowed to continue in the face of the obvious strain many in the country are currently facing with the loss of jobs, reduction in income, rising prices for food, transportation and services.

Madam President, through you, I implore the Minister of Finance and the Central Bank to intervene and bring some measure of moderation on the charges and interest that banks can legally impose.

The banks, despite economically difficult times, are still making very significant profits. Tell me how this is possible. Probably the banks can hold seminars for the public on how to make an even increased profit with economic austerity measures being put in place.

Madam President, the imposition of a 7 per cent tax on online shopping in the face of the stated US \$1.8billion spent in three years on online purchases cannot be argued with, but should be supported, especially in light of two of the country's largest commercial banks saying that it was a way to reduce foreign exchange leakage, although more discussion is needed.

For my part, Madam President, 7 per cent is really a modest tax and I will have no difficulty if it were to be pegged at 10 per cent instead. This is not a compulsory tax, per se. You will only be required to pay same if you shop online. However, however, having said that, one cannot ignore the fact that goods locally sold are at times triple what you can get the same for online and discourage the buy-local initiative because of the local retailers' greed for supernormal profits. Something, at the same time, has to be done to rein in this widespread unscrupulous behaviour by traders here in Trinidad and Tobago.

Madam President, as the Government seeks ways and means of creating new employment, assist in the redeployment of the recently displaced workers, make better use of URP and CEPEP workers and source new avenues of foreign exchange revenues outside oil and gas, the value of sports as a viable economic initiative across the whole spectrum of economic enterprise cannot be

underestimated or ignored. A sporting industry at this time is a treasure begging to be embraced and nurtured into the billion-dollar cash cow it is for many other countries who take sport seriously alongside other mainstream financial enterprises.

The Government has spoken about having a sport policy task force put in place upon assuming office some seven months now and I cannot say if that has become operational to date. If this has not yet been done, Madam President, I urge the Government to do so with dispatch. The benefits to be gained are too numerous to contemplate. I have said before in these Chambers that the large allocations made to the Ministry of National Security by successive administrations are not justified in terms of value for money. The State cannot seem to buy enough arms and ammunition, build sufficient prisons, detect and convict criminals fast enough and employ needed prosecutors, magistrates and judges and the criminal justice woes go on and on, much to the frustration of the population at large.

Sports can provide employment, training, discipline and education for the youth of our nation. It is a tested and proven means of channelling young minds in productive and potentially lucrative careers in many areas locally and abroad.

This aspect brings me to a matter that has caused me much concern and bewilderment: how the Ministry of Sport, the Sport Company or whoever is the responsible state body or official whose responsibility it is to hire young coaches in track and field, have not seen it fit to employ a young talented coach, well qualified from the University of Trinidad and Tobago (UTT) who had first been working as an OJT with the Sport Company before his terms of employment came to an end and is now unemployed but keeps coaching our young talent with much success and free.

My daughter is one of his most recent achievements, wining a silver medal in the girls' under-18 shot-put event in Grenada. He has also trained Isaac Taylor who won a gold medal last year in Carifta in the boys' under-18 shot-put event, as well as Portia Warren, also a former gold medallist at Carifta and a silver medallist at the Pan Am Games. This is just to name a few of his athletes.

I am talking about Kerron Brown. Madam President, I am not one—and I have promised myself not to call persons' names here in any disrespectful or to bring them in any way in disrepute but at times I think I have taken the liberty to call this young man's name because it sheds a positive light on a young person coming from one of those challenged areas that we call a high-risk den. I am talking about

Mr. Kerron Brown, an ambitious, driven, tertiary-educated, well-mannered young man who has not allowed himself to be recruited into the criminal world but chose to educate and elevate himself to be a productive member of our society, helping many young athletes to achieve success in sport. He himself is a former junior athlete in track and field. Instead of buying another gun or bullet for the Ministry of National Security, employ Coach Brown who has given in the past and continues to give now value for money.

I remember Minister Shamfa Cudjoe stated in one of her contributions in the other place that her Government is keen on developing sport tourism as a source of foreign revenue. I hope the hon. Minister or her colleague, the Minister of Sport, can address this regrettable situation. It is young men like Coach Kerron Brown who can make a great difference to youths of our nation as a role model and as an ambassador of making right choices in life.

Madam President, while we do not support young talent like Coach Brown, we may be considered as being part of the problem and not the solution. It will be a pleasant change to see a resident from the so-called crime-ridden area, featured on the front page of a daily newspaper in a positive light, instead of the too often negative pictures and headlines like that of the police having shot and killed a young man in a gunfight 2.00 a.m. in the morning. Let us change that. Let us, who can encourage and reward them for their dedication and unselfish hard work, do just that. [*Desk thumping*]

Madam President, I turn my attention to the issue of VAT, relief on medical supplies and equipment that is necessary and frequently used by many differently-abled persons, such as catheters and wheel chairs. These items are expensive. Most differently-abled members of our society who are able to work in some way prefer to do so with dignity and not depend upon handouts and charity. But this they can only do if adequate provisions are made for them in an environment that is user-friendly to their functioning.

There is a lot of work to be urgently done in this country to bring our laws in line with the international conventions adopted by Trinidad and Tobago, which is yet to be given effect to.

As a disabled person and an attorney-at-law and now an Independent Senator, I had a most distasteful experience that has left me hurt and very annoyed to know that an able-bodied person acting as an adjudicator will tell my clients that they should get another lawyer because I am disabled and a Senator, et cetera. I would

not go into details. Persons with this type of outrageous behaviour should not occupy any public office since they clearly lack the temperament and sensitivity to represent the people's interest fairly. I say no more of this as I have taken certain actions and I am waiting to see how it will be handled.

I can give you a complete different and positive example of my recent encounter with public officials in Grenada. It warmed my heart to know that human decency is alive in public service, even if not at times in my own. I speak of my experience recently going to witness the Carifta Games a couple weeks ago. I was escorted to take the elevator to go to the fourth floor of the lounge where the specially invited guests were being housed. During the course of the day the elevator malfunctioned and stopped working. Of course, the stadium was built by Chinese and everything was in Chinese. So there was some difficulty in having it rectified. Unfortunately, when it was time to depart the only way was there were four floors. It was four floors high. They willingly and gladly lifted me up in my wheelchair and took me down those four floors of stairs and when I returned they did the same thing, expressing to me that it was a pleasure for them to do that because I ought not to be treated differently, as they are certain that I did not bring this on myself. I was warmed beyond words.

7.35 p.m.

Similarly so, before departing, in the afternoon to depart, I was approached by I think the CEO of the facility, who thanked me for coming and engaged me in conversation saying that my presence assisted them in tweaking how they can better equip their most recently built stadium so as to accommodate everybody, in particular, people who are differently-abled and I certainly would have caused them to think that one elevator is not sufficient in addition to having some other means of transporting and making my stay more comfortable.

So, again, this unfortunate circumstance I spoke about in Trinidad and Tobago has not been a regular feature. By and large, I have been very well assisted in my difficulty in moving around Trinidad in functioning. So that experience I spoke is an exception to the rule, and I am glad that that is so.

At this time, Madam President, I want to make a plea to the powers that be that it is totally unacceptable to have a national stadium or stadia for that matter that is open to all members of the public, but is only accessible to able-bodied members of society. That, in itself, is discriminatory against the differently-abled ones. It may even justify a constitutional Motion for inequality of treatment by a public

entity.

It has been some three years since the inauguration of President Anthony Carmona, when unlike many others who were invited to his swearing ceremony at the Hasely Crawford Stadium, I was forced to stay down on the tracks during the proceedings due to the non-functioning elevator and escalator. To date, both of them remain non-functioning. Three years have passed and the situation remains the same. It is a shame on all those responsible for correcting that situation and to date have not done so.

Again, I can give you an example of the indignation that differently-abled people experience too often in this country. Again, I went down there just short of a month ago when my daughter was being interviewed, not interviewed, she was being advised about what is expected of her as a national athlete to represent Trinidad and Tobago. The meeting was going to be held in the executive lounge at the stadium. I went down there, I indicated to the President of the NAAA at that time what my difficulties were. I said: "You know, I am differently-abled and so forth," he said he would make some arrangements. After three days with advance notice, obviously no arrangements were made.

I presented there, like all other parents, eager to go to see my daughter being, you know—the whole excitement and so forth—and I sat in my car while everybody else went up there. He just came and he told me, sorry they could not make any arrangement. I spoke to somebody else he sent to me, and why was that? Much to my surprise, I eventually spoke to the Manager of the team, and I told him and I say, "Listen to me, I do not want to be treated specially, because you may know I am a Senator or anything like that. I am a Trinidadian. I am a citizen of this country, and I deserve the right to be treated like anybody else." [*Desk thumping*] I want nothing more than what is fair and due to me that I would like to be like any other member, parent—[*The Senator sobs*—]excuse me.

Much to my surprise, when I got there the very said president saw me in the lobby while the other Grenadian officials were making their arrangement to get me up, to get the elevator fixed, came to tell me he is trying to organize. I said, "Please, you cannot organize in your own country, you come here to organize for me. You know, it is not necessary." Right. So such is the type of experiences that unfortunately, I am sure I am not an isolated case. There are a number of persons. Coming here today and I saw one driver in the middle of the road, because he certainly cannot use the pavements. They are uneven and if he gets up, he cannot get out. Somebody parked and blocked the access. It is totally contrary to the

experience I just had coming back from Miami where I went for a medical, where I could have gone anywhere without any assistance from anybody and sometimes forgot I was paralyzed, because you are made to feel as though you are part of what is going on.

This is the 21st Century, this is 2016 and this cannot continue like this. My very presence here was to help to bring a consciousness to the powers that be that we must rapidly and quickly address the disadvantaged needs in our society, [*Desk thumping*] and today it is still lagging and has not been done with the dispatch that I thought that would be attending. I know things cannot be done overnight, but we are too well off as a country in many respects. We have had—[*Interruption*]

PROCEDURAL MOTION

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Madam President, in accordance with Standing Order 14(5), I beg to move that the Senate continue to sit until the completion of the business at hand, inclusive of matters on the adjournment.

Question put and agreed to.

FINANCE (VARIATION OF APPROPRIATION) (FINANCIAL YEAR, 2016) BILL, 2016

Sen. HRI Roach: Madam President, I hope the hon. Minister of Finance and the Minister of Sport and Youth Affairs would find money in their budgets to carry out the repairs of the stadium that is well used as a sporting facility by many clubs, schools and others.

Much has already been said by many in this debate that I consider constructive, and I would associate myself with them, therefore relieving me of the task of repeating what has already been dealt with. I will take a few minutes on another matter I consider to be very important as the Government moves forward to stabilize the economy and stimulate economic growth, however modest it may be under prevailing circumstances. The Government undertaking to consult with the stakeholders in this tripartite arrangement, if you say you will do so, then do just that, consult in a meaningful way. Consultation does not necessarily mean that there will be agreement at all times or at all, but it allows for the process of the exchanging of ideas and the forging of trust and transparency in your undertaking. People must be made to feel that they are in fact part of the initiative to rescue our economic predicament. [*Desk thumping*]

Madam President, I have learned a long time now that it is not what you do but how you do it that matters most when dealing with difficult situations, which can ease its harshness and make it more palatable to accept. These are difficult but not impossible times to overcome. People are understandably anxious over the level of economic uncertainty we face, more so now than ever and effective communication by Government to the public is necessary and should not be neglected at all. What we the people of this country cannot afford is ignorance due to the lack of information by the Government of its clear intention to tackle the economic situation we are now grappling with by necessity together.

So I end by saying: the Government, consult and inform, you must. It is not an option but an obligation. It will inspire and will condense among the stakeholders if they are to do this thing together. Not my words, but the Prime Minister's words which were well stated and now need to be put into action. I thank you, Madam President. [*Desk thumping*]

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): Thank you very much, Madam President. Sen. Roach, let me let you know that I think everyone in this House has listened to you and the concerns of the differently-abled and the disadvantaged. I can assure you that all of our colleagues, those who are connected with those concerns—the Minister of Social Development and Family Services, the Minister of Works and Transport and, of course, the Minister of Finance when it comes to funding will all take on board what has been said and what has been articulated so many times before, but to let you know that we have noted, and I am sure they will be responding in some way.

Sen. Roach: I appreciate that. Thank you very much.

Sen. The Hon. P. Gopee-Scoon: Sen. Daniel Solomon, unfortunately he has walked out of here, but I just wanted to correct a very erroneous statement made by him, which is that rice is now VATable. Let me make it very clear, I do not know if he is only used to Basmati Rice and Jasmine Rice, but rice and flour and a host of other items, basic items, remain non-VATable items. You could advise him, Sen. Khadija Ameen, that he could look at the website.

Sen. Ameen: I just want to correct. I believe he spoke of the increase in price. It was not only the VAT, but the increase in price.

Sen. The Hon. P. Gopee-Scoon: No, I am very, very clear. He said that rice and flour were now VATable, and I am making it very clear to you all that is not—
[*Interruption*]

Sen. Ameen: Well the price gone up. It does not matter to the small man.

Sen. The Hon. P. Gopee-Scoon: I am responding to Sen. Daniel Solomon who said that rice and flour are now VATable. I am correcting that statement. It is an erroneous statement. Rice and flour, along with a whole array of basic foods including chicken and fish, dried peas, unprocessed foods, sugar, cheese, all of those matters remain non-VATable. Okay. He also raised a concern about the foreign-used car policy as well and with regard to the change in the age of the used cars from six to four years. That policy remains as is. No cars older than four years old will be allowed in this country. It is now a harmonized policy. The age limit also relates to CNG vehicles as well and any other used cars that are coming in whatever form. No cars older than four years old would be allowed into this country as well, and this is a policy that has been accepted by the entire population as well.

As to the concern whether or not we are doing the audit, the audit is being done. Yes, the audit is being done. It is almost completed, and the consultations will, in fact, take place as I reported in the newspaper, it will take place after April 30th, by which time the audit responses would have come in. The objective is not about whether or not we will go back to bringing in the older cars. That is not what it is about. It is about improving the systems and to curing some indiscretions—and I am using a very pleasing word here—but there are some indiscretions which need to be cured in this industry, and that is what the audit is about. We will be consulting thereafter with all of the members in the industry so we can all come to some common ground as to how the industry will operate in the future.

Sen. Solomon seems to know a lot about the yachting industry, and I am pleased to hear him speak of it, but I am going to respond to him in the course of my debate.

Madam President, firstly, let me thank the Minister of Finance for a very comprehensive, a very thoughtful and a very astute presentation made last Friday in the other place, in the Lower House. And what does it call for? The measures call for sacrifices, but it does so in a very fair and equitable manner. Everyone in this country is asked to make a sacrifice towards improving our economic circumstances.

The presentation dealt with the past, the present. I think that the Minister presented a vision for the future as well, and he began to unveil the reforms and policies that are necessary to take this country forward and to make Trinidad and

Tobago into a stronger and a more resilient place, Madam President. Indeed, we have begun to put—contrary to what the other side had said—in place the necessary structural reforms.

But, Madam President, part of the reason why we are here is because of the behaviour of the last Government with regard to the economy, and it would be remiss of me if I did not go back and just make reference to some of the areas of reckless management and its manifestation, and how it has affected Trinidad and Tobago into where it is today. I make reference again to the expenditure and compare fiscal 2010 with fiscal 2015. Our total central government expenditure increased from \$46.7 billion in fiscal 2010 to \$61.8 billion in fiscal 2015. An economy in decline, yet our expenditure grew by 30 per cent.

Despite the increase in Government's expenditure, Madam President, of \$15.1 billion over that five-year period, Government revenues grew at a much slower rate, very, very slow rate. Most importantly, the gross domestic product of the country grew from \$91.7 billion in 2010 to only \$94 billion in 2015, a mere increase of just \$2.3 billion.

The average annual GDP growth for the period 2005 to 2009 was 5 per cent compared to .5 per cent for the period 2010 to 2015 under the last Government as well.

7.50 p.m.

There was a constant decline in real output in the energy sector from \$36.8 billion in fiscal 2010 to \$32.8 billion in fiscal 2015, and oil production fell from in excess of 90,000 barrels per day in 2010 to under 80,000 barrels per day by the end of 2015. Total energy exports were only US \$7.5 billion in 2015, and that is a significant decline when compared with the annual average \$12.7 billion in the period 2010 to 2014. The net public sector debt increased from \$45.4 billion, or 32.1 per cent of GDP in fiscal 2010 to \$76.5 billion, or 46.3 per cent of GDP in fiscal 2015, and that, Madam President, is the legacy of the last administration, and it contributes to why Trinidad and Tobago is in the place that it is now.

When I listened to the last debate, and they were advocating that this Government should continue on the expenditure profile which will carry the economy into further ruin. Well, we will not listen to them. From the Ministry of Trade and Industry's point of view we have a very, very important role in reversing this country's economic fortunes by assisting in increasing foreign exchange inflows through greater and more diverse trade in new and existing markets. And,

also, I checked in larger high quality investments into Trinidad and Tobago as well, in strategic sectors as well, and doing so through effective public-private partnerships as well, making sure, ensuring that there are relevant and timely policies and plans as well, and insisting on an effective execution so that in the long run there are more jobs and there is in fact a stronger economy.

So that one of the reasons that we can certainly improve the fortunes of Trinidad and Tobago is by international trade, and it is therefore critical that our private sector remains resilient and competitive, and that too is the work of the Ministry of Trade and Industry in ensuring that there is an enabling environment and where our private sector can in fact be competitive and thrive, and, in fact, improve their capacity as well. It is the role of the Ministry of Trade and Industry to create this enabling environment as well and to assist in capacity building as well, and other technical areas, and also to facilitate increased trade through multilateral and bilateral trading agreements so that our manufacturers can in fact enter new and emerging markets as well. It is for those reasons, Madam President, we have looked at all of the existing trade agreements, and we are also looking at those countries we would wish to enter into new trading agreements as well, so that we, by extension, can improve the country's trade performance.

One of the strategies for improving trade, and, in particular, our exports, is through the development and implementation of a national export strategy, which the Ministry of Trade and Industry is developing as well. That roadmap for a national export strategy will be a very practical one, and the idea again is on developing export capacity as well in all of those sectors where we do believe that there is a competitive advantage for our manufacturers as well. We have had many stakeholder sessions with all of our exporters and our manufacturers, and we believe that this national export strategy will be completed by August 2016, and presented to the Cabinet and to the population as well.

Only yesterday I attended a seminar at the Hyatt. It was done by the Arthur Lok Jack Graduate School of Business, and doing a presentation there was the former President of Mexico, and President Calderón gave a deep insight into how he was able to turn the fortunes of Mexico around following the 2009 international economic crisis. And, certainly, one of the fundamental ways in which there was a resurgence out of the crisis which they were in was in terms of its manufacturing, and during that period, and perhaps after just about two or three years, you will be surprised that Mexico became one of the world's biggest exporters supplying about 60 per cent of the needs of the Latin American and Caribbean regions. That is all

through particular policies of being competitive, encouraging free trade as well, ensuring the creation of private investments, and so on, but it was a phenomenal turnaround which contributed to the growth, once again, of the Mexican economy.

So in exporTT we are going to be focusing on capacity building, market intelligence, market penetration as well, because the manufacturing sector is in fact a great contributor to jobs. Currently, they provide 55,000 jobs in Trinidad and Tobago. This may not be known but 55,000 jobs, we would like to see this sector provide a 50 per cent increase in jobs, perhaps in another two years or so. Statistics like that, and targets like that seem probably a bit out into the sky, but, at the same time, they are very realizable if we focus. If we go back and we look at the policies that exporTT is in fact doing, and, as I said, we focus on capacity building, focus on market intelligence, focus on market penetration as well, and those targets can in fact be achieved.

The manufacturing sector currently, at least at the 2015 Review of the Economy, the sector contributed about 8 per cent to GDP. We would like to see this doubled, certainly, by the next five years, but I can see, perhaps in another 2 years I can see at least 20 to 30 per cent growth, and those are the kinds of targets that we feel that are reachable if we put our minds to it, and the Ministry of Trade and Industry and exporTT are in fact committed. The Government is committed to in fact focusing on the manufacturing sector as a means of increasing revenues.

We are very, very proud of this sector in terms of the quality of products that we are producing, however, the markets that we have entered into so far, the market is largely the region, and it is almost saturated so that we really do have to look outside of the region into Latin America, or even within the region, into Guyana, emerging markets like Guyana. We have to look at Venezuela as well, which has a large market as well. The Dominican Republic, Haiti, all large markets again, and also into Latin America, into Europe as well, into the UK, into the US where we can in fact establish linkages with our diaspora who would have a desire for our local products. I am taking about into Miami, into New York as well, and also into Canada as well. So those are the markets that we would in fact be focusing on, and I would speak a little bit more on them.

But I just want to touch on some of the agreements, some of the agreements which exist, but it makes no point having these contracts and agreements with other states if we do not in fact put them into effect and utilize the agreements. One of them that I will speak of is the Trinidad and Tobago Panama Partial Scope Trade Agreement as well, which was signed on to in 2013, and which we intend to

bring into force by June 30, 2016. The Ministry of Foreign and Caricom Affairs is in fact preparing this Cabinet Note, and all that is required after, since it has already been passed in the Lower House, and in the Upper House as well, all that is required now is the Cabinet Note approval, and also the proclamation by the President as well.

That would provide duty free access for over 200 goods in and out of both countries as well. Both the TTMA, and also the Trinidad and Tobago Chamber of Commerce have been involved, and you would be pleased to know, the public would be pleased to know that the Trinidad and Tobago Chamber of Commerce will in fact be embarking on a trade mission to Panama in June, which the Ministry of Trade and Industry is strongly supporting, and I am trusting that they have that agreement, that Partial Scope Agreement in hand with them when they go to Panama. There are some other agreements which we would like to give effect to, and which have been in place for a long time now, the CARICOM/Colombia Trade, Economic and Technical Cooperation Agreement. As I said before, the Latin American markets are large markets so that there is plenty of opportunity there for us.

This is an agreement which was negotiated since in 1998, and which provides reciprocal, preferential treatment between CARICOM MDCs, and Colombia as well. But as it is our data tells us only five countries export currently into Colombia as well, and, therefore, we are going to put measures in place to encourage our local firms to exploit those markets and to access opportunities, because, I will tell you, the population is about 49 million consumers in Colombia as well. So the opportunities are in fact phenomenal.

With Venezuela—I have said it before in this House, and I just briefly mentioned it—we are considering Venezuela all for goods agreement where the cooperation can be done on the basis of a barter system where we would exchange energy products for manufactured goods as well. The details of that still have to be worked out, but there are high level delegations going to and from Venezuela as well. The Ministry of Trade and Industry has prepared the list of goods which we can offer to Venezuela as well, but we are between the two countries, we are trying to put the mechanisms in place so that we can facilitate the finalization of such an agreement.

There is also free the CARICOM/Dominican Republic Free Trade Agreement, that is another sizable market. You are talking \$10.5 million, but only 10 firms are in there now. So it is another useful market, and we would encourage our exporters

to go into the Dominican Republic as well. Costa Rica, as well, where there is in fact a mission, a Trinidad and Tobago mission, that agreement was signed in 2004. It is CARICOM agreement, CARICOM/Costa Rica Free Trade Agreement as well, and emanating from the agreement there was a CARICOM Costa Rica Business Council established, and so that there are now joint council meetings between both countries, and we trust that arising out of this we can see our products being also brought onto those markets as well, and being exported duty free as well into those markets as well.

There is also the CARICOM/Cuba Trade and Economic Cooperation Agreement, and, of course, everyone would know about the very historic visit by the United States President, President Obama, after 90 years was a powerful symbol, and what we can see happening now is the gradual opening of the Cuban economy, and which really would give rise to significant opportunity, significant business and investment opportunities as well, which Trinidad and Tobago firms—and we would encourage them—should take advantage of as well. So that the mission, our trade office which had been established a number of years in Cuba has been actively receiving businesses from Trinidad and Tobago, and quite many more businesses are now doing business with Cuba so that the outlook for doing business with Cuba is in fact great. The Ministry of Trade and Industry through exportTT intends to give full support again for entry into that market as well.

One of the things that we had been looking at is probably a line of credit because the system, the mechanism for export and import in Cuba is very archaic—and they are not even archaic, it is unique, in that all exports and imports are done actually through the state agencies. And my understanding, I did not know before, is that there are about a hundred state agencies which handle all of the exports and imports into Cuba. So there are those that operate more efficiently than others, and you would find then that you may engage with one of the state agencies, because you probably would not be paid for an entire year. So that we have been looking since in 2009. Under the last PNM Government, it was dropped under the last Government, we have been looking at a line of credit to facilitate exporters into Cuba being paid earlier by the Eximbank.

This is still under review by us, and, just as an alternative, we are also looking—in fact, I have gone to the market and had some preliminary discussions with the banking institution which has a connection there, and which is actually doing all of these trade discounting facilities for goods emanating out of Panama and out of Italy, and all across the world. So that we are also looking at going to

the market to see if there is another way that we can do this that would not impact, that would not add risk to the Trinidad and Tobago Government as we seek to guarantee the Eximbank for such a facility.

8.05 p.m.

The European Union, again, we spoke about it again. That agreement was completed since 2008, but of course, during the 2010 to 2015 period absolutely nothing was done to assist firms in exploiting this agreement which is beneficial and really does not have market access opportunities as well. The agreement does, in fact, provide and so that we are focusing on Europe as well. I am very pleased to note that in one of the groceries you can find bottled sea moss from Trinidad and Tobago on the shelves as well.

And there are two projects since we have into office that are ongoing. One of them has been completed as a matter of fact which will get businesses ready for the European market, and one is developing the export readiness of Trinidad and Tobago's enterprises for the EU market. And that is project which was funded by both the Caribbean Development Bank and also exportTT and that one is expected to be completed in March 2017. And of course, the main objective is to provide technical assistance to ensure that all of these businesses, small businesses as well that they become export ready and no market is too far away or too vast to gain entry for small and medium size exporters and businesses as well.

So again, market access under this programme was provided for some 26 exporters. Some of them, as I said, existing exporters, but some of them only now emerging exporters and we have covered under that programme both goods and services as well, and that will help them with entry into the UK and France and to Germany and so on.

There is another project as well, the Tobago Good Foods Project. And it is a project that is focused mainly on Tobago and that one is an initiative of the European Business Chamber, the EuroChamTT and it is part sponsored by the Ministry of Labour and Small Enterprise Development as well and the Ministry of Trade and Industry. That project comes to an end in 2016, but it is an interesting project. It involves technical support to 16 of Tobago's food producers in five subsectors and I will read them for you: the dairy goat production; bee keeping, organic farming; root crops and tree crops. And when this comes to an end in July 2016, we will, the Ministry of Trade and Industry will be handing over these projects. We will not be leaving them to stagnate or to wither away. We would be

passing these projects on wholly—well partially onto the Ministry of Labour and Small Enterprise Development and also to the THA, to the Finance Division. We have already had discussion with them to ensure that there is growth of these businesses in Tobago as well. As I said, all of these initiatives not only goods, but also services as well.

And as I say services, let me take the opportunity to say that we are also engaged in developing strategies for services as well and on the table is the development of a trade-negotiating strategy for energy services. You know that this sector has become very mature in Trinidad and Tobago and in fact very, very world class and competitive. And so it is because we have had such a long history in the industry, there are many nationals with an excellent reputation in this sector, and all of this can be leveraged to develop strong, reputable domestic service companies as well.

By the end of the year we would have completed this trade-negotiating strategy for energy services as well, and our national services policy will also be completed as well. With regard—so what you can see from all of this is that there are some clear strategies for transforming our economy. I do not like to say away from oil and gas, because oil and gas will always remain relevant. Those are in fact our natural resources, but it certainly will help restructure our economy so that there is not that dependence that existed before as well and in a sense we would have a broadened economy, a more diverse economy as well.

So that part of the transformation of that economy and the broadening of our economy as well will centre around several industries, and I am sure that the population has heard them before, but let me say them again. The Minister spoke to them in his presentation last Friday and these are: the international financial services; also ICTs as well; the manufacturing sector; tourism; agro processing and also the maritime sector as well. And we feel that in a sense, these are not new industries that we have to now enter. So in a sense we have already diversified, but have not placed enough focus on these sectors and we will now focus on all of these areas and building these areas and building the capacity in these sectors as well.

And I know that there has been much talk, but there will be much action by all of the relevant Ministries on focusing on those areas. I hope I said agro processing. And the Minister with responsibility for agriculture did, in fact, speak extensively to agro processing as well. These are very, very, very dynamic sectors and we note that many businesses within these sectors can in fact become employers for years

and years to come, decades to come. And these sectors can in fact add to the revenues of Trinidad and Tobago, add to earning foreign exchange as well. So we are very, very gung-ho about the development of these sectors as well.

Let me speak a little bit about the maritime industry because we have been doing considerable work on it and we have had several discussions with major stakeholders on it. As I said before, there is an existing sector and I will tell you a little bit about it, but we have gone to the point where there is in fact an action plan by the Ministry and it is receiving the consideration of several related Ministries within the Government as well. And the areas that we have particular interest in will be ship repair and dry docking. That is an existing and successful industry, but we will want to see the expansion of this industry as well. We will be looking at bunkering and transshipment. We are doing bunkering and transshipment as it is and, of course, we will be looking also the development of special economic zones as well.

Looking at the ship repair and dry docking facilities and the potential of it, the local existing industry actually employs about 300 persons right now and they receive about 600 enquiries annually from boat owners. I am talking about large vessel owners. They receive about 600 enquiries annually however, they are only—these three existing commercial entities are only able to facilitate about 120 vessel repairs out of the 600 requests which are made annually. So that alone tells you about the scope of the industry. If we even only look at the growth of the existing industries, that alone will tell you what the scope is like and, of course, the opportunity as well for earning additional revenue and foreign exchange because these are international vessels that are indeed coming here for ship repair. These are all energy vessels, et cetera, coming here for ship repair and dry-docking facilities.

And over the last five years I think, I hope that this is right, but the revenues have been about \$75million and so that alone tells you, based on 120 repairs done, if the revenues are \$75million it tells you where we can go. So certainly this is not a sector to be overlooked as well. So that there are—but there are several impediments to growth and also the invitation to other business concerns, local and foreign getting into the industry as well. There are several impediments including credit sourcing and facilitating all of the regulatory approvals that are required especially for the new entrants into the sector, as well the question of land availability and the designation of lands for the designated maritime activity as well. All of those issues we have to look at.

The whole question of labour, because we are told sometimes that they flat out cannot get the required labour and so on. They require a range of persons with technical ability and so on. So that those are some of the impediments and we intend to focus in the Ministry of Trade and Industry on ensuring that we create opportunities for credit sourcing as well so to assist these existing and new entrants into the market as well with the financing of additional floating docks, replacing jetties and improving their locations and so on. As I have said, we are not doing the financing, but we are going to assist with the credit sourcing as well, and we expect that the Ministry of Planning and Development will in fact be doing the designated land availability and so on.

With regard to the thoughts on the labour crunch in that industry as well it is perhaps looking at the development of some kind of apprenticeship programme. We would realize through the UTT, under several administrations aback followed by the PNM, the UTT does in fact have a maritime campus, but the programmes are in fact at national level in terms of the maritime discipline, and there is also a diploma in maritime operations, a bachelor of science degree in maritime operations, master of science in operation of maritime arrangement. All of these persons will be able to find work as well. But apart from those, the higher level of training that is required, as I have said before, skilled labour is required. And so there is a thought having an apprenticeship programme and which also has been the suggestion of the existing businesses as well. The proposal has actually been put forward by the existing stakeholders who are willing to have people, persons, skilled labourers apprentice with them as well.

So there is much potential even in the bunkering services because in Trinidad, for instance, only 16 per cent of the vessels that come into Trinidad actually have bunkering services here, utilises bunkering services here, whereas the international benchmark is about 50 per cent. So that is another area that we can look at in terms of being able to fuel oil tankers and gas carriers and bulk carriers and so on. And once, I believe, we have the proper pricing strategy and systems in place to avoid the illegal bunkering and, of course, we can in fact provide—there is, in fact, a reliable and efficient supply of fuels and so on, and an aggressive market. This is also an area that can in fact develop. So that there is collaboration with the Ministry of Energy and Energy Industries on the potential of this as well.

We also are looking at the expansion of the transshipment industry. We do have an existing business here, a foreign business entity, Oldendorff Carriers and they are involved in the transshipment of metals and iron ore. There is another proposal

which is on the table as well for transshipment and that is being looked at by the, I think, it is maritime services of the Ministry of Works and Transport as well. And generally we will look at the whole question of special economic zones which I suppose will make the investment possibilities more attractive as well, strategic areas for special economic zones as well. And alongside that, port rationalization is another area under study by the Government as well.

The Member, Sen. Daniel Solomon spoke extensively about the yachting sector as well and particularly, he raised the whole question of the security concerns. And we could not as well be more concerned about the security issues to which he spoke about. And they were, in fact, two incidents of robbery and it has been in fact made public. Can I say that the coast guard and the Minister of National Security himself have gotten involved? We have his commitment in writing. Also, that of the coast guard as well. They have given us their commitment to ensuring that there will be none of this. There will be increased surveillance and all of this has been communicated to the yachting association YSATT with whom the Ministry has quite a good relationship with. So, I hope that all of the concerns are alleviated. I understand that when you announce something to the yachties it goes like hot, hot, hot bread right across. So I think that the information, maybe the Minister's information is not up to date. So I think that—[*Interruption*]

Madam President: Minister, you have five more minutes.

Sen. The Hon. P. Gopee-Scoon: Only five? Yeah. So [*Crosstalk*] only five minutes. So that I want to say that this yachting industry is very, very, very important to the Ministry of Trade and Industry. As I said, we have a good relationship with them. We understand the job capabilities. I mean, I think there are about 1,700 persons involved, so the foreign exchange earnings are substantial as well. We do have a new policy, a yachting policy for period 2016/2021 which we have the draft. In fact, the YSATT, the yachting association, has the draft for consideration and there are number of policies in there. The Minister spoke about the number of forms that have to be filled, et cetera, which is a concern that we are putting forward.

8.20 p.m.

We are, in fact, putting forward the proposal for a single harmonized form as well, and we are in fact looking at enacting yachting legislation as well, having a yachting data repository, looking at standard operating procedures for Customs, and so on, assessing all of the skills that are necessary for growth in the industry.

The thing about it is, we have been in communication and consultation with the industry. And, I can tell you he raised the concern about the VAT imposition. The Ministry of Finance has sent a senior official to meet with them. I know that there has been discussion, and I know that it is a matter that has been considered as well. So, there is a general awareness of what the industry, its potential, and let us say that the industry has a hundred per cent support of the Ministry of Trade and Industry, and of the Government as well.

I will just say, in the last few minutes, that the whole question of investments, very, very important to Trinidad and Tobago at this time. But, we all know that the PNM Government has always been very successful at attracting foreign direct investment, certainly more than this last Government as well. I can go into the statistics, but it is there in our history, and this is a crucial time for both domestic and foreign investments into this country.

The Ministry of Trade and Industry—the Government of Trinidad and Tobago understands how critical it is to attract investments in all of the areas that we spoke of, and we are in fact doing everything that is possible to ensure that the investment regime widens in Trinidad and Tobago. We are doing everything we can in terms of providing the industrial spaces, Tamana Intech Park will be opened by July. Not the kind of opening they had of the opening of a building in the Tamana park. Twenty-one lots will be available in July as well. We are working on our integrated investment promotions strategy as well, so that there is a synergistic relationship right across all of the Ministries towards this integrated investment promotions strategy again. No more time?

[Madam President indicates two more minutes]

Sen. The Hon. P. Gopee-Scoon: Oh, two more minutes as well. The only thing we are looking at is in negotiations of bilateral investment treaties. Again, working with other countries to create investment opportunities, and the ones that are on the table now that we propose to look at intensely would be Panama, Colombia and also Chile as well.

Our model for bilateral investment treaties is a very generous one, but we are reviewing it again. Once again, looking at the incentives to ensure that we, in fact, attract foreign direct investment. We are looking at the legislation as well, which is quite outdated. We are talking about the Foreign Investment Act of 1990. We want to in fact have a more favourable one, again, which will provide the right legislation to attract both the local and the foreign investors as well.

Again, we have done, with regard to manufacturing, we have just gotten a draft in. We contracted the University of the West Indies, Prof. Clem Imbert to do a research paper on mechanical and manufacturing enterprise opportunities, and he has listed some 29 areas of development within the sector as well, and this matter is under review.

So that basically this is where we are, there is much more we can say. We are working on ensuring that there is an enabling environment that manufacturers and exporters, in particular, are in fact competitive, our single electronic window. We have just put on another 23 applications last week, and we are working towards putting on even more applications after the signing of the new agreement by the Minister of Planning and Development in Bahamas last week. I wish I could go on for longer, to speak of the opportunities.

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

NEWS REPORT RE SOCIAL MEDIA POST

Madam President: Before I invite the next speaker, there was something reported in the seven o'clock news tonight, and Sen. Ameen has a brief statement to make.

Sen. Kadijah Ameen: Thank you very much, Madam President. It has come to my attention that a social media post made by myself earlier—my account was not hacked—had given the impression that I was criticizing your ruling on a matter earlier. Let me give the assurance that that was not the intent of the post. And, if it was interpreted as such, I do wish to sincerely apologize to you, Madam President. I thank you.

Madam President: Thank you very much. I just want to remind all Members here, that at all times the dignity of this House must be upheld. And nothing should be said or posted that will affect or bring this House into disrepute. Sen. Ameen, I thank you for that apology.

FINANCE (VARIATION OF APPROPRIATION) (FINANCIAL YEAR 2016) BILL, 2016

[*Sen. Samuel stands*]

Madam President: Sen. Samuel, sorry.

Sen. Rodger Samuel: [*Desk thumping*] I am thankful to be able to be part of this debate on this Bill to vary the appropriation of the sum, the issue of which was

authorized by the appropriation (Financial Year 2016) Bill, 2016.

Madam President, before I go further, I want to acknowledge and clearly send my sympathy to the families of the deceased police officer and officers who have lost their lives in the course of their duty. And, to add to that, even those of the prison services that have also in recent past lost their lives likewise through some gruesome situations and some violent ways in this country. And we still want to thank those police officers and prison officers who continue to perform their duties in a manner that attempts to keep us safe in this country, even though they are up against it, because of the criminal intent that has so taken over in so many instances our country and has instilled tremendous fear in our citizenry. So, I offer my sympathy to the families.

Madam President, a young man said to me just recently, he said, Mr. Samuel since this Government came into power I realize that they are on a high. And I said, okay. And he smiled and he said do not misunderstand me. He said to me: high crime rate; high food prices; high gas prices; high incidence of violence in schools; high incidences—there is an increase in the incidence of HIV and AIDS in Trinidad and Tobago, and everything seems to be on a high. And he just laughed at me and said, we are in a terrible situation because of the high. And I smiled at him, and I could not say anything to him, because that is his view. And he was speaking from the standpoint of where he lived and the customary violence that seems to take place in his environment, and the violence in the schools that we see all posted on the social media, and the problems that we have with the mindset of our children in our country. It says to all of us that not only is the present Government on a high, but probably the entire country has found itself on a high, because we have found ourselves in a real bad situation, Madam President.

But, when you think about this mid-year review, as it is sometimes called, we think about the fact that to review something is to formally assess the thing with the intention of instituting change if necessary. That is what a review is. As a matter of fact, if we were to think about the word “review”, we think about an analysis, an evaluation, an assessment, an appraisal. We think about Webster says, it is an act of carefully looking at or examining the quality or condition of the thing, or someone. So, it means, Madam President, that this review was supposed to be a total examination of the quality. A total examination, looking at the thing to see if it is really what it is supposed to be. But, when you think about what came to us as a review, you recognize that what is called a review is just a transfer of things from one head to the other. But, if we are to think about the word “review”, we

have got to also wonder whether why it is being transferred. Is it in the review that they have found flaws in the operations, and they are saying that the Heads under which they fell were not effectively functioning.

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

—If it is a review, then there should be a report. If it is a review, then we must be brought up to date as to what was the situation that caused, one, the item to be shifted from one Head to the next, from one Ministry to the next. Is it because of the incompetence of the Ministries? Is it because the thing is just not working? What has been done in the last six or seven months with regard to the things that have been shifted? For instance, the Citizens Facilitation Fund that we see here in the paper. What has been done with the situation of HIV and AIDS in Trinidad and Tobago? Why is it now being shifted from one Head to another? That is not being explained.

And, we as citizens have got to just hear, well, this has been shifted, but there is no reason given as to why it is being shifted. But a review is done with the intention to look at quality. A view is done with the intention to look at the condition of the thing, and to make sure that it is operating effectively, or it is achieving what it set out to achieve. If that is the case, then something is wrong. Something is absolutely wrong, because if nothing was done in the last six months with regard to HIV and AIDs, that means we are in a worse situation than we were before. If people were not able to access the Citizens Initiative Fund in the last six months it means that we are in a worse situation than we were before.

And while we talk and we laugh and we say all kinds of stuff, and we act in a certain manner, certain ways as to make people feel as if they are lesser than some people—even in this House, “we would not listen to you”. What is the reason for the shift? For instance, probably the Leader of Government Business in the House could probably tell me why is it that HIV/AIDS is shifted from the Ministry of Health and goes across to another Ministry. Why is the Citizens Initiative Fund shifted? What was the situation that caused the shift? What was happening in the last six months? Was it being operated? Was it being effective? What were the flaws that they realized that now the new Ministry can be far more effective, and they have a plan? Those are the kinds of questions I would look at when you shift something, and not just shift it for shifting’s sake, or shifted because somebody feels it should be by me.

So, those are the kinds of questions, because we see the Office of the Prime

Minister now has a great deal increase, and then from other Ministries you have a decrease. And, now the reason for it is not given. I sat listening in the other House when they were examining the financial matters as to the reasons, and no reason was ever given. And I think it is something that is necessary for us to understand if the thing is working or not, and that is the reason for the purpose of a review. So, this review was supposed to give us some excitement, some kind of details. The nation was waiting with bated breath to see what is going to come about. Some kind of plan, some kind of ideas, some kind of initiative, some vision, some thought processes that they can now sit back in their homes while they listen and assess, and say ok, yes we are heading down the right path, but, you know something, another person said to me, every time they think about what is going on, and the last budget, and now this review, they remember the Sylvester Stallone *Rocky* movie, when he fought Mr. T.

And when they interviewed Mr. T—I remember that, I think it is *Rocky III* or one of those movies—they said to Mr. T and they asked him, what is your plan for the fight? And Mr. T said, “Pain”. [*Desk thumping*] And this young man says every time he thinks about it he is just hearing the word “pain”, because all over, throughout the economy, everything that is happening is just bringing pain on the small man. Pain on the lower echelons of the society; pain on the tax credit. Pain, pain, pain, pain.

8.35 p.m.

The strange thing about all of this is that I smiled when I was told that because I remember Mr. T got knocked out. And he was in pain. I wonder if that says a lot that will happen just now. But this is what is happening in our society, Mr. Vice-President. We think up here, when we are in positions to pass legislation and do budget, we think up here. [*Senator shows motion*] And in many instances we are not thinking or setting ourselves and our mindset in the shoes of those people that are at the lowest end of the scale. [*Desk thumping*]

We can quickly tell them, well, you know, if we increase this and we add VAT to this and we lessen those items that were non-VATable then it will only cost you \$50 more. But we do not live down there. We do not bear their burdens. I just read about a young lady who had lost her job and she was sleeping in the pavilion of a recreation ground and she went to her MP. And the end result was that she was told, according to the newspaper report, “yuh wasting meh time”. She and her son were sleeping in the toilet of the recreation ground. Sad state of affair.

So people are feeling the pain and while they are feeling the pain, it is as if we of a certain level are saying, "Well, all yuh have to take that". Take it and cool it. And it is a sad state of affair, Mr. Vice-President, when we can think like that and yet feel that we do not have to give an explanation for anything, that if you ask a question, you know, I am not answering that. In this society, in the 21st Century, in a Parliament, I am not answering that, I am not speaking to you. I am not saying anything, I am not listening to you. In this day and age? In this day and age? Something has gone wrong. Something has gone wrong in our society and if that is the mentality that we have even at this level which is supposed to be the place of legislation, if that is the mentality you now understand why it is happening at the lower levels.

Why a young girl could stand and tell a teacher, I feel I could slap you up, you know. And it is posted on social media. Why it is not a problem for violence anymore? So we have got to rethink because it could be that they are seeing and hearing, because this is live, and they feel what we go through. I sat here and I felt the pain of Sen. Roach who was almost in tears and I empathize because it is not now, but while that is happening and you see we could always talk about who did and "who ehn do". The problem is that people are suffering.

You know, the sad thing about all of this, I had a friend of mine who has been taking his car to this mechanic over and over and over and one day he gave another friend a lift. And while they were driving on the road this guy says, you know I am a mechanic and I am hearing so and so in the car and I am hearing so and so, bring it by me. "Da fella eh fixing yuh car good." And he started to bad-talk the mechanic because, you know, he did not know the mechanic, but he was bad-talking the guy. And the guy just said, okay, I will bring it by you Saturday.

So he went by the guy and the guy is telling him about this is wrong and that is not tuned right and he did his stuff and then eventually the guy left to go home with his car and it shut down. And you know something, this is what this reminds me of, bad-talk, bad-talk, bad-talk. Bad-talk the past Government, bad-talk the past Government and the country is shutting down. There is nothing. There are no incentives for anything anymore in this country. It is shutting down. Everything is shutting down because, Mr. Vice-President, we feel we have arrived. And all of us that sit here could remember that there were other people in offices before that, and other people in offices before that and governments have changed over and over, but we feel we have arrived so nobody can tell us anything. So this is basic, the transfers are basic, but there is no explanation given and there will be probably

none forthcoming because of attitudes and personalities.

So, Mr. Vice-President, it is one thing to bad-talk, it is another thing to perform. It is one thing to talk—and you know something, a lot of stuff we can only talk about in hindsight and we do that every day, Sen. Hadeed. If we drive down the road, the morning we were not feeling like we should go out there and we were supposed to stay home, and then we say, “Ah going out anyway” and you get in an accident. In hindsight you will say, “wow boy”, I should not have gone out today.

So every kind of discussion taking place and pointing fingers is in hindsight, because if oil prices had remained at \$100 a barrel and things were going good, there will be no foolishness, you know. But it is hindsight arguments. And anybody could argue in hindsight. Anybody could look back and see, boy, we could have done this, we should have done this, we should have done that, if we have only done that, anybody can do that and that is not good, that is not the basis for arguments. Anybody can do that.

I remember getting in an accident and I was angry with myself because I told myself I “ehn” leaving home that day. Now, I got in the accident anyway. So telling myself “I shouldna leave home eh making sense”; I got to fix my vehicle now. So telling the nation and pointing fingers “ehn” making sense. What we have to do is that you need to start to fix. And that is the important factor. That is the reality. But we are not doing that. We are talking like the man was bad-talking the mechanic, but we “ehn fixing nutten”.

So right now the vehicle is working worse than when I took it to the mechanic. It is not functioning in the way it even used to function. As a matter of fact, now, I have got to pay more for parts. Now, I have got to pay more for gas and with Petrotrin not fixing the lead and sulphur content in gas, now I have to pay more for medication. That is the problem. So while we argue and carry on, the issue is where are we today, right now, six or seven months after a change of government? And we are still hearing the same old song.

Mr. Vice-President, for a song to last for generation it has to be a real good song. The worst thing that could ever happen is for you to be singing a song that has become outdated and you do not realize it is outdated. And I have been hearing the same old song over and over. And you know something, when you start to laugh at your own jokes then you are in trouble. Serious, serious trouble.

So as we examine all that is taking place, as we check and see the seriousness and the issues that face our society today, what we have not found is that in the

midst of talking about the economy there is no move to prevent waste. As a matter of fact, it is Sen. Raffoul who continues to talk about the waste of energy, the paper trail. Even in this Parliament we were given iPads but we still have a lot of paper coming home.

Nobody is talking about that. Nobody is talking about how are we to conserve energy. How are we going to do that? We can start somewhere. We can begin to now deal with the society and say, here what is going on, you know, T&TEC probably need to give some kind of incentive for people to turn off their lights. Maybe that is the way to go. Some kind of reduction, some kind of thing that says, hear what is going on, you have been burning \$1,000 a month and we will give you and incentive if you can reduce that to such and such. Because we have to conserve and if we conserve the usage of the thing, then we have more energy to now disburse themselves.

Probably WASA is going to have to do the same thing with water. The citizen does not understand the cost of producing one gallon of water. They do not. So for them, leaving the hose on is not a problem. So what are we to do? Are we going to just advertise, well if they find you at this time using a hose we will charge you \$1,000. Where are the police to drive around the country to look for hose? You will have to create what, a "hose unit". And what about the incentive if you can reduce your water bill for those who have meters, there is an incentive for that.

You see those are the kinds of things you have to come up with, but I guess in many instances there is no creativity coming out on the other side. Challenged, creativity is challenged. What are we doing to now cause greater productivity in the country? Everyone in here would agree that the productivity levels in this country, the word "ethics" is poor. What are we doing? Is that not going to help the economy when we increase productivity on an everyday basis? When we can get people to work honestly, an honest day's work for an honest day's pay and increase output. What are we saying about that and how are we intending in this crisis to generate that and change the mindset of the society? Rather than just come and say, take that, take that. How are we going to get into the psyche of the society and say, here what is going on, we need your help to produce more, the average worker. That is not being done.

There is a lot of talk about this country's inability to feed itself. And if for some reason, in the not too distant future, there is a major crisis around the world then we are in trouble because we are unable to feed ourselves. And I have heard the same message and the same discourse for the last six months, plan, plan, plan.

Assess, assess, assess.

Health care. Let me tell you the constraints and I want you to understand how it affects health. The average person working for the lowest income now has to pay more for everything and he sits and he worries and it affects his health. He cannot get medication at the health centre and he cannot afford to buy it. And you hear people come in this Senate and talk about, “if all yuh did only do it”. The man sits right now and he cannot afford it and we expect him to be well. You know what worries does, eh?

Sen. Hadeed: High blood pressure.

Sen. R. Samuel: Yeah. Tremendous stress on the system. So the possibility, Leader of Government Business, is that we will probably have a far more stressful society. With all that is taking—you see it is not just the raising of oil and the raising of gas, it is not just that. It is the impact and the effects it has on the human being. When your children start to complain, Sen. Danny, because you cannot pay for certain things anymore and you do not know how to find the money to do it.

8.50 p.m.

I know sacrifice is important. But we have got to now lead people and coerce people into sacrifice. We have got to have a—it is a different voice; it is a different approach to cause people to take hold of it because they are doing it for a reason. It is not a political reason. It is a nation’s reason, and it is not just because this party is in power or that party is in power, it is about how we are going to sacrifice together.

And, you know, we talk about that. I have no problems with the nation buying an effective vehicle for the Prime Minister—fantastic. But why not hybrid? If we so want to conserve, why not one working on CNG? I mean, that would have sent a strong message, that here it is, you are not using premium gas. You are using CNG. That would have sent a real message. And that is the kind of nonsensical talk, about hybrid helicopter and all kinds of—

In this day and age when people are suffering, it is a set of talk about hybrid helicopter. But right now, it is easier to buy a hybrid car. A nation could buy a hybrid car for its Head of State. Nothing is wrong with that. It would have sent a strong message to the nation, that, “ey”, you know, they are conserving. Nothing is wrong with that. That is not a problem. I do not have a problem. The fact that they buy it is not the issue; it is what is the example we set. Buy a hybrid Benz. “Nutten

wrong with dat. Yuh could buy a hybrid Rolls Royce if yuh want.” You could have it bullet-proofed and what. That is not the issue for me, because they need to be protected. But we have to conserve. We must conserve. We must conserve to the extent that we have more to sell.

So up comes the idea of what incentives are we going to give to the citizens to probably go solar on their houses? Go solar and have T&TEC, if possible, absorb the excess energy. So they could absorb excess energy and it would cost them less to do what they are doing. We need to look at that, and look at it swiftly. You tell people, okay, there will be no tax on solar panels, and no this on solar panels, and do that. Let us begin the process. Six months of talk is killing us softly. As a matter of fact, it reminds me of the song, “Killing me softly with his song”. And killing us softly.

So the health care system is a problem. While at one time health centres were supposed to be opening at longer hours and attending to the society at longer hours, now we have not taken into consideration the stress and the strain of our society, and I am concerned about that because I am seeing people on a daily basis and they are worrying about existence now. And we have got to—in the midst of the sacrifice and in the midst of the struggles, we have got to alleviate their minds and say to them, “It is going to be all right. It is going to be all right.”

There is no better system, and we are not seeing it on the horizon that people can be safer in Trinidad and Tobago. As a matter of fact, Mr. Vice-President, I think it was yesterday’s *London Evening Standard*, headline, picture, British cricket star shot dead in Trinidad. Yes. On March 29th, coming out of Canada: “Canada advises caution due to Trinidad and Tobago’s high crime rate.” You could imagine that? And I can read a little content to tell you how they have painted us. They are painting us bad.

“Canada has updated its travel advisory to Canadians visiting Trinidad and Tobago, alerting them to exercise a high degree of caution due to a high crime rate.”

Listen to this:

“The advisory, updated March 18th, 2016, warns of the following.

- Frequent incidents of violent robberies, assaults and rape;
- Gang and drug-related violence, including shootings and kidnappings;

- Crimes targeting foreigners at popular tourist sites;
- Incidents of gangs following cars leaving Piarco International Airport and robbing travellers once they reach their destination;
- Tourists and foreign nationals being victims of crime in Tobago.”

Watch out:

- “Home invasions being common;
- Sporadic demonstrations and work-related strikes that may cause significant disturbances throughout the country.”

Canada advises:

- “Thefts at traffic lights or in slow moving traffic.”

And then it went on to talk about the responsibility of the citizenry when they travel in Trinidad and Tobago and what they have to watch out for.

“Violent robberies, assaults and rape occur frequently. Cruise ship passengers should take particular care when walking around the docks in Port of Spain.”

Right next to us. We have to watch it too:

“Gang and drug-related violence, including shootings and kidnappings, occurs and can affect bystanders. Crimes of opportunity such as petty theft tends to increase during the annual Trinidad Carnival in February or March and during the Christmas holidays.”

It is right here:

“Remain highly vigilant in Laventille and at popular tourist sites such as Fort George, La Brea Pitch Lake, Las Cuevas beach, where crimes targeting foreigners have been reported. Incidents of gangs following cars leaving Trinidad’s Piarco International Airport and robbing travellers once they reach their destination have been reported. Avoid unpopular areas such as scenic overlooks, especially after dark.

Avoid visiting isolated and unpatrolled beaches due to the risk of crime. On certain beaches security is provided from 8 a.m. to 6 p.m. only.

Tourists and foreign nationals are also victims of crime in Tobago. Maintain a high level of vigilance and personal security awareness at all times. Avoid visiting isolated and unpatrolled beaches due to the risk of crime, even in

daylight. Ensure that your personal belongings and travel documents are secured at all times. Do not carry large amounts of cash or show signs of affluence...”

So look poor. Look poor. “When yuh come to Trinidad, look poor.” Wow. Yuh ha tuh fit een. Well, yuh ha tuh fit een now [*Desk thumping*] because all of us ha tuh look poor.”

“If possible, stay in hotels or villas in gated communities with guards and cameras.” [*Laughter*]

This is what they paint of us.

Hon. Senator: That is PNM tourism.

Sen. R. Samuel: This is what they paint of us, Mr. Vice-President. Why? Because, Mr. Vice-President, if I buy a house and the people before me did not take care of the house, now “is my house, ah ha tuh take care of it, yuh know.” I cannot go ahead singing a song, “Well, I wasn’t living in de house all de time”. I have to live there and I have to fix it, and I have to fix it quickly because else it would affect me. So all this talk about it did not happen overnight, people on the streets “doh” want to hear it did not happen overnight, “yuh know”. A lot of stuff did not happen overnight, but at the end of the day, the authority has to fix it because you are in charge now, and it is important for us to see that.

So, Mr. Vice-President, safety and security, added to high food prices and high gasoline and high this and VAT and a lot more stuff, all of that affects a certain kind of people, you know, who are already stressed, who now have to probably work longer hours in a store, in a food mall somewhere and they have to rush home and just sleep and get up again. Those are the problems that we face.

Mr. Vice-President: Senator, you have five minutes more.

Sen. R. Samuel: Yes, thank you. Not only that, but in the budget presentation VAT was expanded and extended but the system of collection was not. So when you should have fixed the system to collect what you are supposed to collect, you did not fix it. You did not set the collection mechanisms in place, but what you did is you extended it. So now, with the limited capacity you have, you have to collect more but you do not have the capacity to collect more. So it is not set in place, Mr. Vice-President.

And last but not least, with all of that stress, crime, no security, the detection rate in the police service very low, people are being sent home, retrenchment, you

could understand what is going to happen with the health system just now. You know what will happen, because here you have a person who is already going through pain and then loses his job. He does not lose his job before the pain, you know, he loses his job in the midst of the pain. [*Laughter*] That is more pain.

Mr. Vice-President, it is a person who worked and began to struggle and things were hard and there is pain because he started to pay more for gas and more for this and more for food, and then all of a sudden he finds himself without a job. So it is pain multiplied. Fix the health sector, you know, “becor yuh go have a lot of people going to de health facilities really affected, yuh know”.

They better open the children’s hospital fast, and the other hospital for the adults. [*Desk thumping*] “Dey better do dat fast.” Why? Because they have instilled—pain is one thing. Many a time pain is not caused by the person who is bearing the pain. The worst kind of pain is when somebody inflicts direct, clinical pain on you, and they keep pressing it all the time. You are wounded and they keep pressing it. They put their hand in the wound. They put their hand in the sore, and now it reaches to the point where you cannot take it “no” more. Some people go crazy.

Mr. Vice-President—

Hon. Senator: Red and ready.

Sen. R. Samuel:—there are some answers that we need to have as to—and I know the Leader of Government Business will do well to answer, about why the things moved; what is the status of those things, you know. Why shift HIV from Ministry of Health? What were the flaws that you found in the Ministry of Health? You know? What effective approach it will have now in its new Ministry? Both that and the Citizens Initiative Fund, if we could do a little report on what has been achieved thus far for the last six or seven months with the Citizens Initiative Fund and the benefits for the citizens and stuff like that. I think that will go well as opposed to just having a transfer for one head to the next.

Thank you very much, Sir. [*Desk thumping*]

Mr. Vice-President: Sen. Ramkissoon. [*Desk thumping*]

Sen. Melissa Ramkissoon: Mr. Vice-President, thank you for acknowledging my willingness to join in this debate at this time. The much anticipated mid-year review definitely has been waited for and looked forward for from since October last year. It is the mid-year review that brings much eagerness and much more

hope in this downturn time. We granted the request of the Minister of Finance to prepare and evaluate based on the present economy and to state the true story.

Mr. Vice-President, as for the factual data, information or the Government reports to help outline the strategic plan set up by this administration, we hear of, but we have not seen. I feel like I am left wanting, still waiting to formulate the hypothesis on what to tell persons on what is the way forward. [*Desk thumping*] I feel sometimes the man in the street knows more of the intentions of the Government than I, who am sitting here in Parliament.

We have not been given the information to go through and give a fair assessment at this time, but we continue to read from the newspapers, hear on the media and inform ourselves through that.

9.05 p.m.

Mr. Vice-President, I had the luxury of time to listen to most of the debate in the other place and, of course, I have listened keenly to all the Senators who have contributed thus far. Let me just say to the listening public, please note that this is a money Bill and, as such, we are restricted with respect to money Bills and voting. So hence, we are here to urge the Government to hear alternative methods which we would present, or to urge them to look at different ways in which they can approach this present economy, or this downturn in our present economy right now.

I heard the hon. Sen. Khan in his closing up say, “We need to wake up. The people of Trinidad and Tobago need to be aware of our present situation”, and I hear you. I understand because I stand here and I have been listening throughout, but it is a bit of *déjà vu*, I would probably say, because since 2008 we have been asking citizens to tighten their belt. So right now I feel we probably need to tell them hold their breath and count to 10. We in Parliament, and politicians, have been playing with the minds of the citizens and have been telling them we have to cut down, we have to save, but yet we are seeing the Government, or whoever is in power, doing quite the opposite.

Well I see the hon. Minister coming back in and it is timely. It is timely.

Hon. Imbert: I want to listen to you.

Sen. Gopee-Scoon: You qualified though.

Sen. M. Ramkissoon: I get through. So I heard in the other place that you said we need to earn before we spend. So if we are not gaining from the manufacturing

sector, we are not earning from the exporting of our non-energy, we are not earning from our ports for generating money, I can understand when you say we are earning from the tourism industry right now because we just heard Sen. Samuel give a list of why Canada has warned against. So I cannot really understand how you are saying we have no money that we are earning because there are so many other areas that we are gaining and earning money from. So I would like clarification into that.

Also, if you would all go back with me to the *Hansard* record dated September 25, 2009, and allow me to quote, Mr. Vice-President:

During the period—"September, 2008...April 2009"—it was reported—"a number of job cuts have been announced in the energy, construction and manufacturing sectors. Within the energy sector—was—"...Mittal, Neal & Massy Wood Group...Repsol"—who—"retrenched...192 workers...Hilton Hotel...laid off 200 part-time workers...Digicel...offered 500 employees VSEP packages.

...the Industrial Court"—at that time—"indicate that firms have filed a total of 1,089 retrenchment notices."

Somehow 2009 sounding quite similar. So when we tell citizens you all need to be aware of our present situation, it is very hard for them to understand what that really means.

Mr. Vice-President, permit to deviate temporarily. I promise I will loop it back. This is really after listening to the other place debate on this mid-year review debate, and I have to say some, not all, some politicians are very much most audacious individuals. Common term, boldface. Why I say that? And I mean for both sides, eh. Why I say this? As a politician—and I seek to educate you all—I may be in the political arena, but I do not indulge or do not seek to indulge in any knockout games, or seek such invitation, but I stand here due to the highest respect for the Office of the President of the Republic of Trinidad and Tobago and for the love of my country, with the hope that I would add valuable contributions towards the running of the country and be the voice of reason and truthful voice amidst the many in the formulation of the best legislation for our country.

So as one of my fellow Independent Senator says more eloquently than I, there is zero corruption in Trinidad and Tobago, and I say politicians can just be overconfident. They make serious allegations and defamation of character against one another, and then they shout "you thief, ah trying to thief", but we must

remember we are not all in this to get heavy pockets. So, Mr. Vice-President, we need to be mindful when we play in the political arena what message we are sending to the listening public. Since we ranked the 85th in corruption, we are not doing anybody any good by going this way.

So, Mr. Vice-President, during the wrap-up of the mid-year review debate in the other place, the hon. Minister of Finance scolded on the lack of revenue generating options and I want to give him somewhat a difficult challenging solution. Start collecting on your white collar crimes and then you will not have to touch our fuel subsidy. So the most common white collar offences that we face in Trinidad are Internet fraud, credit card fraud, health care fraud, tax evasion, public corruption, money laundering and the list goes on.

Cornell University Law School conducted a study on white collar crimes. According to the Federal Bureau of Investigation, white collar crime is estimated to cost approximately US \$300 billion annually. Going back to us.

“In the 2013 report of the Financial Intelligence Unit...of Trinidad and Tobago, it is stated that during the period of 2010 to 2013”—there was a reported—“1115 suspicious financial transactions to the value of US \$1.12 billion...”

Mr. Vice-President, allow me to quote from the *Newsday*, March 12, 2014. The article written “White-collar crime in TT”.

“With the publication of the Gavin Scott Drug Report in 1987, many persons were amazed that the name of the individual whom ‘town say’ was the ‘Big Fish’ was not included. No one was charged and convicted in court as a result of the findings of the Scott Drug Report. Similarly with other enquiries into...the collapse of CL Financial; the collapse of the Hindu Credit Union, during which an accountant admitted to ‘doctoring the books’;”—in—“the Enquiry into UDECOTT and the Enquiry into CONCACAF. I am unaware of any follow-up action having been initiated.”

The article goes on to say:

“The cost of these enquiries to us taxpayers has been: CLICO Enquiry \$36.2 Million; UDECOTT Enquiry \$46 Million; 1990 Attempted Coup Enquiry \$31.8 Million; Cost of Enquiry into the Piarco Scandal was never made public. Only in the Piarco Scandal have persons been charged for fraud, corruption, and theft of taxpayers’ money. The only beneficiaries from these enquiries have been the attorneys. To compound the situation, the Government failed to accede to the

request of the US Government to extradite two of the persons mentioned in the Piarco Scandal. We may yet pay for that.”

So this is over \$114 million spent thus far into enquiries.

Now, Minister of Finance, this is the hard decision I expect to hear from you. This is the hard decision. We want to hear solutions on the way forward. This is what I consider hard decisions, not raising the price at the pumps.

I heard we have to make the hard decisions. So ensuring that one feels voiceless and remain silent is not the way forward. So as Dr. Dianne Williams said in the *Guardian*, March 31, 2013:

“...we”—need—“as a society to be honest about what is happening if we really want to solve the problem.”

She went on to say:

“...in”—Trinidad and Tobago—“violent crimes are just a manifestation of white collar crimes so the problem of violent crimes cannot be fixed since ‘no one want to touch white collar crime.’”

Like the elephant in the room.

Mr. Vice-President, there are many oversight committees in the Parliament that seek to function, to serve as overall function, audit functions of our state enterprises, and to overlook the spending of our public funds. After serving on a committee, it was noted there was little care, or care for us to try to hide the corruption or nepotism demonstrated by the cloak of the political blanket, and it feels like the working class continues to pay for the mistakes of the rich.

Only this week I went on to learn that one of our core oil and gas companies—when oil prices are low and we are trying to keep the jobs of hundreds by ensuring that financial running is on a tight shift, and by ensuring the best persons for the job hold positions, and in deed we have the best decision makers, instead I have learnt that we are having political appointees being placed in strategic positions and I do not know for what purpose. If it is to fire workers and then complain that oil price is low, I hope that is not the case. What can we expect now? We cannot operate as before. We have to be different. This is the practice of years. Every Government has done it. They promise, even before they win elections, that they will place these persons into the positions. However, I would please urge you to do not do that because we do not want to have political appointees bury our core existence, ruin our chances of not increasing our economic growth throughout our

country.

We deserve qualified, certified personnel who can lead us forward, critical thinkers who will expect to ensure that the Greece of Europe is not the future Trinidad and Tobago of the Commonwealth.

Mr. Vice-President, during the address in the other place, I learnt of the comprehensive debt management plan. This was not circulated to parliamentarians and I humbly request such a plan be circulated as debt does not only affect this generation, but it affects the next generation to come. I also heard of a comprehensive tax reform programme which is quite interesting and I also would like this plan to be circulated if it exists. I learnt of the property tax plan, and I would like to seek the advice, or the guidance, on what mechanisms would be used by the team of assessors to determine the market value of a house in Trinidad and Tobago. Also, if I am paying a mortgage for my house, is it subjected to a full property tax? I assume that all of this would be in the plan that should be circulated.

So, Mr. Vice-President, we have heard of the assets sale such as the Clico bailout. What is the present plan by the Government to ensure that there is not a repeat of this scenario to happen in the future in our country?

So what is being set up to avoid the squandering of our public accounts?

9.20 p.m.

Mr. Vice-President, I would like to share with you and this whole Chamber and listening audience something that happened with me on Monday morning. I approached the gas station for the first time, since the change, to full up my tank. I do not know if most of you might remember that three years ago, NP had this promotional package which said if you full up over \$100, you would get this little scratch that would give you a prize, that you might get \$20 off your—you remember? [*Interruption*] Yes, right. So I had the very high hope of getting one of these with my vehicle. Unfortunately, I am a diesel vehicle, I drive a diesel vehicle, so I never had the option of ever reaching a 100. I told you, I ran it straight down and I could only get 96 so I was very disappointed after that, right, but I never got the option.

Unfortunately, when I pulled up on Monday morning, I was a little under a half tank and when I saw the price, it was \$85 and I was wondering how come. Here I could not even reach \$100 and less or under half and it is \$85 and now this is

diesel. And diesel not only affects private citizens but it affects delivery trucks, your bread van, your local delivery man who brings your packages home for you, also people who are trying to have a business and deliver to you at a free cost to encourage business, and this is going to affect them and how are we going to consider this in the future and how are we going to say, okay, yes, it is 15 per cent increase but to what extent. It really does pain me to see the discomforts of my countrymen, what they are going through.

Now, this leads me into online shopping. Mr. Vice-President, I am not sure if anyone ever asked the question: why do we have online shopping? What is the root cause? Why would we prefer to do online shopping other than buy here? Because everybody knows the local grocery, their local retailer. That is your friend, that is your neighbour so we want to support them, but why would we go on online to people we do not know. Because the price at the Trinidad retailers is three to five times the price you would get it for online, and the 7 per cent levy on online purchases, which will be added to the customs tax, the VAT on handling, the shipping charges, the fuel surcharge, the duty charge by customs, VAT charged by customs and then an insurance fee. I know this because I got a package so I have the list. Okay. And so it is not like we are not getting charged any taxes from before, we have been paying all these taxes and now we are going to add a further 7 per cent.

So I also heard in the delivery on Friday that the Minister said this levy is similar to the US, the UK and New Zealand and when I looked at it, I said okay, very similar to the US. Do we have Walmart on every corner? Do we have Kmart? Walgreens? Old Navy? Bloomingdale's? The J.C. Penney? Best Buy? The Dollar store? I do not know how many of you all remember Super 10 where we could have gotten \$10 items. They no longer exist because of the escalation of prices, they had to close down. So we do not even have an equivalent to a dollar store in Trinidad and Tobago.

If you listened to the Americans who are of the lower class, they would tell you that they collect these coupons so they could help pay for their groceries or their purchases in the US. If you have to get a coupon here, you have to make \$100 purchase before you can reclaim it. So it is not like we have things set up to encourage you to buy here. So it feels very hopeless to think of, okay, we have to pay so much now with our online shopping and have to go to the retailers. So I feel that this amount of taxes and non-consideration into our online shopping and not looking at the root cause because we do not control the price at a retailer. We, the

parliamentarians, cannot tell you, you need to be \$10.

I shared, at a last sitting, where there was a charger to kick-start your vehicle. It was \$330 in the store. When I went online to read the reviews to see if this would really work, it was US \$10 on Amazon and that is really sad. Thank God I did not buy it because I would have felt really silly when I went home. So I hear of discussions with a bank to decide what the best way to collect is and I know we have some time to decide, so I am here to urge you to rethink the use of increasing taxes or to even have a levy at this time.

In order to request the credit card information—like if I call the credit card and I ask them to find out about a merchant that I purchased from, I need to give them my date of birth, my address, security password and all this information before I could even find out what payment I have made to a particular merchant. And here we are asking the banks to go through our personal shopping. I feel that is an infringement of my rights and secrecy of where I want to shop and what I am going to buy.

Also, if I go to the US or visit the US or the UK and I go to Walmart and I make a purchase there, would you be taxing me or instilling this 7 per cent levy on things that I have purchased whilst I was there because it will show up as Walmart? And then we go to even think of businesses, you know, who have supported this and we have online—well, hackers, as you would like to say it simply, who do ATM skimming. What measures are we putting in place to ensure that that does not happen to us?

So, Mr. Vice-President, just to share with you some actual purchases and I do not know what the Government can do to ensure that the retailers do not mark up their prices three times because that is why we do online shopping because we want to have value for our money. We work hard for our money and we want to have value for our money. So, if something costs US \$10, it should not be \$330. I purchased a handbag that was US \$30 from Amazon. When I looked at Trinidad, it was TT \$1,000 in the mall and it continues, the list goes on. So we all know that parliamentarians have no control over merchant prices. At the last debate, we looked at lowering the VAT, however, persons were still charging 15 per cent and I believe we have addressed that but prices did not go down. So now the Government has lost approximately \$3 billion. What could have gone to the Government is now going to these retailers.

So I do not want that to be the case with online shopping where you cannot

avoid online shopping. This is the future. Everything happens online. I think we saw a release today where we have free Wi-Fi throughout Trinidad and Tobago. This is what we want to embrace. This is the way we want to go forward. If this is the way we want to go forward and we want to encourage young business owners, we want to encourage you to do online business, then we should look at other means to collect from that. Because if you go on social media, you will see people selling shoes, people selling clothes, people selling anything that you want, and they would deliver it to you at a small cost or they might have a delivery point where you can pick up for free. So we should even look at that. Okay, that is a business owner, that is a young entrepreneur, let us see how we could encourage them and we could get something out of that instead of trying to increase 7 per cent levy on these people.

So, Mr. Vice-President, I also had another experience where I went to the grocery and I do not know if this is a Point Fortin thing because I went to a grocery in Point Fortin, and I purchased red beans, channa and cheese. That is not a full meal, all right, so just some of it to make a meal and it cost TT \$110 and I felt, oh my goodness, I cannot even get a meal for \$100. [*Interruption*] No, no, like one pack of channa, one pack of red beans and—so that is why I said I could not believe that. So I do not know what VAT or taxes I was paying but I could not believe it and yet again, we have no control over what the grocery is pricing it.

Now, I could have just said, okay, I am going to go away and go to another grocery but they had no other grocery that was opened at the time so I had to pay for my meal. So, again, I felt like I was at ransom now. I have to buy at these ridiculous prices. So we have to understand the reason for this, too, is that our culture is different from that of the US, the UK and New Zealand. It may work there to have a tax there or a levy there but it may not work here. So why are we holding our country at ransom and demanding value for money when we are not really showing it. There is a “dislink”, there is a gap.

I want to speak briefly on an issue that is a plaguing Trinidad and Tobago and we are seeing it and we try to upgrade the budget by \$40,000, that is the Ministry of National Security. And it is not nice memories to bring up but it is real life cases that are unsolved to date. I would like to bring your attention to the lovely, beautiful Asami, our Japanese pannist, who, two months, was struggled to death. She came here based on a tourism promotion from our country and unfortunately it brought her end.

One of our biggest events, when you ask a Trinidadian what is your country

known for, the first point they spill out is Carnival and to date, we have nothing to show, and we also can note that we are not safe from this. We are not secluded and we do not exist in a different country. One of our very own past former Independent Senator, our brilliant, powerful woman who stood for only justice, Madam Dana Seetahal, Senior Counsel, murder unsolved. We are sitting here feeling we are safe. Maybe because we are not reminded by the bullet holes seen in the Red House walls. These are the plaguing memories of our past, not so distant past and images that people hope to forget and these are real white elephants in our room and how do we plan to address them.

Lawyers tend to fight for human rights and the Government of the day who the country, citizens, have faith and confidence in and will ensure that we are not infringing on our human rights which states—the Constitution states:

“the right of the individual to life, liberty, security of the person and enjoyment of property and the right not to be deprived thereof except by due process of law;”

In 2009, December 17, a mother and two of her children, in Marabella, were burnt to death after being trapped by her burglar proofing. This is security issues. We are encouraging our citizens to burglar proof, to have surveillance cameras, to set it up to ensure that we address crime, to protect ourselves but is it really protecting us?

Mr. Vice-President, we are looking at other avenues to address to increase our economy and show growth. One of them was the—well, we heard from one of the local morning programmes that was outlined the marine harbour for internationals, and I thought that was a good initiative to have the harbour and I see if we can have profits from there. But also, on the same breath, Tobagonians are complaining of pirates in our waters and I thought that was very strange and confusing. We are looking at a tourism, an economic growth here but yet we cannot even solve the pirate situation in our Tobago waters, so I found that to be quite interesting.

Mr. Vice-President, I would like to move away from that now and speak about the 17 sustainable goals that were outlined by the United Nations and this was debated in the Senate, and I wanted to know, from the last budget review, the increase in the Green Fund levy, in relocating of the funds, which funds we will be using to achieve the 17 sustainable goals, if we will be realigning them.

9.35 p.m.

Mr. Vice-President, the Brian Lara Cricket Academy is expected to cost

\$90million to complete and it is promised by the Minister of Sport by mid-2016. According to the *Guardian* of November 25, 2015, this project was estimated to cost \$1 billion, in the budget review of 2015. So at the budget debate in October, I enquired on the status and the future of this project as no money was allocated to it and that was from the State Enterprises Investment Programme 2016. Today there is a variation to add \$10million depreciation from the Ministry of Sport. So I would like to enquire humbly from the Minister what other projects would be denied from the Ministry of Sport to ensure that we have the Brian Lara Stadium.

I would like to know, because I know some of the plans were the swimming pool, the tennis court to complete. Even the maintenance of the existing parks and grounds and it is really outlined in this really nice book here that we took the time to read. I just want to make sure. And this is what I started with, the strategic plans. And if we want to be successful we need to stick with our plans, or if we are going to vary, fine, no problem but at least do not take money and say you are going to do something and then do not do it.

So, Mr. Vice-President, one of our greatest depressing symbols of our fall and decline as a nation is that to date we cannot repair the official house of the President of the Republic of Trinidad and Tobago whose roof caved in and remains thus. The age of the heritage of this building is 130 years, yet no money was allocated to this. So I would like to know if this would be in the plans and if we are doing this.

I would like to applaud the Government on the proposal for the St. Jude's Home and the St. Michael's Home. I had the opportunity to visit these homes and, as stated in the *Newsday* of August 26, 2015, the State spends \$20million annually to care for 217 children in the State to run these children homes and NGOs receive \$25,000 annually for 600 children. The management of these homes requires a lot of skill and due care and I have visited both, as I said, and they are excellently managed, such as the Mother's Union Children's Home and Hope Centre, very excellent management.

But I have visited homes that are not managed excellent or they do not even offer due care to the children. I have noted that the Children Authority is looking at this. I would like to know if the Office of the Prime Minister would be looking at that, as I saw funds were relocated to that division.

Mr. Vice-President: Senator, you have five minutes more.

Sen. M. Ramkissoon: Okay thank you, thank you. I just want to say the

management of the homes are crucial. Because if you look at an article that was printed on April 23, 2014, three boys ran away from St. Michael's Home to tell of their abuse and their horrific tale.

One of the roles in the Children's Authority is to supervise the institutions. So I recommend that the Government and the Parliament oversight committee ensure that the Children's Authority is monitoring and if it is to be transferred, we would like to know.

In my five minutes, I just have to plead for the future leaders of this country. I cannot stand here and not cry out for the university students who are waiting with bated breath for the future of their GATE Programme, if they will have to drop out of school or if they will be able to continue, or if they will be able to take a student loan. Let me say, a man without education is like a building without a foundation.

I was able to benefit from GATE when I had to do my mechanical engineering degree and it is a benefit as GATE provides doctors, lawyers, engineers. We do not want to go back too far in the past but we remember when certain children were not allowed to go to school to university because the parents could not afford to. I mean like farmers and lower-income homes. They were allowed to send one child, which is the oldest child. GATE was able to allow both myself and my brother to go to the university and benefit from degrees. There are many students who are deserving. I have met many when I was on campus who said they would not have been there if it was not for the GATE programme, and I am just crying out.

In my budget debate I gave a way in which we can look at GATE by using the GPA system where students can achieve their GPA. If they are not achieving an upper class honours degree, then you have them pay for half and if they are not even in the honours degree they pay for their full GATE and that would mean that you are not at the expense of the State. You are earning your way through school. That is one of measures, instead of cutting out GATE for all, especially for children who are very much deserving and cannot afford it.

I heard in the opening debate—how much more time do I have?

Hon. Members: One minute.

Sen. M. Ramkissoon: I have one more minute? Oh my goodness. *[Interruption]* Zero more minutes? Okay. All right, so one point I want to just make is that we expect much from taxes paid diligently by the working class. We do not expect the doom and gloom but we expect solutions and we expect growth.

A definition from Einstein, the definition of insanity is repeating the same behaviours and expecting a different outcome. Let us not do that. Let us learn from the mistakes. We have the *Hansard*, I quoted from 2009, we have solutions there. We have solutions now. We can definitely build and grow. I know it is difficult to understand and we are a demanding nation, yes, because we are educated and we have educated. The PNM Government has set out the GATE. They have created education for all. So we are demanding more. We are demanding more and we expect more. So we will assist and definitely if you look at fighting crime in a way, we will be able to look at it.

So, thank you, Mr. Vice-President, for the time. I know it is almost 10o'clock. Thank you for listening and God bless us all. [*Desk thumping*]

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Thank you very much, Mr. Vice-President. It gives me pleasure to address this honourable House and the people of Trinidad and Tobago on this mid-term review of the Financial (Variation of Appropriation) Bill for the financial year 2016.

But before I do so, Mr. Vice-President, I just wanted to comment on my good friend, he has ran away but I am sure he will get the message. I just wanted to comment on a point he made earlier when he was making heavy weather about the Prime Minister's new car and saying he should have purchased a hybrid car. I sat here like Alice in Wonderland, Mr. Vice-President, and wondered if that was the same gentleman who served as a Minister in the last Government, who fasted to become a Minister in his own right, who sat in the last Government, who encouraged wastage of poor people's money, who agreed for the last Prime Minister of this country to use a helicopter twice and three times a day at \$6,000 a ride. And my good friend is making heavy weather of a vehicle that the hon. Prime Minister is entitled to. Those who live in glass houses, Mr. Vice-President, certainly ought to stop throwing stones. [*Desk thumping*]

Mr. Vice-President, I know my time is limited and I have much to say. It is also my privilege to contribute to this debate on this Bill and I wish to extend my personal congratulations to the hon. Minister of Finance and his team for an exceptional job in assessing the current state of the economy and in so doing reviewing and presenting a comprehensive revised budget for Trinidad and Tobago.

I would like to take the opportunity also to express my confidence in our nation,

and as a people faced with economic challenges, we are creative, we are resilient, we are an intelligent population as observed by senatorial colleague, Melissa Ramkissoon a short while ago. Mr. Vice-President, Trinidad and Tobago is currently being faced with economic challenges and we as a nation must be strong and resilient to respond to these challenges while preserving who we are as a people.

This is the time to dive into our creative minds, as we try to absorb the negative impacts of this economic reality and forge ahead for a better Trinidad and Tobago. Mr. Vice-President, this administration has conducted careful examination of our national financial situation at hand and has done the responsible and patriotic thing of deliberating on reasonable measures to resolve the issues facing this country, as well as openly sharing with the people of Trinidad and Tobago and stakeholders in a manner that all can understand so that confidence and stability can return to this country.

Mr. Vice-President, our Government has reaffirmed our position in working together with the business and the labour sectors and all the citizenry of this country in moving forward in these uncertain times, as we collaborate our efforts to get things right and to get the economy in a more favourable position.

In keeping with my Government's policy framework and the mandate of my Ministry in the promotion of decent, productive and sustainable work, we continue to strive to improve the labour market environment through skills training, targeted education and employment generation, as well as to encourage the diversification of our reliance on energy, through the development of small and micro enterprise sectors.

Mr. Vice-President, since this Government attained office, we were faced with the sudden plummet in the oil prices, which has averaged around \$33 per barrel. Given that the experts have argued that these prices will remain at this level, at least for the next five years, the 2016 budget was based on a \$45 per barrel oil price. We have had no choice, Mr. Vice-President. We were forced into a position of reviewing the economy and charting a way forward, given the wanton wastage that occurred over the period 2010—2015.

Mr. Vice-President, I turn to the state of the labour market. A productive and competent labour market is critical for sustainable development. It is the mandate of the Ministry of Labour and Small Enterprise Development to promote decent, productive and sustainable work which facilitates the emergence of such a labour

market.

Having reviewed the findings of the Central Bank of Trinidad and Tobago, the Labour Confidence Report of 2014, the following were observed, Mr. Vice-President:

1. There is a mismatch between skills and available jobs in the market.
2. Too many instances of unfair hiring practices.
3. Unemployment among the youth is unacceptably high.
4. High prevalence of foreign workers in the energy, construction and security industries.
5. Work ethic is generally poor and there is often a desire for higher income without increasing productivity.
6. Worker absenteeism is very high.
7. Social programmes contribute to low productivity, and the call of the private sector is for more workers to be deployed to the private sector which they have advised is currently experiencing severe labour shortages.
8. Even though minimum wages have increased, Mr. Vice-President, the cost of living is still rising.
9. Why the income inequality and the middle class neglected?

Mr. Vice-President, it is critical that these issues be addressed, and my Government is taking all the necessary steps to have them addressed.

9.50 p.m.

My Ministry is also in the process of re-establishing the Labour Market Information Unit, a unit which would be able to provide us, as well as all the other stakeholders, with real-time labour market information to inform our decision-making. Because, Mr. Vice-President, gone are the days when we would emotionally set policies. Policies, Mr. Vice-President, must be data-driven and that is the direction in which this Government intends to proceed.

On the issue of retrenchment, I am sure everyone is aware of the current crisis which exists in the labour market as a result of the downturn of the economy. Within the last six months there have been approximately 1,847 reported retrenchments to the Ministry of Labour and Small Enterprise Development, and that is for only those companies who are required to report retrenching five or

more workers. The law does not require an employer to report less than five persons if that company is retrenching. As a consequence, therefore, that figure I gave you includes the ArcelorMittal workers, OAS Construtora and Centrin over the last couple weeks.

As articulated in this Government's policy framework, we hold firm to our belief in the principle of social justice, and that the operation of the economic system should result in the material resources of the community being so distributed as to serve the common good, that there should be adequate means of livelihood for all and that labour should not be exploited or forced by economic necessity to operate under inhumane conditions, but that there should be opportunities for advancement on the basis of recognition of merit, ability and integrity.

Given that this is an issue of grave concern to the socio-economic fabric of our nation, my Ministry has developed a 10-point plan titled, Empowering Unemployed Persons: Turning Adversity into Opportunity to treat with this present crisis and alleviate the impact of the mass retrenchment taking place in our country today.

The objective of this plan is to provide immediate, short and medium-term assistance to unemployed persons and where necessary their families to mitigate against the negative financial, social, physical and psychological effects of unemployment and to empower them towards reintegration into decent work in the shortest possible time, either through job placements or support in establishing their own small businesses or cooperatives.

Mr. Vice-President, the 10-point plan consists of:

One, establishment of a national register of unemployed workers, and that register is meant to also capture those workers who may have been retrenched and who fall under the radar of less than five for which the employer is not required to report to the Minister of Labour and Small Enterprise Development.

Two, the development of a marketing campaign to solicit new job opportunities for unemployed persons and facilitate jobs and skills matching.

The third aspect of the plan focuses on the operationalization of training, retraining, upskilling, multi-skilling programmes for unemployed. In this context we are collaborating with The Energy Chamber of Trinidad and Tobago, the National Energy Skills Centre and the National Training Agency in an attempt to

provide that enabling environment to facilitate the retraining of workers who may have been retrenched, many of them highly skilled but not certified.

The fourth aspect of the plan focuses on the provision of psychological and financial counselling to unemployed persons and their families. In this context, the Ministry of Health, the Ministry of Social Development and Family Services, the International Labour Organization are all collaborating with the Ministry of Labour and Small Enterprise Development.

The fifth aspect of the plan is the formation of small businesses and cooperatives and that will be guided by the cooperative unit of the Ministry and also the National Entrepreneurship Development Company, popularly known as NEDCO.

The sixth aspect focuses on the provision of seed capital and start-up business financing for unemployed persons and support informing cooperatives. Mr. Vice-President, the Ministry of Social Development and Family Services, one aspect of their operations offer a seed capital to small entrepreneurs in the event that they may have an idea that they want to convert into a small business.

The seventh point on the plan, Mr. Vice-President, engages the financial institutions of this country to address the issue of loans, repayment of loans and repayment of mortgages in a more humane manner. In that context, we would have met with The Co-operative Credit Union League, the Trinidad and Tobago Mortgage Finance Company Limited, the Bankers Association of Trinidad and Tobago and the National Insurance Board in our attempt to provide an environment where these financial organizations will bring a merciful spirit to addressing the fact that many of these workers no longer have the capacity to service their loans and mortgages at the level they would have done had they not become unemployed. I must say we have gotten very positive feedback from the financial institutions, and we will continue to use moral suasion in that regard.

We are also exploring overseas employment opportunities. The Ministry of Labour and Small Enterprise Development has responsibility for the Canadian farm project, where every year in excess of 1,000 citizens will travel to Canada and engage in employment on the farms. We have also begun a conversation with my colleague, the Minister of Foreign and Caricom Affairs in that regard, and we will continue to discuss exploring those Caricom opportunities that may exist.

Mr. Vice-President, the ninth aspect of the plan deals with upskilling suitable unemployed persons to the standard of technical and vocational instructors. In our

discussions with the Ministry of Education, we discovered that many of the schools, there are no technical/vocational instructors. As a consequence, the market now has a pool of very highly skilled individuals who can be retrained and certified to become tech/voc teachers in the schools.

The tenth aspect of the plan has to do with empowering and “Empowerment Jobs Expo for Unemployed Persons: Turning Adversity into Opportunity” which took place last week Tuesday at the National Energy Skills Centre, Rivulet Road in Couva. I am pleased to state that that day was a very empowering day. It was a day that held out hope for the 1,500 or more unemployed who flowed through that job expo. They were able to connect directly with employers who were there. As a matter of fact, separate and apart from the employers who were mobilized under the Trinidad and Tobago Manufactures’ Association, Trinidad and Tobago Chamber of Industry and Commerce, AmCham, The Energy Chamber of Trinidad and Tobago, separate and apart from those employers, there were other employers who called the Ministry and indicated they had heard about the expo and they wanted to be part of it. In addition to those employers, there were a couple employers who walked in off the streets and commented and commended the Ministry of Labour and Small Enterprise Development. There has been a request for another job expo in another part of the country, but that is an issue that we will be discussing as we go forward.

Mr. Vice-President, I am pleased to state that the national register of unemployed persons was launched on Friday, March 18, and to date there have been over 300 persons registered. The National Employment Service unit of the Ministry of Labour and Small Enterprise Development, they are currently reviewing that information to be passed on to the employers who have registered with our unit.

I would like to take the opportunity here to convey the Ministry’s profound appreciation to the 25 government Ministries and agencies and departments who collaborated with us on that day and those persons from the business sector, the financial institutions and, in addition, Mr. Anthony Watkins, Odyssey Consulting Limited, who gave of his services free of charge.

Mr. Vice-President, the Ministry of Labour and Small Enterprise Development recognizes the need to maintain a stable industrial relations climate in order to encourage the efficiency and productivity and our ability to conduct business in this country. As Minister with the responsibility of labour, since coming into office I have strived to mitigate the heightened industrial action and breakdown in

industrial relations created by our predecessors. I have met and continue to meet with employers' organizations, worker's organizations, civil society, in order to understand the realities of the labour market and the industrial relations challenges and possible solutions to them. I would continue to do so on a regular basis to collectively work together to mitigate against job losses, and alleviate the impact on workers and businesses and the economy at large.

Mr. Vice-President, I turn to legislation. As I speak, the technocrats at my Ministry are in the process of reviewing the amendments to the Industrial Relations Act, better known as the IRA of 1972 as amended, which all of us would agree is the defining legislation of our labour environment. I am happy to report that stakeholders' consultations on the amendments to the IRA were held in Trinidad on 22nd and 23rd of February and in Tobago Friday last.

10.05 p.m.

Mr. Vice-President, I am happy to say this, since I have been able to address, in some measure, the distrust from employers in workers resulting from the lack of consultation on the amendment to the Industrial Relations Act, that Bill of 2015, which was laid in Parliament on May 01, 2015, by the last Government, and, in particular, my predecessor. This Bill created history because for the first time in decades that amendment to the IRA united both the employers and the trade union movement because proper consultation was not held. My Government listened carefully to the call of the people of Trinidad and Tobago and commenced this consultation process in February, and it continues.

Tomorrow, as a matter of fact, Mr. Vice-President, my Ministry would be hosting a workshop entitled, Contract Labour: Reducing the dependency, because the issue of contract labour, you talk to any young person who is on contract they would tell you that their future does not look very bright because no financial institution will entertain any requests for a loan, whether is a mortgage loan, a loan to purchase a motor vehicle, or any other type of loan. Therefore, Mr. Vice-President, contract labour in its purest sense, we have moved away from its pure philosophy and we need to get it back on track. So we start that conversation tomorrow. It is a tripartite discussion, Government, labour and business.

Mr. Vice-President, I have been told that the consultations taking place on the Industrial Relations Act is historic in a sense, because since its enactment in 1972, or re-enactment from the ISA to the IRA, there have not been any amendments per se. It was also a common view that the IRA must be fair, just, and balanced, and

contribute to enhancing productivity and competitiveness in Trinidad and Tobago. In addition, it is clear that the need to evolve with changing reality, such as globalization, trade liberalization, changing forms of work and employment relations, and also, Mr. Vice-President, the fourth industrial revolution.

The fourth industrial revolution, according to Klaus Schwab, founder and Executive Chairman of the World Economic Forum, is fundamentally different. It is characterized by a range of new technologies that are fusing the physical, digital, and biological worlds impacting on all disciplines, and even challenging ideas about what it means to be human. Like Schwab, I am convinced that the fourth revolution is within control of all of us as long as we are able to collaborate across geography, sectors in disciplines, to grasp the opportunity.

Mr. Vice-President, this Government will continue to consult and collaborate with all the stakeholders as we take Trinidad and Tobago to a better future filled with hope. There is also discussion taking place on the Industrial Relations Advisory Committee report and its recommendations, and it is my intention to re-establish this very important committee. It is a committee that emerges from the Industrial Relations Act. The committee has the responsibility of advising the Minister of Labour and Small Enterprise Development on the necessary changes to that Act. It is intention to re-establish that committee under the chairpersonship of Dr. Hyacinth Guy, who headed the last committee, and I must commend her and the last committee for the work done so far.

Mr. Vice-President, having taken all the comments and feedback of the stakeholders into consideration, and amendments made, another round of consultations will be held in July, because when we pull that working document today, following our consultation, the parties have been given up to the end of May to submit their final comments. We will then pull all the comments together in a working document and go back to the stakeholders for a second round of consultation to enquire, "Listen, we met, you indicated, you conveyed a particular view, here is what we have interpreted your view to this. Did we get it right? Is this what you would like to see emerging out of an amendment to the legislation?" Following that second round of consultation, Mr. Vice-President, then the matter would be taken to Cabinet, and Cabinet, undoubtedly, will send it to the Legislative Review Committee, and, hopefully, by the ending of this year the draft legislation amendments will come before this House.

Mr. Vice-President, my Ministry is also in the process of amending the Cooperative Societies Act through ongoing discussions with the credit union

league and the Central Bank. A draft Bill was developed and was laid in Parliament in November, 2014, again without the necessary consultation, and that action provoked the credit union movement into a very historic action. And for the first time the credit union movement came out in their thousands and demonstrated against this piece of legislation. So that in moving forward, the Ministry of Labour and Small Enterprise Development has conducted consultation with the credit union movement in January, 2016, in Trinidad, and also in Tobago, and they too have a timeline of submitting their final comments before we pull together a draft policy document for further consultation before it goes to Cabinet for Cabinet's direction.

Another item of legislation on the agenda, Mr. Vice-President, is the Retrenchment and Severance Benefit Act of 1985. Given the recent spate of retrenchment across sectors as a result of the downturn in the economy, the Ministry affirms our commitment to give urgent attention to this most important piece of legislation, and, in that context, we have carded May 18th for that process to begin. We will be collaborating with the Law Association, as well as labour and the employers, with regards to culling the various views and schools of thought on the issue. But we are very mindful, Mr. Vice-President, that in the process of amending this piece of legislation we have to strike a balance that we do not create an environment that is not conducive for even foreign investors, our own local investors to invest in the economy.

In my Government's policy document I propose to look at other pieces of critical legislation which impacts on the situation, and would be seeking the guidance of the Attorney General, in that regard. We have to look at the Companies Act of 1995, the Bankruptcy and Insolvency Act of 2007, so that we will provide an environment that offers workers a higher level of protection while ensuring that business continues to find our environment attractive. Mr. Vice-President, my Government—in keeping with its promise to facilitate tripartite engagement between Government, labour and employer to foster and develop a peaceful, competitive and productive industrial relations climate—launched the National Tripartite Advisory Council under the aegis of the hon. Prime Minister on Tuesday, March 15th, at the Diplomatic Centre.

Mr. Vice-President, this Council, chaired by my colleague, the hon. Minister of Planning and Development, Camille Robinson-Regis, consists of 18 members, 6 representatives of the Government, six representatives of business, and six representatives of labour, with the inclusion of a representative from the Tobago

House of Assembly. The Council would serve to promote consensus and inclusive participation in the decision-making process. The mandate of NTAC, National Tripartite Advisory Council, acronym NTAC, includes overseeing the effective implementation of Vision 2030, identifying and reviewing sustainable national development goals, enhancing the level of productivity in all sectors of national endeavour, creating additional job opportunities, maximizing the use of science and technology, focusing attention on the needs of the poor, the socially displaced, and the most vulnerable in our society, and maintaining industrial peace and harmony nationwide.

Mr. Vice-President, NTAC would play an integral role in the development and implementation of creative solutions to development challenges by drawing on the collective wisdom of the real players of this economy. It would provide a forum of active participation in the decision-making process in the best interest of all, and where all players exhibit trust, respect, openness, shared responsibility, and commitment to the national good. Mr. Vice-President, this is a relatively new body with a broad mandate, and, unfortunately, time did not permit the mid-year review being placed before this body for its fullest consideration, and, in that context, the hon. Minister of Finance did indicate, we will do better the next time. We hear the call of the labour movement and we would strive to work together as we move ahead.

Mr. Vice-President, I turn my attention to productivity. Intrinsic in the creation of better jobs is increased productivity. Greater levels of productivity benefit the workforce through better wages and rewards, better working conditions, enhanced opportunities for personal development, a greater stake in the operations of the enterprises, and a better sense of fulfilment and meaning in life. Employers reap the benefits of better opportunities for innovation, improved ability to attract investment in finance, improved ability to pay better wages, more efficient and effective enterprises, and improved profitability. Productive workers translate into profitable and competitive enterprises, and competitive enterprises are the building blocks of competitive economies.

Our core responsibility, however, remains developing a productivity culture in which, at the individual level, each of us recognizes and accepts his or her responsibility for improving productivity at all levels in our beloved country.
[Interruption]

Mr. Vice-President: Senator, you have five more minutes.

Sen. The Hon. J. Baptiste-Primus: Okay, and thank you, Mr. Vice-President.

Mr. Vice-President, the Ministry, in recognizing the need to maximize output while ensuring fair wages and equitable wealth distribution, appropriate economic returns and social justice is at present working on re-establishing the National Productivity Council, which will comprise competent individuals to focus their collective thoughts as we look at improving productivity at all levels in the economy, and maintain a competitive advantage. In this regard, Mr. Vice-President, my Ministry is working in tandem with NTAC's objective towards improved productivity. Mr. Vice-President, Small Enterprise Development: my Government, in our vision to lessen this nation's dependence on the energy sector, sees the development of micro and small businesses as crucial to economic growth and sustainable development.

10.20 p.m.

As one of the main drivers of innovation and competitiveness, micro and small businesses are viewed as the engine of economic development in market economies due to their flexibility and adaptability, as well as their potential to react to challenging and changing environment.

Mr. Vice-President, small businesses account for more than 90 per cent of the economy. In that context the National Enterprise Development Company Limited will undergo a realignment to its new mandate, and in that context a higher or a greater level of information would be shared at another point in time because the process is now under way.

Mr. Vice-President, just a short bit on the OJT programme. The OJT programme at this present point in time operates through the public/private partnership approach. The public sector entities have demonstrated its full support to the programme. It has the largest participants; 6,573 trainees are assigned to the public sector. With regard to the private sector, 808 trainees have been accommodated there. The programme offers benefits to all. To the trainees the OJT programme affords quality, work-based training and an opportunity to develop strategic partnerships with the private sector and the government agencies. The training provides—the public sector is reimbursed by 60 per cent of the stipend to the trainees whereas their counterparts in the public sector are reimbursed 100 per cent. The administrators of this programme, we are working towards the realignment of this programme also. We try to place the trainees close to their homes, where they reside, because we take into consideration the levels of stipends

being paid.

In closing, as my Government seeks to steer our economy onto a path of sustainable economic growth, we are committed to investing in our people, in our country to reap the benefits of more and better jobs, efficient businesses, a stable industrial relations climate, as well as more productive workers.

Mr. Vice-President, bad times do not last forever and this Government recognizes that. We have been in office for a mere seven months, not seven years, and having recognized the work that must be done to take our beautiful Trinidad and Tobago into a path of prosperity that will improve the welfare of our citizens, it was imperative that we review our revenue resources and expenditure to take us along this path. This is what we did and we presented it to this august Parliament and to the people of Trinidad and Tobago. However, Mr. Vice-President, we all have to share in the sacrifices, and as my friend Ferdie Ferreira would state often, money is indeed a scarce commodity today.

As such, I am making this appeal to my comrades in the trade union movement to understand that the focus right now is on saving the jobs that we have, and as such the current economic climate cannot entertain increases in salaries and wages. We have to focus on keeping what we have at this point in time, but we will continue to engage in the dialogue, the conversation, the consultation as we work towards the transformation of this economy that must be manifested into increased productivity, prosperity, pride, sustainability and survivability for all of us. I thank you, Mr. Vice-President. [*Desk thumping*]

Sen. Jennifer Raffoul: Thanks. Can I have the glass stand? Thanks. Does the microphone need to be changed also? Thank you. Mr. Vice-President, as always I thank you for your leadership of us and for the opportunity to speak. Through you, Mr. Vice-President, I would like to thank all of my colleagues here today for their contributions and for their service and dedication to the country that we love.

Mr. Vice-President, please permit me to start on a positive note and to share an experience I had recently with you. About six weeks ago I was in Jamaica for a conference of Young Global Leaders organized by the Wilton Park group which is a division of the UK foreign office and it gathers young leaders throughout the world for different conferences. There I had a conversation with the CEO of a Fortune 500 company who was open to investing in the region. He was from North America and he said that the Caribbean region and Trinidad and Tobago was very special to him. He said that in university many years before he had a professor who

was Trinidadian and this professor really inspired him with a very deep knowledge of the Caribbean region. And he said that the Caribbean region and Trinidad in particular was like a flame in a world of darkness. I repeat, he said that the Caribbean region was a flame in a world of darkness. This one statement was so striking to me, not only because I am very passionate and very, very in love with Trinidad and Tobago and the whole Caribbean, but also affirming that other people from outside of the region can see what we have here and the beauty that is here.

On the issue before us today, the very issue of appropriations, please allow me to thank the hon. Minister of Finance for updating us on the economic state of the country. As a citizen and as an economist I appreciate the manner in which the data was presented and in particular I would like to commend the hon. Minister for announcing the plans to build the rapid rail have been discontinued or put on hold. I can imagine the change in position on this would have been very difficult considering it was an election promise and I appreciate that since the data changed that the decision was made. I thank you.

I would also like to commend you for the statement regarding the years leading up to 2007/2008 that the economy was overheating during this time. This is quite a profound statement and most people do not understand or recognize this. Most of the media commentaries focus around the panic around the current state being a severe recession. Whereas, as you properly said, that era of 2007/2008 was overheating and now it is like a return to equilibrium.

The data that is available though is a bit limited. And I agree with Sen. Ramkissoon that I would like to see a lot more data. The IMF statement said that we are experiencing a relatively minor contraction which equates to 1 per cent of GDP. But personally I prefer to say data in terms of revenue as opposed to GDP especially because we are in a resource-rich economy and GDP can swing widely without actually affecting revenue that much.

Regarding the bigger picture where we are economically, it seems to indicate we are not experiencing a major recession, but we are experiencing a major deficit. And again, that occurred because of major increases in expenditure which were disproportionately increased relative to the increases in revenue. And while our revenue stagnated around \$40billion annually, expenditures kept increasing upward of \$60billion.

And again through you, Mr. Vice-President, I commend the hon. Minister of Finance for accurately diagnosing the economic context and giving us the

historical context.

My feedback today will be as usual concise, collaborative and technical. The statement this morning on the Bill had, what I saw as three mayor themes coming out of it. I will briefly give my feedback on these in my recommendations. The first theme deals with economic stability and the observation is that much of the data, although not much was presented, but that which was seems to indicate stability, but a decline in competitiveness, and in particular the depreciation in the exchange rate indicates that decline in competitiveness.

As such my first recommendation is this. Let us keep focused on the economic fundamentals that impact competitiveness. These are as stated previously: an efficient port, efficient transportation systems, an educated work force and a legislate framework that encourages and even incentivizes companies to create social impact in their operations.

In my contribution on the tax debate earlier this year I spoke on the issue of legislative reform and I would like to expand on it now. I would also like to note that in the IMF statement after its recent Article IV visit that they stated that our legislative framework is in need of updating. The problem with the Trinidad and Tobago legislative framework is that it has not been updated in line with international changes that better stimulate growth and efficiency in business. Currently in Trinidad and Tobago our legislative framework allows entities to register as one of three categories: for profit companies, non-profits and registered charities. And it is particularly noteworthy that in the current legislation there is no definition of what constitutes criteria for an approved charity.

In addition to those three legal classifications, it is also possible for non-profits and registered charities, to also apply to register as approved NGOs within certain Ministries in order to be eligible for different grants and tax exemptions.

And as I noted previously, there is no legislation to support social entrepreneurs or social impact enterprises. On this note I would like to suggest that Trinidad and Tobago change the classification system for companies and include a classification for social impact companies, specifically for companies that are classified as benefit corporations or B Corps which is an objective assessment done by the international company B Lab. Within its assessment metrics it includes extensive indicators to measure a company's social impact and environmental impact and it is considered the gold standard to measure a company's impact.

The second major theme of today's presentation dealt with cash flow

mechanisms and in light of this I would like to reiterate my previous strong recommendation that we consider innovative financial instruments like social impact bonds. Given that 37 to 50 per cent of our revenues is spent on subsidies and transfers annually, including social and community projects and initiatives, these social impact bonds directly target and incentivize project results while simultaneously being effective tools for cash flow minimization, precisely because they use private sector bank funding as intermediaries and strong project management entities like partnering with NGOs and private sector groups for execution.

I would also like to commend the Government on its recently announced intention to include recycling in its waste reduction strategy. This is welcomed and long overdue. May I suggest that we take it a step further beyond recycling and also include composting as a major component of our waste reduction strategy. And further, not just on the what, but the how. May I suggest that we do this via public/private partnership, social impact bond or using B Corp incentives or other innovative financial mechanisms for companies that are objectively certified and transparent.

And lastly on this issue of environmental measures, might I suggest legal measures to prevent and eliminate single-use disposable plastic items such as plastic bags, Styrofoam containers and disposable utensils. Our population is calling for it.

Permit me to share with you an example of a recent event that impressed me. A group of young persons two weeks ago coordinated the New Fire Festival and it was in Freeport. It was a festival aimed at enjoyment of local music, local production and critically sustainability. There were workshops throughout the weekend, live performances of music and different events, all aimed at knowledge sharing.

10.35 p.m.

At this festival there were several hundred participants, and not one single disposable plastic item was used. Our private sector and NGO sector are advancing in this area, and I look forward to seeing the time when our public sector has equivalent standards and measures. Already seven months have gone by, for our term, and we still have these disposable [*Holds up bottle*] plastic water bottles on our desks, and no plastic or paper recycling facilities in our Parliament. We still receive paper-based invitations and communications. And despite this,

unfortunately, it seems to have—government documents still seem to place blame on the private sector for being risk-averse, rather than also taking heed of our own slowness to adopt sustainability into our own operations. Words are so important, and it is important for us to recognize that the culture of blame is not going to get us anywhere. Let us continue in our practice of recognizing our interconnectedness. In this case the interconnectedness between public and private sector, and let us strengthen collaboration for the good of all of us.

Mr. Vice-President, permit me to share a funny story with you. Last weekend I was at a wedding, and normally on weekends I try to separate work from family and friends. But, at one point during the wedding a gentleman came up to me to whisper something in my ear. Curiosity got the better of me and I wondered what he was going to say. So, what he came and whispered with this, “ban plastic bags”. I was entertained. So I repeat, he said, “ban plastic bags”. I was expecting it was a wedding, you know, everyone is celebrating, Monday through Friday are workdays, serious conversation, you know, trying to change our country and trying to improve things. Weekend is a time to just, you know, connect with family and friends, and I really think it is a sign that our population is calling for it. It is not something that we could ignore. There are so many sustainability issues and whether it is at events, whether it is at celebrations, it is on everyone’s mind.

Also, when I thought about it after I realized, he did not just say, “Let’s start a recycling programme”. He took it a step further, “ban plastic bags”. So, let us move beyond just recycling and integrate a comprehensive waste reduction strategy, banning single-use plastic disposable items and also integrating composting. It is time to recognize that our population is calling for change, and that we in this House leadeth in earnest with broad scope. I would also like to point out, as was noted before, that the lights in this building are still on 24 hours a day, as well as the air condition which is extremely cold. Not only is it cold, it is unhealthy. Our microbiome responds to—which is the core of our main system—to temperature changes, and if we are constantly sending it mixed signals, our body does not know how to react. Also, these plastic water bottles are the single highest source of the BPA chemical, which is the highest ranked hormone “imbaling” compound, according to world renowned Environmental Working Group, which is based in Washington DC.

Also, this room is so cold I personally find it very hard to focus. Right now I am wearing a sweater under my jacket, and I always remark to friends how cold it is in here. For my birthday recently a friend gave me a winter scarf. When I was in New

York recently for a workshop at the UN I had about two hours to spare when it was all finished, I went straight to a store and bought sweaters for here. Nothing quite says “Caribbean life” like sweaters and scarves. [*Laughter*] I noticed one of my colleagues today had winter gloves. I am glad she did, because I have considered bringing them in the past, and I did not want to be the only one.

Earlier today Sen. David Small made the remark that corruption does not exist in Trinidad and Tobago until we have any prosecution for it. Until then, there is no prosecution, and corruption does not exist. I would like to make the same analogy with the recession or supposed recession and our environmental conservation and our resource use. There is no recession, there is no shortfall, there is no deficit if we continue to blatantly waste resources to such a large extent without any sense of urgency to change it. When I first brought up this issue in October, the hon. Minister of Finance promised to look into a thermostat and light sensors for this building, and other retrofit measures to reduce wastage.

Hon. Imbert: I will explain.

Sen. J. Raffoul: Okay. I look forward to positive updates.

On the fuel subsidy, I agree that the time has come to adjust it, and I commend the Government for making this effort. Also, I appreciate the proposal to remove import taxes on CNG vehicles and electric vehicles. Combined, these two measures not only reduce the deficit in the short term but hopefully also have longer term impacts towards sustainable consumption and resource use, with longer term financial savings. This is a great example of short-term and long-term measures that are needed to complement each other, and work in tandem.

I will also echo the calls of Sen. Small for removal of legislation that prohibits renewable energy generation which currently applies to solar panels. And, again, I will reiterate that we in this House should lead by example. One perk that comes with this position is the ability for Senators to be exempt from import duties on vehicles, which means that we can purchase vehicles with large engine capacities that generate higher waste. But, by not having to pay the duty on it, but the rest of the population does, the ironic result is that we in this House are actually incentivised to purchase cars producing higher waste. This simply cannot be right. We should be liable to the same duties and payments as the rest of the population that we represent and work for. And we should all be incentivised to purchase low-waste vehicles, not higher waste ones. I suggest that we demonstrate true leadership and seek to eliminate this tax exemption that applies to us. And instead

that we push towards financial incentives for lower waste vehicles that apply to the whole population, including ourselves. Zero duties on clean vehicles are one such measure.

And, finally, Mr. Vice-President, the third theme of this morning's Bill deals with reorganization of expenditure. On this theme I was heartened to hear that some allocations will be going towards St. Jude's Home for Girls and St. Michael's Home for Boys. I am curious to see what these allocations are going towards. Is it just infrastructure? Or, will it also be going towards programmes that help these children heal from the traumas they experienced that led them there? Last week I was fortunate to witness a session organized by my colleague Teocah Dove who is working with these institutions. The session I witnessed was at St. Jude's Home for Girls. Many times children who commit acts of juvenile delinquency and are committed to these institutions are likely to have had childhood traumas which they have not had the support or opportunity to deal with and to overcome.

Teocah is a Chevening Scholar and a global shaper with the world's economic forum. She was recognized as one of 30 young persons last year who won the prestigious Queen's Young Leaders Award, presented by the Queen of England for work in the international community. She is a shining light of service, compassion and dedication to Trinidad and Tobago and its youth. She did this entire programme through obtaining donations and self-funding, and has been working for years to support others with little certainty of financing for her programmes, or even a wage for herself. In September's budget we had allocated \$10 billion to national security. Of all of this funding for security programmes, little of it seems to be going towards genuine prevention programmes and community building. There is one programme which seems to be the exception. This is the Citizen Security Programme, and I would recommend a scale up of this programme. CSP has innovative programme design, utilizing unique community procurement plan and building relationships between communities, and the relationship of trust between communities and the police. It is one of the few programmes that has objective metrics tied into the programme design, and its indicators of success are impressive.

Because of this, it is being used throughout the Caribbean as a model, and now in Africa. This programme is transparent, community building and innovative, and is something we should consider expanding for the benefit of our communities as well as because of its value for money. Please permit me to read a few of its success outcomes: One of the programme indicators is the rate of murder in partner

communities. In the base year 2008, the rate of murder was 98 murders per hundred thousand people; in 2015 that rate had declined by about half, from 98.0 to 45.9. Another indicator, the rate of robbery in partner community stations went from 418.5, in 2008, per hundred thousand, declined by about half, to 219.7 in 2015. Rate of domestic violence in partner community stations went from a rate of 173.8 per hundred thousand, in 2008, to 75.5 in 2015. The per cent of the public in these communities perceiving the Trinidad and Tobago Police Service positively, increased significantly, starting off initially at a low rate of 30.6 per cent, in 2007 to 50.2 per cent, in 2015.

Mr. Vice-President, thank you very much for granting me the opportunity to contribute to this debate. As always, I am here to serve my country. Thank you. [*Desk thumping*]

Sen. Wayne Sturge: [*Desk thumping*] Mr. Vice-President, thank you for the opportunity to join this debate. Thankfully, all that I have said in my October budget contribution on the rapid rail has come to pass, so I would not beat a dead horse.

The two most pressing issues facing our country today, is the economic hardships being faced by the poor and the working poor, and the alarming rate of violent crime which to a large extent is being fuelled by a low detection rate, and a criminal justice system that has virtually taken its finger off the slow motion button and has pressed the pause button. After we take away all the rhetoric from the mid-year review, we see that this review did nothing to address the challenges we face, as I just outlined, but was simply a speech to announce the reduction in the fuel subsidy with the attendant rise in fuel prices, and online tax, and an increase in taxes of vehicles based on fuel capacity.

Mr. Vice-President, like it or not, this measure—and I am speaking about the measure dealing with the fuel subsidy—that has been imposed on an already overburdened middle class and working poor, in my opinion, is tantamount to digging people's eyes out. This measure directly affects the middle class and the poor. Whether one owns a car or takes a taxi, the cost of commuting will go up. This measure will not affect the upper middle class and the rich, as this is like a raindrop in a barrel of water. This measure is tantamount to pilfering from the poor and the middle class. And the average worker who makes \$5,000 to \$6,000 per month, who we thought would have benefitted from the increase in tax allowance, is seeing his income being eroded.

10.50 p.m.

He already spends close to 50 per cent of his income on food, another \$2,000 or so on rent and now in the course of six months, since September 7th—six or seven months—the price of gas has gone up 30 per cent. For those who do not own a vehicle they must still fork out more money because taxi drivers cannot be expected to absorb the increase in fuel prices. And to add insult to injury, you call them, or the Minister of Finance calls them, unpatriotic when they raise prices.

What we need is for the Minister of Finance to call the billion-dollar oligarchs, unpatriotic. These billion-dollar oligarchs, again, they have escaped unscathed in this midterm review. Again, not even a 5 per cent or a 10 per cent increase in corporate taxes. Why not, I ask, impose an additional tax on those banks and oligarchs who post billion-dollar after-tax profits? Why are they not carrying the burden, and why is this Government treating their own grassroot supporters like a bunch of “bobolees”, “bobolizing” them?

With respect to diesel, Mr. Vice-President, no amount of incentive for the purchase of new maxi taxis will alleviate the burden on the working commuting poor. That is on the basis that we assume in the first place that maxi owners have money in this “guava season” to buy a new maxi-taxi. Most of them are required to face the banks in the first place. The banks at present are giving you less than 1 per cent on your money but lending you at 15 per cent.

In this mid-year budget review this Government has done nothing to protect the ordinary working poor from the pillage of the million-dollar banks. So now, maxi drivers must raise fares, and this brings me, Mr. Vice-President, to the next measure which the Minister of Finance sought to pass off as a tax on luxury vehicles. Mr. Vice-President, by doubling the motor vehicle tax and custom tax on vehicles with a capacity of 2.0 and above, the Minister of Finance is trying to sell us a dream that this somehow will target the rich. This, I submit, is a statement which he should have made on April 1st.

Firstly, most of the vehicles that have a capacity of 2.0 and above are not luxury vehicles. Most vehicles engaged in transportation of goods are 2.0 and above, which means that this measure—just like the increase in VAT, just like the increase in business levy, just like the increase in green fund levy and just like increased fuel cost—will be passed on to the working poor.

Secondly, with respect to this measure there are many luxury vehicles which

will not be affected by this measure. The Audi A4, 1.8 turbo will not be affected. That is less than 2.0. The Mercedes Benz, C-Class, 180 will not be affected. Most BMW 3 Series will not be affected, and the list can go on.

Thirdly, to give the impression, it is somehow the rich will feel the pinch from this measure is to insult our intelligence. If a man can afford an S-Class for \$1.9 million, an Audi A8 for 1.4 or a BMW 7-series for 1.5, then doubling the tax will do nothing to his pocket. After all is said and done, Mr. Vice-President, the poor, the unemployed—[*Interruption*] be quiet please, the pensioners will all see an increase in the cost of living and whilst they are being slowly impaled the wealthiest 1 per cent have not been made to feel even a pin prick in this mid-year review. You impale and you “bobolize” your own supporters and your own financiers, not a pin prick.

Mr. Vice-President: Senator, the language, the unparliamentary language. Please, tone it down a little bit. The word “bobolize”, I would prefer if you do not use that word in your contribution. Please continue.

Sen. W. Sturge: Guided. As I move on to the next issue, the issue relative to the company now known as Grand Bay Investments Limited or whatever it is, I would like to ask the Minister of Finance in wrapping up, when he comes to wrap us, to tell us whether it is prudent to lend money or guarantee money to a business that already has demonstrated that it cannot pay its existing debts. And for the sake of transparency and accountability, can the Minister when he wraps up tell the public, the taxpayers, the named human being from that business entity who made the request for this loan? Can the Minister of Finance when he wraps up tell us the names of the beneficial owners of this company? Can the Minister of Finance tell us why we are giving away US \$5million to that private company and then instead of being repaid in US we are being repaid in Trinidad dollars?

In his response, Mr. Vice-President, can the Minister of Finance also give us any good reason why he is yet to step in and protect the working poor from exorbitant lending rates imposed by the banks and from the litany of mostly unnecessary bank charges? Can he tell us why he chose not to touch the billion-dollar conglomerates, particularly when all of the policies in this mid-year review will cause hardship to small businesses? Small business, Mr. Vice-President, is the lifeblood of many economies, and ours is not different, so that protectionism should be for the small businesses and not for ANSA McAL and Massy.

With respect to labour, we have heard nothing of substance from the Minister of

Labour and Small Enterprise Development in terms of policy. All we have heard from the Minister of Labour and Small Enterprise Development is that she is begging banks and finance houses to ease up the more than 6,000 persons who find themselves on the breadline. All the other plans listed out, with my respectful view, are simply plans that will never materialize. Plans that will never materialize, PNM for your money. And this Government, I respectfully submit, is very lucky that in this climate the unions have been silenced by \$15million come sure. [*Desk thumping*]

With respect to our tax on online shopping, if I am to understand this policy, Mr. Vice-President, would the tax not apply to the shipping company or customs broker who imports? I have purchased many of my court clothes online and every time it arrives and I show up at TTPOST to collect it I pay import duties and a whole host of other taxes. So am I to understand, in addition to what I have to pay to customs, I now have to pay more? I would like some explanation when the Minister wraps up.

Sen. Baptiste-Primus: You bought your bikinis?

Sen. W. Sturge: If I leave the—no, “Ah buy it fuh meh husband”. [*Laughter*] If I—[*Crosstalk*]

Mr. Vice-President: Hon. Senators, please allow the Senator to, one, make his contribution. Hon. Senator, focus on the Chair when you are making your contribution and try to ignore the crosstalk that is coming at you.

Sen. W. Sturge: Yes, guided. Mr. Vice-President, if I leave the country and bring these items in myself, I have a yearly allowance when I face the customs officer in line, but since I have not left the country since 2007, barring two occasions, I have not benefited from the allowance given by customs. The reality, Mr. Vice-President, is this tax will only hurt small businesses whilst big business will only pay import duties and they are therefore protected.

Sen. Cummings: You buy Superman suit online?

Sen. Samuel: “Doh take him on.”

Sen. W. Sturge: Mr. Vice-President, I am being interrupted—and, “yuh doh want meh open meh mouth ’bout you”.

Hon. Senator: Ohhh.

Sen. W. Sturge: Mr. Vice-President, if a business person, for instance, owns a

small store or a kiosk in one of the malls downtown and she orders her stock online, she pays her tax online and pays her tax to Customs when it arrives, she cannot compete with businesses such as Detour Stores or Francis Fashions who can sell cheaper and she will soon be forced out of business. The big businessman is benefiting at the expense of the poor. You kill in essence the entrepreneurial spirit of the small man and he is now forced to take up a job and join the ranks of the working poor.

The Minister of Finance has chosen to levy this tax on online shopping and in the last few months we have been given the clear impression that this, according to him, seems to be a drain on our foreign exchange reserves. Can the Minister now tell us using figures, how much do we actually spend on online purchases and how does it compare to the list of big spenders identified by the former Central Bank Governor? Can he give us the figures so that we can judge whether the ordinary citizens are being unfairly targeted. If this measure is designed to stem the outflow of foreign exchange, can the Minister of Finance tell us whether we should expect in the near future to pay additional taxes on credit card transactions for transactions done whilst we are abroad?

I move on to the other main issue facing this country, which deals with national security. Mr. Vice-President, when in Opposition this Government castigated the then Government for having five different national security Ministers in five years. And now with a carefully disguised Cabinet reshuffle we have three Ministers in six months. And given the murder rate which has spiralled out of control since the Government took office, I had hoped to hear something in the review geared towards addressing this burning issue.

Mr. Vice-President, we cannot hope to diversify through tourism if, when tourists arrive here, they are being robbed and killed—unless you are advertising Trinidad and Tobago as a destination for blood sport.

First we have a Japanese tourist, Asami, murdered in our midst with the attendant international news headlines and now, a couple days ago, the murder of a visiting British national, again, making international headlines and attracting the kind of international media attention we could do without, particularly, at this time. So in terms of national security in this mid-year review we see no policy direction that will ameliorate the situation.

Now, Mr. Vice-President, it only takes an ounce of common sense to know that there is a correlation between the abysmally low detection rate for murder and the

rise in violent crime. If there is only an 8 per cent chance of being caught, you cannot expect the murder rate to decrease any time soon. If the risk of being caught is high and the conviction and punishment is sure and swift then that will go a long way in reducing violent crime.

If I can take you, Mr. Vice-President, to the Jamaican experience. In the last seven or eight years our system of criminal justice has ground to a halt. So I ask, why is it that Jamaica, a country of comparable violence and less financial resources, can do a lot better in crime detection and can bring an offender from charge to conviction within two to three years. The murder trial of the Jamaican dancehall artist, Vybz Kartel is an example of swift justice. The trial of the taxi driver charged with the murder of former Minister Coudray's daughter is another example.

Mr. Vice-President, in late December 2001, Lester Pitman was charged with murder. By early July 2004 he was convicted of murder, a mere two years and seven months. Back then, four to five years was the norm. Why is the new norm 10 years? Why are we taking 10 years between charge and final disposition at the assizes? And do not tell me it is because one lawyer is representing close to 100 of the 700 persons charged with murder. What is happening with the other 600?

Over the years, Mr. Vice-President, I have taken up the burdensome task of doing two murder trials at the same time, representing poor persons whose lives are at stake as I am doing now. So in addition to Opposition work and having to attend Magistrates' Court, all corners of the country, I am stretched thin, not because I want to, but because most lawyers who practise criminal law are content to earn between \$5,000 and sometimes \$10,000 per day in the Magistrates' Court, with free evenings and weekends rather than come day in and day out to the High Court and still have to research legal issues at night and on the weekend.

Mr. Vice-President, I believe it is time that we pass legislation to make it mandatory for lawyers who have benefited from subsidized legal education to work the first two or three years of their career in the criminal justice system and if they do not wish to utilize this option then they must be made to repay the subsidized portion of their education in full.

11.05 p.m.

Mr. Vice-President, in the October contribution of the hon. Attorney General we heard from him that giving the Judiciary its own budget would be a clog buster. We have heard nothing since. Now I have done the math, Mr. Vice-President, and

since I work in the criminal justice system I can tell you, since the shorter murder trials last two to three months and the longer ones in excess of a year, and if we are generous enough to say that each of the eight courts in this country do four murder trials per year for a grand total of 32 murder trials per year, and assuming further that the detection rate moves from 8.6 per cent down to zero per cent, which means no new murder cases, it will take us 22 years to clear the backlog at the existing pace.

Mr. Vice-President, you see, there is no incentive to practise criminal law in this country. When my colleague Mario Merritt and I—PNM Mario Merritt and I—were admitted to practise in 1998, Legal Aid paid a minimum of \$750 and a maximum of \$1,500 per case, no matter the length of the case. I remember doing two cases for two months and being paid \$750. Many of our colleagues laughed at us, and what we made in two months they made in one hour.

The UNC Government raised the Legal Aid fees in the year 2000 to \$5,000 for non-capital cases and \$10,000 for capital cases. Mr. Vice-President, from November 2009 to June 2010 I represented one Sebastien Joseph by way of legal aid retainer and was paid the maximum \$10,000. From mid-September 2011 to June 2012, I represented another client by way of legal aid retainer and the judge authorized the payment of \$10,000. Mr. Vice-President, in essence, I would have earned more money turning chicken in KFC. And when you calculate 14 hours a day, I worked for \$4.25 an hour.

When the last Government came to office, they raised the fees from \$10,000 per trial to \$30,000 per trial, and that is murder. From February 2013 to September 2013, I represented one Daniel Agard in a murder retrial and was paid \$30,000 by Legal Aid—\$30,000 for seven months' work. The special rates of \$30,000 per month is payable in long and complicated capital cases where there are five or more accused, which means that the trial is guaranteed to last at least one year. That, in essence, gives a picture as to why the system has ground to a halt.

If we are to continue at this rate, Mr. Vice-President, we will not attract competent counsel to practise at the criminal bar. Even if we build more courts, which we must—we have no choice—and there is no incentive to attract competent counsel, the backlog will remain. Even if you build more courts, where are you going to get judges who are versed in criminal law?

[A Senator's cell phone rings] Decorum.

The judges, Mr. Vice-President, come from the bar and if the bar remains small

we are “spinning top in mud”. All this talk about the cost of maintaining each prisoner per month, in my view, respectfully, is robber talk. If a court decides that you are to serve time, if a court decides that you are not entitled to bail by law, or if a court uses its discretion to refuse bail in the public interest, we have no choice but to foot the bill. What we need is resources geared toward a higher detection rate and a speedy resolution of cases. We have seen nothing in this mid-year review to give us that hope.

Mr. Vice-President, allow me to humbly suggest an amendment to the law, and let me make it plain, this is not the view of the Opposition but this is my personal view. If we take one of the most popular offences in the courts of this country, simple possession of marijuana, this takes up precious judicial time and a disproportionate amount of police resources in detecting, for what is, for all intents and purposes, a non-violent crime. Why not, as a first step, make this offence a ticketable offence, where there is no imprisonment at the cost to the taxpayer, but a device where, if caught, an offender can simply avoid the court and pay a ticket.

Another offence, Mr. Vice-President, that is a waste of precious judicial time—obscene language, annoying language, insulting language, and these offences fill up our courts every Monday morning simply because you insult a police officer, you use annoying language in his presence or he hears you using obscene language which you hear on TV, in the cinema and so on. You end up before the courts and waste precious judicial time. Is it not time to unplug the courts by repealing these archaic laws?

Mr. Vice-President, is it worth it, I ask, to expend resources on such trivial offences whilst murder goes largely undetected? Let us, Mr. Vice-President, in the interim, look at evening courts to hear non-capital cases where offenders are out on bail, even if it means hiring temporary judges from the private bar. Let us look at making non-violent offences triable by a magistrate as opposed to a judge and jury. There are so many options available to us in the interim.

Mr. Vice-President, when I started, I was of the view that I would not be long. I do not see it as a productive use of our time to be here at ungodly hours, but let me, in closing, say that in the seven months since the PNM took office, their supporters have moved from “red and ready” to “red and ready to dead”. And on their behalf, I pray, Lord hear us, Lord graciously hear us. May God have mercy on their souls. [*Desk thumping*]

Mr. Vice-President, I thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Shrikissoon. [*Desk thumping*]

Sen. Taurel Shrikissoon: I think most people are asleep by now.

Hon. Senator: “Nah”, fully awake.

Sen. T. Shrikissoon: Thank you, bench. Thank you, Mr. Vice-President, for allowing me the opportunity to come in at this late hour with respect to the Bill before us. But before I begin today, I would like to take this opportunity, on behalf of the Independent Bench, to congratulate the three West Indies teams for their resounding victory [*Desk thumping*] in the recent competitions and bringing a celebratory spirit to the Caribbean and more so to Trinidad and Tobago. So to our team, congratulations. [*Crosstalk*] Right. And in keeping with the thrust of cricket, I think being asked to speak so low down in the batting order, I think I have to emulate the performance of Carlos Brathwaite for this one. [*Laughter*]

So, Mr. Vice-President, thank you again for allowing me the opportunity, and in doing this, I would really like to commend the hon. Minister of Finance for his brave attempt at a punctual mid-year review for fiscal 2015/2016. [*Desk thumping*]. I know I have supporters, you know. But if I say that I am not concerned or deeply concerned about the financial health of Trinidad and Tobago, I would not be the telling the truth. And just to quote the Minister in his mid-year review when he says:

Can you imagine being faced with a requirement to repay in full, a \$1.6 billion debt, short-term loan, with oil prices below \$30 a barrel?

He goes on to say:

The overdraft maxed out to the limit and the Exchequer account overdrawn by \$30 billion.

And I would like to add: business levy and Green Fund accounts pledged against a maxed-out overdraft, \$5 billion in arrears of salaries, public debt at probably the highest ever in the history of Trinidad and Tobago, declining reserves, depreciating currency, a rising unemployment, a declining GDP closure of businesses, and according to the IMF report, absence of financial cushions and a current account with a balance of—a deficit on the current account with respect to balance of payments that were registered surpluses in prior years.

I am saying this to present the context of this situation and to say, in Sen. Khan's words, this is what is confronting us and this is what has to be the new normal from which we have to work. And this is the context. But what is upsetting

me at this financial dashboard of Trinidad and Tobago is that if we compare the revenues that we would have earned from the period 2005 to 2015, it would take us well beyond \$500 billion—in the words of our AG, “five hundred thousand million dollars”. We have accumulated, or we have earned this money over a 10-year period—and I am using a 10-year period to span regimes—and yet at a time when oil prices have become depressed in just over a year, Trinidad and Tobago is confronted with a financial dashboard that is in no way impressive.

So the question really is, today: how have we managed for the last 10 years, given in the first year or 18 months of declining prices on commodity items, that Trinidad and Tobago now has before us a financial dashboard that is not presenting a very positive outlook? I am very, very, very much concerned about that. Where was the futuristic and strategic planning for the country over the 10 years when in some years you registered over \$12 billion in surpluses and 18 months into declining prices, we are talking about touching the Heritage and Stabilisation Fund? That, I have a problem with. [*Desk thumping*]

And today the question is simple, you know. If we examine our own financial health and the financial health of our own homes, does the financial health of our own homes reflect what this country is seeing? And more than likely, the answer is no because our homes would still have some element of resilience. And if that answer is no, then why are we, as leaders, putting our country where we prefer not to put our homes? And that, I have an issue with. We know how to plan well for our homes and our well-being but we cannot plan ahead for our country, and I am very, very much concerned about it. If we can do it for our homes, Trinidad is our home, and let us do it for our country as well. [*Desk thumping*]

Why put us there? Why put us there after 10 years of resounding revenue? And I did not include the access to debt financing in that figure. And I am very, very, very much hurt, as a Trinidadian and as a citizen of this country, that we are confronted with this stage, or this level, or this situation, given we could have avoided it if we had planned better.

But now just to deal with the matters at hand with respect to the Variation of Appropriation Bill, 2016, I would again, like to commend the Minister for keeping his commitment to the public officers in terms of the repayment of their salary arrears. I know at this point in time it was a bill that he inherited and the cash flows of our country may not allow him to readily do so, but the mere fact that he is committed to it, is saying, “Okay, public servants, there is a safety net ahead of you”. And I really want to commend him for that. I also observe in his mid-year

report that he was saying the he may use some financing options to ensure that this debt is paid. I am saying as long as it is feasible and possible, if we can wrap up this expenditure before the end of 2016, it would be appreciated so that we do not have to carry it over for 2017.

With respect to the fuel subsidy, a lot has been said about the fuel subsidy today, and especially coming from the Independent Bench. There have been various other solutions being presented to make sure that other areas of that, that are subsidized, like electricity, that some initiatives are being taken now so that the brunt of the subsidy, if it has to be removed from electricity—or when it has to be—will not have the impact that the fuel subsidy is having, or can have on the community. But I am in support of the removal of the fuel subsidy. I am, because I think we cannot subsidize these things indefinitely. It is just not sustainable.

The little challenge I am having with the fuel subsidy is as the fuel subsidy is removed, the price at the pump will vary according to the price of oil and gas at that time; and I am saying, in the future, that as oil price moves, the price of fuel at the pump has the potential to move in the same manner, and therefore the consumer may not have the time period to adjust to sudden changes in prices at the pump. Therefore, I want to ask that in the re-pricing or the fuel pricing regime that the Minister so spoke of, that he puts some element of a buffer in place, probably 10 cents a litre from now, or something like that, so that as the prices change, customers or consumers will have some element of a time period to prevent them from just having to adjust so radically at the pump so suddenly.

So I really want to ask that something like that be done.

11.20 p.m.

With respect to the maxi-taxis, a commendable effort again from the Minister to at least try to offset some element of the burden to that class. The little challenge I am having with that is that it is a benefit to the maxi-taxi driver or taxi owner with respect to a capital cost. Fuel is an operational expense, but the benefit is on a capital purchase. So therefore, if it is that the current owners do not purchase new vehicles, they may not be able to benefit from this. And so, I am just asking: can we reconsider the benefit that we want to ascribe to them? Bring it in an operational form, and as maxi-taxi drivers and taxi drivers are entitled to 100 per cent write-off on their fuel, on their income taxes, can we consider 105 or 110 per cent of that write-off in terms of determining their taxable income, in terms of when they are reporting their expenses?

Hon. Member: You are right on that one.

Sen. T. Shrikissoon: [*Interruption*] Sort that out after. [*Crosstalk*]

Mr. Vice-President: Senator, continue.

Sen. T. Shrikissoon: [*Interruption*] Thank you, Sir. With respect to CEPEP, URP and GATE, Mr. Vice-President, in my contribution during the budget debate in fiscal 2015/2016, I did highlight that our country was recording low levels of unemployment, but the business sector remained starved for labour, and while there was runaway expenditure with respect to CEPEP and URP, I ask could there be a redirection of this labour pool into a more productive sector? Therefore, I really want to applaud the Minister for his decision to refocus CEPEP into a business incubator while taking the labour pool from URP and reassigning it to community projects which will have tangible outputs, and therefore, contributing to the GDP of Trinidad and Tobago.

So that these programmes would no longer just be a social programme, but there will be a direct benefit for the dollar spent on these programmes. So, Minister, I commend you for that with respect to CEPEP and URP. With respect to GATE, we have heard so much about GATE today, and just to add the Independent Bench's position, I think most of us would have said it is a programme that requires restructuring, and I know that the Minister said that there is a team assigned to it. We look forward to it, but bearing in mind that there are students already in the system for which parents may have anticipated that GATE funding would be provided to them for the duration.

So please, I ask that consider the children or the students that are already in the system before we pronounce on it. But when we take these three programmes collectively, CEPEP, URP and GATE, just as the social programmes, we would realize that calls from different sectors of society have been made over the past years so that these expenses could have been rationalized before. Today we are seeing that the logic being provided from the past is only being accepted now because Trinidad and Tobago is in a financial position that we can no longer sustain this level of social expenditure. Why?

Why was the clarion call being made before, the logic presented, which makes total sense, which we are accepting now? But we did not do it just because we had, and that is why we are in this problem because the logic of the past is the logic of today. We did not make the changes then, but we want to make the changes now. It could have been avoided, and that is the point. It could have been avoided. As a

country, we just took too long to deal with it.

With respect to foreign exchange, I am again, in my budget contribution for fiscal year 2015/2016, I was the one that said to the Minister, “Listen, there could be a problem, a drain on the foreign exchange with respect to online shopping”. I quoted the data and I did say that it was costing the country approximately \$1.6 million US per day with respect to online shopping. That was in my budget contribution and so today I am delighted to see that in the context of declining reserves, in the context of declining reserves because this presented a leakage of foreign exchange, and there were probably companies that were utilizing a credit card for purchases, that there is some element of a check and balance on the way in which foreign exchange is being expended in this form. ForEx has turned out to be a scarce resource for Trinidad and Tobago, and if we are to defend the value of our dollar we need to protect the reserves.

So in the context of declining reserves, I want to agree with the Minister with tax that he has proposed. So what we are seeing here is that if it is improperly managed a run on foreign exchange would cause a depreciating currency, and that is what we are probably trying to avoid. So in that context, I want to agree with it. However, I also want to applaud the Minister for giving some element of guarantee that the decline or depreciating currency may just get to a level and he proposed a 7 per cent depreciation of the value of the currency as at September 2015, and by my calculation that should be anyway around \$6.82. The reason why I would like to say I commend you, Sir, is because being a member of the private sector it was difficult to cost imports coming in into the future. We were speculating \$7.25/\$7.50, and therefore, we were pricing with that in mind.

Given the element of assurance that there is a \$6.82 upper threshold, then we can now plan a little bit better. The flipside to that is if we hold on to a value of the currency at \$6.82 and there is a run on reserves, we could be in problems, and therefore, I want to say that a clear and a keen eye be placed on the value of reserves in our country as we seek to defend our dollar at this value. Why am I saying that? I am saying this because if we consider the Central Bank figures with respect to the amount of injections made by the Central Bank of US dollars in our country, over the period 2013—2015 we would realize that the largest injection was made in 2015.

If this trend continues of large injections, taking our reserves below \$9 billion, which is roughly the average that Central Bank would have held on to for the last five years, we could be having a problem of a depreciating currency that we may

not have the capacity to defend. So, to the Minister of Finance, let us place a keen eye on reserves, keep the population informed of the level of reserves, because each of us, as we demand US currency, will be placing pressure on the reserves of this country. So keep the public informed.

With respect to financing, hon. Minister of Finance, through you, Mr. Vice-President, I need a little bit of assistance with respect to the math of the budget. In September 2016, the budget was presented and current revenue was \$63 billion. [Interruption] Current expenditure, sorry, \$63 billion. Current revenue proposed at that time \$41.6 billion, leaving a pre-adjusted deficit of \$21.4 billion. It was financed or proposed to be financed by fiscal measures \$5.2 billion; sale of assets \$13.4 billion; total finance of the \$21.4 billion deficit, \$18.6 billion; and a net deficit of \$2.8 billion.

Just to recap. It is simple. Current expenditure \$63 billion, current revenue \$41 billion, deficit \$21 billion. Now I am seeing here that current expenditure declined by \$4 billion as projected by the Minister; current revenue declined by approximately \$7.6 billion, and we are seeing now—a proposed according to page 22—current revenue now being \$44 billion.

In September it was \$41.6. We are seeing a 7.6 decline in revenue, but it is reported at \$44 billion and that is why I am having a little challenge. How can expenditure fall by four, revenue fall by seven, but we have an increase in current revenue? So I have a little challenge with the math, and if we have a challenge with math it is telling me that the deficit is not as 15, or probably not as the figures are arranged. So I am just asking the Minister: in the same format that you presented the figures in September 2015, can we have current expenditure; can we have current revenue; can we have the deficit? And then tell us how we are going the finance the deficit. My reason for asking for it in this format is because we will exactly know how much of the revenue is coming in, what the expenditure is for current operations, and we will know what the gap is.

The gap is important because we are saying that our expenditure is running away from our revenue. So if we do not know what the gap is we will not know what the margin is to be closed and that is very important because as our deficits grow, our obligation to finance this deficit will also grow and probably our debt financing. Which brings me to my last point here, today, by saying with respect to debt financing, it says here and if I recall correctly, in the budget presentation of 2015/2016, the *Review of the Economy* indicated that our debt position was at \$75 billion. What has happened since?

On December 08, 2015, this honourable Senate approved an access to the Government of a further \$50 billion, up to \$50 billion to be used. The IMF Article IV Consultation Report highlights that public debt is rising although at a low rate—it says that—but it is rising. We are seeing now that the Government is now proposing capital projects to be undertaken, the Curepe interchange, the Valencia to Toco freeway, the upgrade of the Moruga road and others. Therefore, the question is: where is the funding coming from for these projects? If we were at \$75 billion, IMF is saying that our debt is rising, we just approved \$50 billion and now we are going to undertake capital projects when our revenue on our budget is already in deficit, where is the funding coming from? It has to be that the funding is coming from debt, and that is a variable or an element of a financial health that we must pay attention to.

In the Minister's mid-year review he did not really address or tell us the level of indebtedness of our country, and Sen. Mahabir has made the call for us to become aware of what it is. And to remind us, on December 08, Sen. Khan, the hon. Franklin Khan told this honourable Senate that debt would be managed and it will be up to 65 per cent of GDP. And I am saying to us, in a time of increasing debt, are we staying to that commitment that we gave to this honourable Senate. In so doing, at the end of that same debate, our hon. Minister did commit to this Senate—and he did not give a time frame which I must have say—that he will continuously, or at least once a year, tell this honourable Senate of the debt position of our country. He did not give us a time frame, so I understand that, but I am just saying that in the mid-year review it may have been a good time to tell us how much debt has been incurred and what debt levels could be incurred, or may be incurred, for rest of fiscal 2015/2016.

So, Mr. Vice-President, we woke up one morning and we heard of a \$9 billion overdraft, in the same breath we heard of Green Fund Levy and Business Levy being pledged against an overdraft. We woke up another morning and we realized that the current account of the Exchequer was overdrawn by \$30 billion. I do not want a situation where we wake up one morning and we have a debt that has just spiralled out of control.

11.35 p.m.

And why I am saying this as well, is when Moody's and Standard & Poor's downgraded our economy last year, one of the reasons cited for it is continuous deficit budgeting, and we have recognized from the Minister's presentation in the mid-year review that deficit budgeting, while it could have ended in 2017, it is now

projected 2018/2019. If continuous deficits are planned, it is a great possibility that our debt rating worsens as it spirals out of control. And if the intention is to touch the Heritage and Stabilisation Fund, our capacity to buffer this increase will be weakened, and therefore, we are seeing more problems on the debt side of the economy. So therefore, as I conclude, Mr. Vice-President, these are some of the critical areas that I personally think that we need to address.

So, in closing, I would like to commend, as I did, the Minister for restructuring the social programmes of CEPEP and URP. Second, I do agree that the GATE Programme needs to be restructured. I also said that I agree with this online tax of 7 per cent in the context of preserving foreign exchange balances. I also said that I was pleased, or I approve, or I consent to the removal of the fuel subsidy so as to ensure that the subsidized or the level of the subsidy, because it cannot be sustained, it is removed, but we have proposed alternative measures for the maxi-taxi drivers and as well as a stabilisation fund to reflect, or to preserve, or protect customers from drastic changes at the pump.

However, I do ask the Government to present a statement of debt to this honourable House indicating public sector debt, indicating the debt of state agencies not covered by contingent liabilities—that would be debt incurred on their own—as well as Government to Government arrangements, for example, the instrument which the Couva Children's Hospital was funded by, so that we would know the true debt position of this country. It is very important at this critical juncture that we are aware of this because, at a time of declining revenues, how much of our recurrent revenue has to be assigned to servicing our debt.

I also want to say that care needs to be taken with respect to fiscal measures because the Minister had used a Laffer curve analysis to demonstrate an increase in income should the rate of VAT be reduced. We are not seeing that increase materializing because in his mid-year review, he said that VAT estimates are down by a possible \$3 billion, and extreme caution needs to be exercised with respect to foreign exchange reserves so as not to allow our currency to run away from us.

With those few words, I thank you, Mr. Vice-President. [*Desk thumping*]

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President and I wish to thank hon. Members opposite for allowing me to respond before midnight. Now, I must say I admire Sen. Shrikissoo's passion, and I wish to thank him also for his kind remarks. But I would also like to inform this honourable House, the hon. Senator and other Senators and the population, that a

lot of the information that the hon. Senator is requesting is readily available in the public domain.

As the Senator was speaking, I downloaded the Central Bank's March 2016 Economic Bulletin which is available on their website, and I went to Table 17 which gives me the total public debt in September, in December. It gives the Central Government domestic debt, it breaks it down into bonds and notes, Clico debt, Treasury Bills, Treasury Notes, Central Government External Debt, Statutory Authorities, State Enterprises and so on. It is all there and the Central Bank, in fact, issues these statistics on a regular basis. So, if hon. Members wish to know what our debt levels are, just go to the Central Bank website. It is in real time and you can get it very easily.

And for the information of hon. Senators, when the IMF said that our debt levels are rising, they were referring to the period 2010—2015 and for the information of Sen. Ramkissoon—I have not finished with Sen. Shrikissoon but let me just deal with Sen. Ramkissoon. Our public debt rose from \$45 billion in 2010 to \$76 billion in 2015. So when the IMF makes the comment that we have rising debt, what they really referring to is the UNC period where they took our debt from \$45 billion to \$76 billion. And you would be very pleased to know that under this PNM Government, between then and now, between the time that we took over and now, our public debt has dropped by \$5 billion. [*Desk thumping*] And all of that is available on the Central Bank website.

In fact, at the time of the budget, I indicated that our debt to GDP ratio was approximately 46 per cent, it is now 42.5 per cent under this PNM administration. [*Desk thumping*] All of that is available on the Central Bank website. You do not want to believe me, just go there and you will see it. So that you do not have to worry about rising debt. Of course, there will be an increase in debt because we have to finance the public servants' arrears, we have our infrastructure projects to do and so on, we have budget deficits; we need to borrow. But what we are doing is we are seeking to very prudently manage our public debt. So it is the complete opposite of what is outside there in the public domain being promoted by the uninformed.

But let me go back to some statements made by Sen. Shrikissoon. He asked about the figures. Now, the total revenue was \$60 billion. This is the total so this included both tax revenue which is current revenue and capital revenue which is dividends, proceeds from the Phoenix Park IPO and so on and so on. So the total revenue is projected to decline from \$60 billion to \$53 billion more or less. That is

where the 7 per cent is but not the tax revenue per se. So we are expecting current revenue for this year to be about \$44 billion, this is tax revenue, because we have introduced a number of measures in order to increase taxation. I can tell you we expect to collect, in value added tax, about \$1 billion more in fiscal 2016 than in fiscal 2015. So I just thought you should know. That is the difference in the figures. One is total revenue, one is current revenue. I can understand that there might be some confusion but I hope that clears it up.

With respect to the other issues raised, Sen. Shrikissoon made the point that in just one year, Trinidad has gone from a situation where we had surpluses to the current very difficult situation or this is the message that you put out. That how, in one year, could we go from a situation where we had surpluses to a deficit. I just took note, that is what you said. How could this happen in one year? Let us see if I can paraphrase it that way. How could we go from where we were 18 months ago to where we are now? It did not happen in one year. *[Interruption]* That is okay, Senator. I am not arguing with you at all but it did not happen in one year, it happened in five years. And what happened in the last five years is that our cash balances moved from positive \$6 billion in 2010 to negative \$9 billion in 2015. So \$15 billion in cash just wiped, it disappeared from the system because we had—we were \$6 billion in credit in the Central Bank in May 2010, we are now \$9 billion in overdraft, so \$15 billion in cash evaporated under the last administration.

I have already indicated that they took our debt from \$45 billion to \$76 billion; CEPEP doubled from \$300 million to \$600 million over the last five years; expenditure moved from \$46 billion to \$62 billion; the NGC lost \$14 billion in cash. That just evaporated from the NGC's account. It was taken out of the NGC's account. So if you take the cash balance at the Central Bank, you take the NGC cash, that is about \$30 billion just gone under the last administration. So I hope you now understand. It did not happen in one year, it happened in five years and it happened because the previous administration just spent money like water. That is what happened. They spent money like water.

So when you look at GATE, CEPEP and URP, they now total \$2 billion. These things did not total \$2 billion in 2010, a fraction of that. That is what we are faced with. We are faced with GATE at \$600 plus million, URP at \$600 plus million, CEPEP at \$600 plus million; \$2 billion for these three things. It was less than \$1 billion in 2010 so that is what happened. And you say it could have been avoided, yes, if the population had voted PNM in 2010, *[Laughter]* it could have been avoided. We might still have \$15 billion in cash, NGC might still have \$14 billion

in its reserves.

Sen. Mark: “You all woulda bust the Treasury, wey yuh talking ‘bout.”

Hon. C. Imbert: Mr. Vice-President, could I ask for your protection?

Mr. Vice-President: Members, we do not have long again, allow the Minister of Finance to make his response. Thank you.

Hon. C. Imbert: Thank you, Mr. Vice-President, I am just dealing with facts you know. We had \$6 billion in—[*Interruption*]

Sen. Mark: Facts? You could talk about facts?

Hon. C. Imbert: Mr. Vice-President, please.

Mr. Vice-President: Sen. Mark.

Sen. Mark: Sorry, Sir, sorry.

Mr. Vice-President: I just asked that we can maintain some silence that we allow the Minister of Finance to wrap up. Thank you.

Hon. C. Imbert: Mr. Vice-President, I know it is very difficult for Members opposite to hear the truth. We had \$6 billion in credit in the Central Bank, we now have \$9 billion in overdraft in the Central Bank courtesy them. They doubled the debt, they doubled CEPEP, “they raid the NGC”—these are facts, I know they do not want to hear this. So that deals with the issue of what has happened to Trinidad and Tobago. That is what happened: the UNC happened.

Now, in terms of online purchases, I thought I would look at an article. There is an article here that was drawn to my attention, BBC article dated January 2014 and its headline:

“Argentina restricts online shopping as foreign reserves drop”

I mean, what is happening in Trinidad and Tobago, we are not unique and Argentina saw its foreign reserves dropped by 30 per cent in one year and they decided that—and I will read:

“Anyone buying items through international websites will now need to sign a declaration and produce it at a customs office”—in Argentina—“where the packages have to collected.

Argentina’s reserves of hard currencies dropped by 30%...”—in one—“year.”

And:

“The government...has introduced a number of restrictions on transactions with foreign currency.

Items imported through websites such as Amazon and eBay are no longer delivered to people's home...”

They have to be collected by customs. Okay. So Argentina faced this problem and they put in restrictions because they saw a dramatic drop in their foreign reserves.

And the thing with online purchases, paid for through a credit card, is that they are automatically converted into foreign exchange. It is completely different from people who have to go and line up in the bank, ask for money and may or may not get it, may get some of it, not so with a credit card, and if you have a limit of US \$20,000, you could do that every single day you know. You could use US \$20,000 on your credit card every day and replenish it the next day and then go with a next US \$20,000. So that people need to understand that, at least, 12 per cent to 13 per cent of our foreign exchange is leaking out through online purchases with online retail stores. That is what the banks are telling us.

11.50 p.m.

And if you do the maths, it comes up to about TT \$6billion per year. It is leaking out, through online purchases. We have to face reality, and a lot of these items are not declared, a lot of them. People talk about having to pay VAT and duty on purchases. Yes, they do, on some of them, but on a lot of them they do not pay. These things come in without being declared and without tax being collected on them. So a number of countries throughout the world have sought to deal with this in different ways and in many jurisdictions now there is a tax on online purchases. I indicated we are going to take five months to work out the mechanism, look at exemptions, look at a threshold, look at the way the tax is to be collected, and so on. But these are things this country just needs to do.

You know, I listened to the contributions from the Opposition and honestly, I mean Sen. Mark was, as per usual, shouting at the top of his voice. Sen. Sturge is similar to Sen. Mark, except he talks in a monotone and honestly I really did not hear much from the hon. Members on the Front Bench. There really is not anything to respond to.

So let me move now to Sen. Ramkissoon. Sen. Ramkissoon said that in her view, 2016 appears similar to 2009. It is similar in some respects but very dissimilar in other respects, and I would explain why. In 2008, the price of oil was

\$143 a barrel. This dropped to \$41 a barrel and briefly to \$35 a barrel, in February 2009. If you look at the graph, you see a precipitous drop from July 2008 to February 2009, just about seven months. But by August of 2009, oil was back up to \$71. That is the difference. There was a very short period of recession. By April 2011, oil was back up to \$116 and that is what is so different in this era from 2014 to now, to the 2009 period. Yes, there was a precipitous drop but it did not last long. It went right back up to over \$100 and stayed there until July 2014, when it began its slide down to its current levels. I do not think anybody in the world anticipated that oil prices would go down and stay down for as long as they have stayed down. This is really very unusual and that is why this era is so different from 2009. In 2009, it went down, yes and it went right back up.

That is why the incoming Government that came in 2010, they benefited from oil price at \$116/\$100/\$90, and so on and maybe that is why they felt emboldened and why they could increase expenditure from \$46 billion to \$62 billion. I have no idea why. But, perhaps, that is why they were looking at oil prices and felt it would last forever.

It is easy, Sen. Ramkissoo to say that instead of removing the fuel subsidy, and so on, we should recover money stolen through white-collar crime. That is easy to say you know, but not easy to do. It is not easy to do.

Look at the Piarco matter. I checked the dates: Commission of Enquiry in 2002, charges laid in 2004. Twelve years later, where are the matters? They are still stuck in the Magistrates' Court. They have not even reached the High Court. Do not throw that question at me. Throw that question at the administration of justice. The way our justice system is set up, people have many different multiple bites at the cherry. They can go through a constitutional motion, as these people did. They could go all the way to the Privy Council and come back and then file another motion and go all the way to the Privy Council and come back. It has taken 12 years for the Privy Council to reject the applications made by the people charged in the Piarco matter. The Privy Council had to reject it twice and now it has come back to the Magistrate's Court and it has not moved out of the Magistrates' Court. That is not something—[*Interruption*]

Sen. Hadeed: Is that a matter before the court?

Hon. C. Imbert: What is he talking about?

Sen. Hadeed: What “yuh” speaking about?

Hon. C. Imbert: Mr. Vice-President, I think people need to rise on a point of order, do they not?

Mr. Vice-President: Yes. Sen. Hadeed, if you want to rise on a point of order, you have to indicate what point of order you are going to rise on, until you have done so hon. Minister of Finance continue.

Hon. C. Imbert: Mr. Vice-President, that demonstrates to me that Sen. Hadeed does not understand the sub judice rule. The sub judice rule is that you cannot comment on a matter that is pending before a court in a manner that would influence the court. How on earth could—[*Outburst by Sen. Hadeed*] Mr. Vice-President, could I ask you to control Sen. Hadeed?

Mr. Vice-President: Hon. Senators, again, allow the hon. Minister of Finance to wrap up. Sen. Hadeed, again, if you want to rise on a point of order do so, so that I can adjudicate on that. Hon. Minister of Finance, continue.

Hon. C. Imbert: Thank you, Mr. Vice-President. How on earth, stating a fact that these matters have been stuck in the Magistrates' Court since 2004, could possibly influence the outcome of that matter? How on earth does one arrive at that convoluted that Sen. Hadeed would want us to look at? I cannot understand it. Anyway the point is that these matters, Sen. Ramkissoon, have been stuck in the Magistrates' Court for 12 years. So it is easy to say but not easy to do.

But, rest assured that this Government will do all that it can, in its power to bring criminals to justice. [*Desk thumping*] We would do whatever we can.

Now, let me go to the other points made. I brought in the article about Argentina because Sen. Ramkissoon spoke about a lack of encouragement to young entrepreneurs who might want to open online shopping businesses. But how does that help Trinidad and Tobago? How does an online shopping business help Trinidad and Tobago? What does it do for us? It does nothing. It does not promote the use of local goods. It does not promote local manufacturing. It does not earn foreign exchange. What is the benefit of online shopping for Trinidad and Tobago? Zero. The only thing it benefits, it benefits consumers, in terms of getting goods at a cheaper price than they might get in Trinidad and Tobago, for one reason or another. Perhaps, some of them do not pay taxes on the goods, but it does not benefit the economy of Trinidad and Tobago in any way.

So that there is always two sides to a story. I do not agree that we should encourage young entrepreneurs to open online shopping businesses. I think this has

more negative effects on Trinidad and Tobago than it has. It contributes to foreign exchange leakage, it adversely affects local business and it demotivates people from buying local and encouraging people to get involved in local manufacturing.

With respect to the \$10 million that is being moved from the Ministry of Sport, that is for the management of regional complexes, which are now the responsibility of the Ministry of Community Development. So it is not taking any money from sport, it is just shifting money from one Ministry to another because responsibilities have been shifted from one Ministry to another.

With respect to GATE, I want to re-emphasize, because the UNC has this habit of attempting to take ownership of PNM programmes. I was the Minister of Tertiary Education who had the honour and privilege to develop, create and launch GATE. That was me as a PNM Minister. That was a PNM programme. [*Desk thumping*] We developed it. We dreamt it up. We created it. We introduced it. So we understand it, and the whole point was to increase the participation in tertiary education from the rate it was, which was 11 per cent at that time in 2003/2004, to its current level of over 50 per cent. [*Desk thumping*] We set a target of 50 per cent participation by that cohort that comes out of secondary schools and goes into tertiary education of 50 per cent and it was achieved because of the GATE Programme. The arguments now as to whether it is 55 per cent or 60 per cent, but it is over 50 per cent. So it went from 11 per cent to 55 per cent. It went up by 500 per cent. So we have achieved our objective. [*Desk thumping*]

Abuse crept in, especially under the former administration. We had professional students going from one programme to another, dropping out of programmes, doing three and four different degree programmes and not completing their education. So we have a programme where abuse has crept in. We have programmes where people are buying degrees. That is happening in Trinidad and Tobago, where certain degrees are being awarded that are not worth the paper they are printed on. That is what is happening in Trinidad and Tobago. We are not serving our development needs with the GATE Programme. And the GATE Programme was also non-discriminatory, in terms of beneficiaries. So whether your family was earning \$200,000 a month or \$2,000 a month you were eligible to GATE. So now the time is, having achieved the objective, which we established in 2003/2004, of over 50 per cent participation, now is time to refocus that programme and align it to the country's development needs and to introduce means testing.

In the current economic environment—I heard Sen. Mark screaming about the

rich—it is simply wrong to allow a family whose income is \$200,000 a month to benefit from free education at the expense of the taxpayer. So we are now going to introduce a means test. That is why I have a difficulty with the Members on the Front Bench because they are contradictory. You say punish the rich—that is what I hear from Sen. Mark—but do not touch GATE which benefits the rich. Everything is just contradictions on that side. So that is Sen. Ramkissoon and Sen. Shrikissoon.

Sen. Raffoul, one of the issues—and I thank you very much for recognizing that we have given up one of our prime projects, the rapid rail. It was not easy to do but we felt we had to do it because it is an expensive project and in these economic times we just could not go along with it.

In terms of data, the problem is the Central Statistical Office. It is dysfunctional and it really deteriorated over the last couple of years. That is why we are introducing a statistical institute. It is well on its way. [*Outburst from Sen. Mark*]
Mr. Vice-President—[*Interruption*]

Mr. Vice-President: Control your outburst please.

Sen. Mark: He is misleading the Parliament.

Mr. Vice-President: Understandably so. Control your outburst and allow the hon. Minister of Finance to finish and wrap up.

Hon. C. Imbert: Thank you, Mr. Vice-President. So we are creating a statistical institute, comprising persons from academia, from the private sector, from the public sector, we make it quasi-independent and we hope we will get accurate data in due course.

I want to commend Sen. Raffoul. I think the hon. Senator clearly understands the economic challenges facing Trinidad and Tobago, and the entire country needs to understand what is going on.

I undertake, I would look at all of these issues, with respect to social entrepreneurs and social impact companies and social impact bonds. I am not too proud to say that these are things that I am not entirely familiar with but now that the Senator has brought it up, I would do the necessary research and certainly if it is something that will be positive it will be incorporated into our policy.

With respect to the temperature in the Parliament, the thermostat does not work. I was told that today. In fact there is a view that there is not even a thermostat, that the air conditioning just has an on and an off switch. So that I was told that today.

So we will deal with it. I mean, that explains why, when you tell the Parliament staff it is too cold in here, they do not seem to be able to do anything about it if it is in fact that there is no thermostat. I understand what the problem is.

With respect to the comments of Sen. Roach, Sen. Roach spoke about Saudi Arabia moving away from a dependence on oil and made the point if they could do that “who is we”, and he is absolutely right.

But I wanted to make a point, I am sorry the Senator is not here. I have seen this comment, with respect to the assets that belong to Clico and CLF, there is a view that these things belong to the Government of Trinidad and Tobago; they do not. These are the assets of Colonial Life and CL Financial. They do not belong to the Government. So it is not a question of the Government owning the shares in Republic Bank or owning the shares in Angostura, and so on. They are not ours. What happened was that the Government agreed to bail out CLF and Colonial Life and put money into these companies, taxpayers’ money, and now we need to recover the money.

12.05 a.m.

These are not our companies. For them to become our companies, we would have to buy them, and we would have to agree that we would offset the debt owed to the Government by the shares in Republic Bank and so on, and we would have to essentially nationalize these companies. That was never the intention when this Government and the previous Government agreed to bail out CLICO. It was never the intention to nationalize Republic Bank and make it a government bank, and nationalize Angostura and make it a government state enterprise.

So people need to understand there is a misconception. These companies do not belong to the Government of Trinidad and Tobago. We have to buy them if we want to make them our assets, and we essentially have to nationalize private companies. So it is not as simple as it appears on the surface. And why should we do that? Why should we nationalize Republic Bank? Why should we convert Republic Bank from a private bank into a Government bank? Why should we convert Angostura from a private company into a government company? These things are easy to say, you know, but not easy to do, you know. They are not easy to do.

The success and value of these things derives in large part from the fact that these are private companies. They are not run by the Government. Republic Bank is not run by the Government at this point in time. Angostura is not run by the

Government at this point in time. So that, you know, it is easy to say do not dispose of these companies, but they are not ours and their value might be diminished if they become State assets. So that the original plan was that there would be an orderly disposal of these assets to repay the money put in—the taxpayers' money put in—to Colonial Life and CLICO and this is still the plan. The plan is not to nationalize these companies and make them Government companies.

I heard a plea from Sen. Roach about problems with young talented local coaches. I am sure that my ministerial colleague, the Minister of Sport and Youth Affairs was listening intently and we will see what we can do about that problem, as well as the issue that the national stadium is not accessible to disabled people. I think that is really quite shameful, and we need to do something about that as a country.

One of the points I made in my notes is that, you know, Sen. Roach made the point that the national stadium is not accessible to disabled people and something needs to be done and the UNC banged the table. They were there for five years. Did they put any disabled facilities in the national stadium? No. So why are you banging the table when the goodly Senator is saying something needs to be done? Why did you not do anything?

You know, this is what bothers me about the hon. Members opposite. I really get bothered when they bang the table when one of the Independents makes a point [*Desk thumping*] as if they did not exist between the 2010 to 2015 period, as if there were no UNC Government in that last five years, as if all of the things that happened in the last five years were not caused by them. You know, you wonder what country these people are living in. They are not living in Trinidad and Tobago. Certainly not in Trinidad and Tobago.

Let me go now to Sen. Small and Sen. Mahabir. Sen. Small spoke about linking the cost of electricity to NGC's minimum cost. I think it is something we need to look at. The fact that electricity rates are linked to the cost of gas to T&TEC by NGC at a loss. I think the Senator worked out there is a loss of \$750 million, somewhere around there, per annum.

I completely endorse the recommendation to remove all taxes and duties on solar water heaters. Consider that done. [*Desk thumping*] In the same way, we are trying to shift the population towards the use of CNG-powered vehicles, electric vehicles, hybrid vehicles and so on, and the idea of also pushing maxi-taxis

towards CNG in terms of removing taxes on original manufactured CNG vehicles and so on. Again, consider that done because we have to move people away from the dependence on fossil fuels towards other clean fuels. I mean CNG is a fossil fuel, but it is a clean fuel. So that reduces the carbon footprint and renewable energy and other forms, all alternative energy sources.

Of course, we have to deal with the availability of CNG. That is a big problem. Again, it is easy to say convert to CNG, and then you cannot fill up in the station. For long-range vehicles, it is a real problem because you do not have the capacity and the capability to access CNG at the intervals that you need it. So if you have a vehicle running for a long period, you may not be able to get the CNG. So, we as a country, we need to deal with that. We need to expand and increase the availability of CNG all over Trinidad and Tobago otherwise we will just be paying lip service to this thing that, you know, let us convert to CNG, but what is the point if you cannot access the CNG in the gas stations.

In terms of Atlantic LNG, have no fear. We have a team working on the whole concept of revenue leakage through sales of LNG. I will report on that in due course. We have an expert team working on that. Certainly, we will be looking at Train 1. When it expires we would be looking at exactly what should be done with that gas. Certainly, if we continue with LNG, we would certainly renegotiate. Well not renegotiate, there will be a completely new arrangement, but we will make sure that that arrangement is in the public's interest and for the benefit of the citizens of Trinidad and Tobago, and not for the benefit of multinational companies.

Sen. Mahabir, I like the idea of Government bonds to motivate savings. I just have to look at the interest rate and what the tenor of these bonds would be. There are other issues surrounding Government Bonds, but Savings Bonds is a good idea. Countries all over the world have done it to motivate people to save, to give them a return on their money and also to create cash flow for the Government.

In terms of bank charges, I would just like to say for the benefit of those who do not know—you know what I find strange, I mean, I am not a financial expert, I am not an economist, I am not an accountant, but I know a little bit about legislation. When I became the Minister of Finance, the first thing I did was read all of the laws that are associated with the financial system in this country. I went in particular to the Central Bank Act, and I looked at section 44 of the Central Bank Act, and I will read now section 44A and the side note is “Fixing of interest rates” and it says:

- “(1) The Bank may fix the maximum and minimum interest rates payable on deposits received”—this is the Central Bank we are talking about—“and may fix the maximum and minimum interest rates, fees and charges to be charged on loans, advances or other credit facilities, by a financial institution.
- (2) The Bank, after consultation with the Minister, may set the maximum spread between interest rates chargeable on loans and interest rates payable on deposits which a financial institution may earn, carry or charge.”

I was shocked. As far as I know, no previous Minister of Finance ever looked at this. Never looked at the fact that the Central Bank and the Minister of Finance can regulate the spread between deposit rates and lending rates and fees and charges charged by—[*Desk thumping*] I see Sen. Hadeed—[*Interruption*]

Sen. Hadeed: I am glad that you saw it.

Hon. C. Imbert: I am glad that you recognize that no previous Minister of Finance has ever seen that.

Sen. Hadeed: Do the right thing now.

Hon. C. Imbert: Thank you very much. So that it is in the law, and I can tell you, Sen. Mahabir, I have asked the Central Bank to start initiating discussion with the banks on this, because we are not going to go like a bull in a China shop [*Desk thumping*] because this is like a culture shock to the banks that someone would come to them and say, “Aye, we going to invoke section 44A of the Central Bank.”

Sen. Dr. Mahabir: Clarification?

Hon. C. Imbert: Yeah.

Sen. Dr. Mahabir: Just on a point of clarification hon. Minister, the section really is very relevant, but the section really refers to the fees and charges levied with respect to the lending activities, not with respect to the other services—the ATM services, savings account services—and I think that is where we may want to review the legislation to make services, in fact, amenable to review.

Hon. C. Imbert: Thank you, Sen. Mahabir. I am well aware of that.

Mr. Vice-President: Hon. Minister, you have four more minutes.

Hon. C. Imbert: Thank you very much. I just wanted to point out that there is a provision already and, of course, we would look at your recommendation that we expand this section.

Again, I have indicated that I will hold discussions with the banks on guidelines for the availability of foreign exchange in terms of setting priorities for medical, tuition fees, trade and so on. The last thing I would say is I heard Sen. Mark at the top of his voice screaming that if the PNM touches the Heritage and Stabilisation Fund, they will lead a march and force an election in this country. Well that and God's face you will not see. I beg to move, Mr. Vice-President. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Hon. C. Imbert: Thank you, Mr. Vice-President. In accordance with Standing Order 57, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

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

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Rural Development and Local Government (Sen. The Hon. Franklin Khan): Mr. Vice-President, I beg to move that this Senate do now adjourn to a date to be fixed.

Mr. Vice-President: Hon. Senators, before I put the question, I would just like to say that the Leader of Opposition has agreed to move the matter to be raised on the motion for the adjournment to the next sitting. As such, the question is that this Senate do now adjourn to a date to be fixed.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 12.18 a.m.