

SENATE

Tuesday, April 04, 2017

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]



LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence to Sen. H.R. Ian Roach who is ill.

SENATOR'S APPOINTMENT

Madam President: Hon. Senators, I will ask your indulgence to do the swearing in of the temporary Senator a little later in the proceedings.

WELCOME

Madam President: Hon. Senators, may I just welcome the Leader of Government Business back into this Chamber. [*Desk thumping*]

PAPERS LAID

1. Annual Audited Financial Statements of the National Schools Dietary Services Limited for the financial year ended September 30, 2015. [*The Acting Prime Minister and Minister of Finance (Hon. Colm Imbert)*]
2. Ministerial Response of the Ministry of Education to the First Report of the Joint Select Committee on Social Services and Public Administration on an Inquiry into the Current Level of Violence Among Students in Schools with Particular Focus on Physical and Cyber Bullying. [*The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan)*]
3. Annual Audited Financial Statements of the Trinidad and Tobago Tourism Business Development Limited, (TTTBDL) for the financial year ended December 31, 2014. [*Hon. C. Imbert*]

4. Audited Financial Statements of the Trinidad and Tobago Tourism Business Development Limited, (TTTBDL) for the financial year ended December 31, 2015. [*Hon. C. Imbert*]
5. Annual Report on the Operations of the National Insurance Board of Trinidad and Tobago (NIBTT) for the financial year ended June 30, 2015. [*Hon. C. Imbert*]
6. Response of the Statutory Authorities Service Commission Department to the Third Report of the Joint Select Committee on Human Rights, Equality and Diversity on the Treatment of Child Offenders at the Youth Training Centre, St. Michael's Interim Rehabilitation Centre for Young Male Offenders and St. Jude's Interim Rehabilitation Centre for Young Female Offenders. [*The Vice-President (Sen. Nigel De Freitas)*]

SENATOR'S APPOINTMENT

Madam President: Hon. Senators, I will now revert to the swearing of the new temporary Senator.

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

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND
TOBAGO

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

/s/ Anthony Thomas Aquinas Carmona O.R.T.T. S.C.
President.

TO: MR. NIKOLI EDWARDS

WHEREAS Senator HUGH RUSSELL IAN ROACH is incapable of performing his duties as a Senator by reason of illness:

NOW, THEREFORE, I, ANTHONY THOMAS AQUINAS CARMONA, President as aforesaid, in exercise of the power vested in me by section 44(1)(b) and section 44(4)(c) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, NIKOLI EDWARDS, to be temporarily a member of the Senate, with effect from 4th April, 2017 and continuing during the absence of Senator Hugh Russell Ian Roach by reason of illness.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 4th day of April, 2017."

URGENT QUESTIONS

Super Fast Galicia Vessel

(Movement of Goods and Persons)

Sen. Wade Mark: Thank you, Madam President. To the hon. Minister of Works and Transport: Having regard to the Easter holidays and the imminent recall of the *Super Fast Galicia* Vessel, how does the Government intend to ensure the unimpeded movement of goods and persons between Trinidad and Tobago over the said period?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Madam President. Intercontinental Shipping Limited wrote to the Permanent Secretary, Ministry of Works and Transport on March 28, 2017, which

was received by the Ministry on March 31, 2017 advising of its intention to remove the super fast ferry from local service. At this time, the Ministry has been advised that the super fast ferry vessel will be in service over the Easter weekend. I thank you. [*Desk thumping*]

Sen. Mark: Madam President, could the hon. Minister indicate to this Senate, what are the plans of his Ministry to replace the *Super Fast Galicia* when it gets out of our waters immediately after Easter?

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

Sen. Mark: Could I also enquire, Madam President, could the hon. Minister indicate what other challenges—given the importance of the fast ferry service between Trinidad and Tobago—does the Minister foresee as we approach the Easter period, Madam President?

Madam President: Sen. Mark, I also will not allow that question. Next question, Sen. Mark.

Super Fast Galicia

(Contract Details)

Sen. Wade Mark: To the hon. Minister of Works and Transport—

Madam President: Sen. Mark, you have to read it out.

Sen. Mark: In light of the impending recall of the *Super Fast Galicia*, can the Minister inform the Senate: When did the contract for the lease of the vessel come to an end?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Madam President, the contract in respect to the chartered agreement came to an end on the 30th of April, 2016. Subsequent to this a month-to-month agreement emerged while discussions were being undertaken in respect to the process. Madam President, Cabinet in March of 2017 gave the approval for the Port

Authority of Trinidad and Tobago to initiate the process for the charter of a vessel for three years through selective tendering. This process is expected to be completed by the end of May 2017. At the same time the port authority has also been given the directive to start the process for the purchase of a new built cargo vessel to ensure that an interisland cargo ferry needs are not jeopardized in this manner in the future. Thank you. [*Desk thumping*]

Sen. Mark: Madam President, is the Minister aware that an 18-month contract was issued by the port authority in respect of this particular vessel and it was never taken to the Cabinet for approval?

Sen. The Hon. R. Sinanan: Thank you. Madam President, yes I am aware that there have been negotiations on an 18-month contract. However, I must add, when I took over as the Minister of Works and Transport, I had discussions on two occasions with the charter, one in December, one in January, where this contract was placed on the table, and I must say by January of this year the charter was no longer interested in the 18-month contract, what they put on the table was a new five-year contract. The Government was not willing to enter into any new five-year contract until we recognize the needs for the cargo vessel that will service the Tobago route in a very efficient and cost-effective manner. Thank you. [*Desk thumping*]

Sen. Mark: Madam Chairman, Madam President, I beg your pardon. Could the Minister share with this Senate, what was the role played by the former chairman of the port authority in blocking any agreement between the Port Authority of Trinidad and Tobago and the Tramed or Tramediterránea in executing a contract for the continued service of the Trinidad and Tobago route, Madam President.

Sen. The Hon. R. Sinanan: Madam President, I have no information of the former chairperson of the port blocking any agreement with anybody, so I cannot comment on that. Thank you.

ORAL ANSWERS TO QUESTIONS

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, I wish to inform this honourable Senate that the Government will be answering all three questions on the Order Paper this afternoon—100 per cent compliance.

Safari Adventure Park

(Details of Occupation)

37. Sen. Wade Mark asked the hon. Prime Minister:

Given that the Safari Adventure Park has been deemed to be in illegal occupation of lands held by the Chaguaramas Development Authority (CDA), a state agency under the Ministry of Planning and Development, can the Prime Minister state:-

- (a) what sanctions, if any, will be placed on the Minister of Planning and Development for using the CDA to facilitate a visit of the Minister's constituents to the Adventure Park; and
- (b) did the CDA cover all or part of the cost of said visit?

The Minister of State in the Office of the Attorney General and Legal Affairs and Minister of State in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Madam President. The answer to (a), is the hon. Prime Minister is the sole arbiter with respect to the sanctioning of any Minister? The issue of the sanctioning of the hon. Minister of Planning and Development does not arise in this instance. The answer to part (b) of the question, CDA did not incur any cost with respect to the said visit. [*Desk thumping*]

Sen. Mark: Madam President, could the hon. Minister indicate whether in accordance with the question, whether there was any illegal occupation of lands held by this authority in the context of the question raised?

Hon. S. Young: I do not understand that. That is an incogent question.

Madam President: Sen. Mark, try again to put the question please?

Sen. Mark: I am asking the hon. Minister whether in terms of illegal occupation of lands, that is CDA lands, by this particular body, that is Safari Adventure Park, I am asking the hon. Minister whether that situation has been rectified.

Hon. S. Young: Thank you very much, Madam President. The occupation of the CDA lands by the Safari Adventure Park are currently under review, legal review and being reviewed by the CDA as well as the Ministry of the Attorney General and Legal Affairs.

Effects of Crime on Productivity

(Government's Intention to Address)

38. Sen. Wade Mark asked the hon. Minister of Trade and Industry:

Having regard to the spate of crime and its negative effects on productivity, competitiveness and business investment, can the Minister state how the Government intends to convince business investors that Trinidad and Tobago is a safe place to live, work and invest?

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): Thank you, Madam President. Trinidad and Tobago is and will continue to be attractive to investors due to the following attributes: Easy access to the Americas, strategic location as to trans-shipment hub for exports, preferential access to the markets of Caricom and other regional and international markets through trade agreements and arrangements with the United States of America,

Canada and the European Union; low cost energy; access to an educated skills and competitive labour pool, a developed communications infrastructure, access to general fiscal incentives, and more so, the stability of the current Government. Madam President, the Ministry of Trade and Industry collaborates with all of its partners, including the Ministry of National Security, to provide an enabling environment for investors, local as well as foreign. Thank you.

Sen. Mark: Madam President, could the hon. Minister indicate whether she is aware that there has been a considerable reduction in business activity in the South as well as the North of the country as a result of the exponential growth in the criminal industry, particularly the spate of murders?

Sen. The Hon. P. Gopee-Scoon: Thank you, Madam President, but I cannot identify a direct link between the business decline and increase in murders.

Sen. Mark: Madam President, is the Minister aware that businesses in Trinidad and Tobago, or business owners in Trinidad and Tobago, are now speaking about closing their businesses on a Saturday, because of the escalating crime wave afflicting their businesses in Trinidad and Tobago at this time? Is the Minister aware of such a development?

Sen. The Hon. P. Gopee-Scoon: I am not aware of that. I do not believe that situation exists.

Sen. Mark: Madam President, is the Minister aware that Daphne Bartlett, the president of the Southern Businesses Association, or business persons association recently alluded to this development, and spoke about the impact, the negative impact it is having on business operations in the South of the country?

Sen. The Hon. P. Gopee-Scoon: Thank you, and I am aware of the view of the President of the San Fernando Businessmen's Association, but I do not think that that speaks for all of the business association and all of the business houses

within Trinidad and Tobago. Again, I want to say that the Ministry of Trade and Industry works with all its stakeholders, including the Ministry of National Security to ensure that there is an enabling and friendly and working environment of all businesses.

Sen. Mark: Could the hon. Minister indicate to this Senate, these stakeholder meetings that were mentioned, could the hon. Minister share with us when those meetings took place involving those stakeholders, including the Ministry of National Security, to ensure that there is some easing of the tension as it relates to crime in the country affecting business?

Sen. The Hon. P. Gopee-Scoon: Thank you. The Ministry of Trade and Industry recognizes the value of all of its stakeholders and so is in constant discussions and meetings with all chambers, not only the Chamber of Port of Spain which is the largest chamber, but certainly all of the chambers across Trinidad and Tobago; the Penal/Debe Chamber, Couva Chamber, and you name it, the Chaguanas Chamber of Industry. So the stakeholder interactions continue, and as with regard to the Ministry of National Security, this is a very cohesive Government and there is constant collaboration and discussion ongoing. We are an effective Government and we are dealing with all of the matters before us and before this country. [*Desk thumping*]

TTPS Central Division

(Measures to Address Lack of Resources)

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

What specific measures are being taken to address the issue of a lack of resources (human and material) being experienced by Police Officers assigned to the Central Division of the Trinidad and Tobago Police Service?

The Minister of National Security (Hon. Maj. Gen. Edmund Dillon):

Thank you very much, Madam President. Hon. Members are advised in light of the recent upsurge of violence in the central division, in particular Enterprise, additional resources have been assigned by the Trinidad and Tobago Police Service, and the Trinidad and Tobago Defence Force, to bolster the operational strength and law enforcement presence in the area. Additional human resource in the form of soldiers and police officers from the Rapid Response Unit, the Inter-Agency Task Force, the Guard and Emergency Branch has been deployed with the aim of increasing law enforcement visibility and responsiveness in Enterprise. As such, increased numbers of foot patrols and mobile patrols are being conducted in the area.

Additionally, Madam President, special attention has been placed on strengthening the managerial capacity within the Central Division with the creation of the portfolio of Assistant Commissioner of Police Central, and Executive Officer at the rank of Assistant Commissioner of Police being assigned with the responsibility to oversee the entire division. In this new arrangement, the Central Division receives more focused attention as it is grouped with one added division as opposed to the original arrangement of being one of the three divisions which form region south. The officers attached to the stations within the Central Division are well equipped with the requisite protective gear, including bullet proof vests as well as firearms, ammunitions and vehicles to enable them to perform their duties effectively. The resources, human and material, are therefore deemed sufficient at this time to address the current challenges. Should the circumstance change, however, immediate steps will be taken to address any identified shortfalls.

In addition, Madam President, to the foregoing, Members are advised that the National Security Council has recently taken a decision to construct a permanent police station in the Enterprise area within the shortest possible

timeframe. This facility will house both police officers and soldiers and will allow for a more direct and strategic approach to deal with the issues of crime and criminality in the area. [*Desk thumping*]

Sen. Mark: Madam President, through you, to the hon. Minister. Could the hon. Minister indicate whether this deployment of human and material resources to the Central Division of the police service, is it going to be on a medium-term, short-term or simply a knee-jerk reaction to recent development in that particular community? In other words, Madam President, I am asking the hon. Minister whether the deployment of those resources are going to be on a long-term basis to deal with the stability of crime in that community.

Hon. Maj. Gen. E. Dillon: Madam President, as the situation determines.

Sen. Mark: Could the hon. Minister indicate to this Parliament, when is the tender for the police station going to be issued given the emergency nature of this matter?

Hon. Maj. Gen. E. Dillon: Madam President, I cannot put a timeframe to that. I said the police station would be constructed in the shortest possible timeframe.

Sen. Mark: Given the sophisticated—we have been seeing in videos the sophisticated weaponry by criminal forces in this country that the police have to deal with, could the Minister indicate in his deployment of resources, does the Government have any intention to purchase armoured personnel carriers to protect our protective forces when they confront these criminal elements who seem to have very modern sophisticated heavy fire power?

Hon. Maj. Gen. E. Dillon: Madam President, the Trinidad and Tobago Police Service are well equipped to treat with any eventuality at this present time.

INTERNATIONAL FINANCIAL ORGANISATIONS

(CORPORACIÓN ANDINA DE FOMENTO) BILL, 2017

Order for second reading read.

The Acting Prime Minister and Minister of Finance (Hon. Colm Imbert): Thank you, Madam President, I beg to move:

That a Bill to provide for the membership of Trinidad and Tobago in the Corporación Andina de Fomento (also known as “the Andean Development Corporation”) and for the raising of loans from the Corporación Andina de Fomento (Andean Development Corporation) by the Government of Trinidad and Tobago for the purposes of financing development projects in Trinidad and Tobago and for matters incidental thereto, be now read a second time.

Madam President, the Bill before us has 10 clauses and a schedule. The schedule is the agreement establishing the Corporación Andina de Fomento, which I shall refer to as CAF for short, and this corporation is essentially a multilateral lending agency.

The Bill before us is similar to a number of Acts of Parliament which have been in our legislative framework for very long period of time. In fact, the involvement of Trinidad and Tobago with international financial institutions dates back to the 1960’s. Trinidad and Tobago since 1963 has been a member of the International Monetary Fund, the International Bank of Reconstruction and Development, the International Finance Corporation and the International Development Association. The agreements that ratify Trinidad and Tobago as members of those organizations were brought into our laws by the International Financial Organizations Act, Chap. 70:01. The various agreements that I just referred to, the agreements with the IMF, the IFC, the IDA, the IBRD and so on,

are attached to Schedules II, the Financial Organization Act in the identical fashion to the manner in which the agreement establishing the CAF has been attached to this Act.

The International Financial Organizations Act empowers the Minister of Finance to enter into the various agreements and provides for payments to be made according to the various membership resolutions and rules of those organizations. In 1967, this is four years later, the International Financial Organizations Inter-American Development Bank, Act, Chap. 70:02, also brought their agreement by which Trinidad and Tobago became a member of the Inter-American Development Bank, the IDB into these countries' laws.

2.00p.m.

In that Act certain sections of the agreement establishing the IDB, namely sections 2 to 9, have been given the force of the law in Trinidad and Tobago. That Act empowers the Minister of Finance to issue, or cause to be issued to the IDB, the necessary subscription to the bank's capital. That Act also provides for the incorporation into the law of any amendments to that IDB agreement.

On a regional level, we are members of the Caribbean Development Bank and this is in our laws in the Caribbean Development Bank Act, Chap. 79:05, and that Act authorizes the Minister of Finance to accept the bank agreement on behalf of Trinidad and Tobago and specifies that all sums required to be paid by the Government, for the purpose of meeting the obligations of Trinidad and Tobago, are to be a charge on the Consolidated Fund. The CDB Act empowers the Minister to raise loans for the purposes of the agreement and indicates that the agreement has the force of law in Trinidad and Tobago.

Further, in accessing loans from multilateral development banks, the

National Development (Inter-American Development Bank) Loans Act, Chap. 71:07, which was also enacted in 1967, makes provision for the Government to borrow or guarantee the borrowing from the bank's own resources or from funds administered by the bank, sums that may be required for the purpose of financing and promoting economic and social development in Trinidad and Tobago.

It should be apparent therefore that these pieces of legislation are all very similar, in that, they provide a legislative platform for the validation and operation of agreements between Trinidad and Tobago and respective multilateral development banks. These agreements allow Trinidad and Tobago to access benefits, including loans, grants, technical assistance for national development projects which is, or are, among the main benefits of memberships in these multilateral development banks.

This particular Bill, the CAF Bill, seeks to enact a similar legislative platform for the raising of loans and financial assistance for the benefit of Trinidad and Tobago through contributory membership in CAF as obtains at present for the IMF, the IBRD, the IFC, the IDA, the IDB and the CDB. So this is simply a progression in a long line of pieces of legislation allowing Trinidad and Tobago to access funding from multilateral institutions.

With respect to CAF itself, it is a Multilateral Development Bank founded in 1966 with a view to stimulating sustainable development and regional integration by financing projects, providing technical cooperation and other services in the Latin American region. CAF is ranked among other banks, like the World Bank, the IDB, the European Investment Bank, they all have a similar purpose which is to stimulate development.

The six initial members of CAF, Ecuador, Bolivia, Colombia, Chile, Peru

and Venezuela signed the establishing agreement of the CAF in 1968 and in 1970 CAF formally began operations. So if I can just recap, CAF was founded in 1966, the agreement establishing the membership was signed in 1968 and CAF formally began its operations in 1970. It is made up of 14 private banks from the Andean region and currently has 19 member countries from Latin America, the Caribbean and Europe.

Apart from the six founding countries, the other Latin American countries include, Brazil, Uruguay, Argentina, Costa Rica and Paraguay. Caribbean countries are Jamaica, Barbados and the Dominican Republic.

Like many regional banks, CDB comes to mind, CAF also includes countries from Europe, like Spain and Portugal, among its membership, and Mexico and Panama are also members of CAF. Trinidad and Tobago is the 19th member of the Corporación Andina de Fomento.

The capital structure of the bank comprises three classes of shares, Series A, B and C. Holders of Series A and B shares enjoy full membership. This would include governments, central banks, public, semi-public and private institutions from member countries with social or public objectives designated by Governments. There are currently 11 holders of Series A and B shares, which are: Argentina, Bolivia, Brazil, Colombia, Ecuador, Panama, Paraguay, Peru, Uruguay and Venezuela. Trinidad and Tobago is among the holders of Series B shares. There are also eight countries holding Series C shares, including, Chile, Costa Rica, Dominican Republic, Jamaica, Barbados, Mexico, Portugal and Spain.

With respect to Trinidad and Tobago's association with CAF, Trinidad and Tobago has been involved with this bank since 1994 when, in June 1994, an agreement of subscription of common capital stock was signed. This allowed

Trinidad and Tobago to subscribe to a number of Series C shares of common stock in CAF. In 2012, Trinidad and Tobago and CAF entered another agreement for the subscription of common stock and also for the incorporation of the country as a special member country to CAF. On this occasion the subscription was for an amount of Series C shares at a cost of US \$323,362,400 or approximately two billion Trinidad and Tobago dollars. The eventual implementation of this arrangement for these Series C shares saw the Government subscribing in 2014 for 15,182 Series C shares and the remainder of 7,590 Series C shares were subscribed for by the Central Bank. The Government therefore paid US \$215,584,400 and the Central Bank, US \$107,778,000. As I indicated previously, combined, Trinidad and Tobago subscribed or contributed TT \$2 billion to CAF in 2012.

However, the country was unable to borrow, because to borrow from CAF in the same way as applies with the IDB, the IFC, the CDB, et cetera, one must bring to Parliament legislation that would create the legislative framework to allow us to borrow from this institution.

In June 2016—so that you had the initial subscription in CAF under a Government in 1994, then another subscription, a large one in 2012 under the previous Government and now under this Government—in June 2016 it was agreed, among other things, that Trinidad and Tobago attain full membership in CAF.

So, in September 2016, the Government acquired a Series A share, also known as a golden share for US \$1.2 million. This meant that Trinidad and Tobago's Series C shares were exchanged for Series B shares and Trinidad and Tobago then became a full member of CAF. The country was subsequently invited in 2016 to appoint a director and an alternate director to its board of directors.

Subsequently, the Minister of Finance and the Governor of the Central Bank of Trinidad and Tobago were appointed as director and alternate director of CAF respectively. And there was recently a board of directors meeting. I was unable to attend so the Governor of the Central Bank, as alternate director, attended on my behalf.

With respect to CAF itself, CAF provides support for infrastructural works, including technical assistance, financial advice to Governments for project execution, giving priorities to areas of roads, energy, telecommunications and river management in Latin America and the Caribbean. CAF also supports private sector development through its financial advisory services in various areas. These include, design and execution of public bidding processes, public/private partnerships, risk mitigation, fund raising, liability refinancing, company valuation, company mergers and acquisitions, et cetera.

Now Trinidad and Tobago has contributed greatly to the resources of CAF, as I indicated. We have put \$2 billion into the organization, but we were unable to receive any benefits from those contributions. The passage of this Bill will be the final step in attaining full membership and securing for Trinidad and Tobago access to all of the benefits that go with full membership of the CAF.

Some of the benefits will include, as I indicated previously, the ability to appoint directors to the board, this is already available to Trinidad and Tobago; immediate access to policy base loans. The CAF has already approved access for Trinidad and Tobago to US \$300 million in policy based loans; access to investment loans; funding for investment projects for diversification; technical assistance; grant for project preparation; grants for institutional strengthening and one of the main benefits of membership in CAF, which is a point that was raised

when the former Minister of Finance, Mr. Dookeran, initiated the move to deposit \$2billion with CAF, is that it is said, and the proof of the pudding is always in the eating, that there is faster processing of loans by CAF when compared to other multilateral institutions. And the reason for this is that CAF allows each country to use its own procurement procedures rather than enforcing the banks regulations. And by way of example, if you borrow money from the IDB, the IDB's procurement regulations require every single member country of the IDB to be invited to tender for projects.

So, in Trinidad and Tobago you can have, and we have had in the past, countries from South, Central and North America tendering for projects financed by the IDB in Trinidad and Tobago and, in fact, winning some of the tenders. CAF also has competitive interest rates. For loans between six to nine years, the rate is LIBOR plus 1.75 per cent and for loans between nine and 15 years, LIBOR plus 2 per cent. LIBOR is the interbank lending rate currently at about 2 per cent. So you are looking at, for loans between six to nine years about 3.75 per cent and for loans between nine and 15 years about 4 per cent. CAF also gives a discount of 50 basis points or $\frac{1}{2}$ per cent on these interest rates depending on your country's investment grade rating.

By becoming a full member of CAF, Trinidad and Tobago will not only enjoy the benefits that I have just described, but there are other benefits, such as, strengthening Trinidad and Tobago's relationship with Latin American countries. I recall, actually last year, when there was contest for the presidency of the bank, there was a lot of communication from countries of South and Central America with respect to lobbying Trinidad and Tobago to support one or other candidate from the various Latin American countries that had put up candidates for the bank.

So that one of the benefits that will immediately flow from our membership of this bank is deepening and strengthening our relationships with Latin America by that interaction with finance Ministers and Governors of Central Banks from South/Central America. Trinidad and Tobago can also assist as a link between CAF and other Caribbean countries with respect to enabling those countries to access financing.

CAF also assists, like most multilateral banks, in studies to identify investment opportunities, feasibility studies that is. CAF divulges the results of its research to all countries of the area. So if a feasibility study is done in one member country, the information is divulged to all member countries, in order to assist member countries with respect to investment decisions.

Let me go now to the Bill itself. In the other place some questions were raised as to why the agreement was attached as a Schedule and that flows from clause 10, because there was no domestic legislation with respect to the Corporación Andina de Fomento. So that even though we were in the process, on the pathway towards full membership, we had no legislation, no enabling legislation. So that, clause 10 is a validation clause to validate in particular the actions of the former Government in contributing TT \$2billion to CAF in order to become a special member country. So clause 10 indicates that:

“All acts or things purportedly done by any person pursuant to the Agreement prior to the coming into operation of this Act shall be deemed to have been lawfully and validly done.”

The agreement is also annexed because, like all other legislation of this type, the funding or the payments, the debt service payments shall be a charge on the Consolidated Fund. In other words, they would come out of our revenues at first

instance and that is in clause 6:

“All sums required for the purposes of making payments to the Corporation pursuant to this Act, the Agreement”—which is the Schedule—
“or a loan agreement shall be a charge on, and shall, on the warrant of the Minister, be paid out of the Consolidated Fund.”

If I go back now to the top of the Bill, the first clause, as is normal, would be the title. The second clause is definitions. The third clause gives us the power to borrow from the Corporation, which we did not have the ability as a country to borrow before. The fourth clause deals with adjustments to the agreement. The fifth clause which is, for the purpose of disclosure:

“A copy of a loan agreement, or of any amendment or other instrument or document in relation thereto, shall be laid before Parliament within thirty days of the conclusion of the loan agreement, amendment or any other instrument or document or, if Parliament does not sit within that period, within thirty days after its next sitting.”

I already indicated that the debt service shall be a charge on the Consolidated Fund and the interest and the principle, et cetera, shall be free from any taxes because it is Government borrowing, stamp duty would not apply because that would be himself to himself. Clause 8 gives general authorization to any loan agreement. Clause 9 would indicate, as is standard with all of these things, that:

“The Articles of Chapter VIII of the Agreement which relate to the immunities, exemptions and privileges of the Corporation shall apply in accordance with the Privileges and Immunities (Andean Development Corporation) Order.”—which is an Order that was published several years

ago.

So, Madam President, this is simply an event in a long line of legislative events whereby we have now decided that having already put \$2 billion into this bank, it would be foolhardy for Trinidad and Tobago to not complete the work necessary to access whatever benefits may be derived from membership in this bank. And if we do not pass this legislation then we simply cannot borrow from this bank or access technical assistance or any grants, or anything of that sort.

I want to clear up something which I saw recurring throughout the whole of 2016. I did not understand it. The Andean Development Corporation approved a loan for Trinidad and Tobago in the amount of US \$300million, a policy loan to allow us to do our institutional strengthening, diversification and so on, but there was no disbursement of that loan because that was impossible. In order to actually access that loan, we have to pass this law. But throughout 2016 I saw a reference to an imaginary event that Trinidad and Tobago had borrowed \$300 million from the Andean—I kept seeing it everywhere. I kept hearing it in Parliament, I kept reading it in the papers and no matter how often I try to correct this error, to tell people we have not borrowed any money from CAF yet, because we cannot, because we have to—oh, we certainly intend to borrow the money. There is no doubt about that. There is absolutely no doubt about that. I mean, one of the benefits of these multilateral institutions is not just the fact that you get good interest rates, but there is a lot of technical assistance, a lot of advice, a lot of help that you get from them in looking at projects and determining the feasibility of projects. That is one of the main reasons why you get involved in these arrangements with these multilateral organizations, because they are not simply a bank like Republic Bank or Royal Bank that just want to lend money. These

organizations are set up, not just to lend you the money, but to make sure that the money that is lent is for a particular purpose, for the purpose of development and also, as best as they can, to ensure that the projects that the money is lent for are successful and that the Governments have the ability to repay and it is all within the framework of your debt management.

So that, I want to make it absolutely crystal clear that it is the intention of the Government of Trinidad and Tobago to access that US \$300 million loan from the Corporación Andina de Fomento at some appropriate time within this fiscal year, because in the national budget of 2017 we had indicated very clearly that our expenditure was projected at \$52 billion but our revenue, including one-off sources of revenue, was projected at \$46 billion, leaving a projected deficit of some \$6 billion, part of which has already been financed by the withdrawal from the Stabilisation Fund in accordance with the rules of that fund. We have partially financed our deficit by a drawdown of an amount equivalent to TT \$1.7 billion, that leaves another \$4.3 billion of financing for the 2017 budget that has to be financed by way of borrowing. Because a deficit is financed in two ways, through money that you have already appropriated and earned as is the case with the Stabilisation Fund and with borrowings.

So that it is the intention of the Government when you access funding of this nature, not only do you deal with your deficit, but one of the benefits and particularly important at this point in time, one of the benefits of accessing funding in foreign currency is that the loan will immediately assist with our foreign reserves position. So that US \$251 million, for example, that came out of the Stabilisation Fund has already boosted the foreign reserves of Trinidad and Tobago by some US \$251million and the US \$300 million that we intend to borrow from

the Andean Developing Corporation will boost our foreign reserves by a further US \$300 million, so that is US \$551 million that will go into our foreign reserves and assist us at this time when there are heavy demands on our foreign exchange. Of course, you have to pay it back, but you pay it back over a long period of time. You pay it back over 10 years and so on, and depending on the arrangements, whether it is an amortized loan or whether it is a bullet payment, you can manage the repayments of these foreign loans over an extended period, therefore not putting pressure on your foreign reserves and as your foreign exchange earnings improve, as your sources of foreign exchange improve, it makes it much easier to manage these foreign borrowings. And so, Madam President, with these few words I beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Thank you, Madam President. Madam President, may I, before I get into the meat of this debate, take the opportunity to welcome the Leader of Government Business once again [*Desk thumping*] and to appeal to him to please pace yourself. Politics will always be here. I also want to take the opportunity to congratulate the permanent Acting Prime Minister once more, the hon. Colm Imbert. [*Desk thumping*]

Madam President, this matter that is before us is not simply one of us becoming a full member, which we are in support of, because as the hon. Minister of Finance and Acting Prime Minister alluded to earlier in his contribution, this has been a road traversed by not only the PNM in 1994 but the Partnership between 2010 and 2015 and now it is being concluded as we seek to access this bank and this development institution's facilities so we can enjoy the benefits, as the Minister indicated in his contribution.

But, Madam President, he also alluded, that is the hon. Minister, to the fact that we are being granted, we have been provided with a facility to access some US \$300million in loans, as I understand it, to promote the consolidation process of the country's fiscal accounts, to increase the efficiency of public expenditures and to induce the process to diversify the economy. But to put your hands on that US \$300million we must first pass this legislation into law, Madam President, and that is what this exercise is about in one aspect.

2.30 p.m.

The other critical issue that we have to deal with as we look at this matter is the focus of this institution, which is not only about sustainable development, which I will come to in a short while; it is not only about economic integration of Latin America and the Caribbean, but what is also significant to us as a nation is clause 6 of this Bill, which states that we have to pay—we have to service whatever loans that we were to access from this particular institution.

So what is critical, as we begin debating this very important access to this Andean Development Corporation, is our ability, not only to borrow—that is the easy part. The other part is what are we going to do with the moneys that we borrow? That is very important. [*Desk thumping*] And, of course, with the deficit ballooning, with debt rising, with recession worsening, Madam President, we have a debt-to-GDP ratio of 77 per cent. When you incorporate all the debts, including Treasury bonds and bills, it is 77 per cent.

But I will deal with these matters as we go on, Madam President, because we are told by the Minister—and we have seen in the Bill before us—that this bank is also about promoting economic and social development, and we do that through financing development projects. But I want to indicate, very early, that when we

speak to the issue of economic development, social development, and, of course, environmentally sustainable development, we have to take into account the ability of this country to honour its debt obligations.

I want to indicate, from the very outset, that when we were dealing with several loans—development loans Acts in this Parliament—I recall the hon. Minister of Finance giving an undertaking—and I want to refresh his memory. We were concerned at that time, Madam President—as we seek to access more and more loans, given the ceilings that we had increased in the various loans Acts—we were concerned as to where we were heading as a country. We were concerned as to what was taking place in several countries, not only in Europe but in the United States and even in some parts of Asia.

And I recall the hon. Minister giving an undertaking that at the end of 2015 the debt-to-GDP ratio, minus bonds, Treasury notes, Treasury bills, we were about 46 per cent. Debt-to-GDP ratio was 46 per cent and the Minister had undertaken a commitment that the maximum that he would like to reach, and the Government would like to reach, is 65 per cent, and he would not be interested in going beyond that. And if I may quote him, Madam President, on page 263 of his contribution on the 8th of December, 2015, the Minister said, and I quote:

“We were at 46 per cent and we are looking at a maximum of 65 per cent, and we feel that if we go beyond 65 per cent, we are going into dangerous territory.”—and therefore—“We are setting a cap at 65 per cent, and we are hoping we never have to use that, because it is just a limit.”

I draw it to your attention, Madam President, because, as we speak, we are going to access US \$300 million. Recently we saw in the papers where the Government borrowed US \$40 million from the IDB and we also know that the

Government has floated a bond and extracted on the local market some \$1 billion.

So what we do know, Madam President, is that the debt-to-GDP ratio is rising and I believe if we were to examine, objectively, where we are today, I think we are beyond 60 per cent. Seventy-seven per cent would incorporate all our debts and I will point out exactly where the figures are coming from. It is coming from the Central Bank *Economic Bulletin*, March 2017.

So, Madam President, sustainable development, given one of the goals of this particular institution, to us is a holistic approach that emphasizes economic, social and environmental objectives in shaping policy. And, of course, as I indicated, it is one of the goals of the Andean Development Bank. But our concern, as the alternative government, is not about accessing loans which we are going to be able to access, given our ability to have at our disposal at this time certain financial buffers, certain fiscal buffers—the Heritage and Stabilisation Fund is one of those financial buffers; the foreign exchange reserves of our country is another financial buffer. It strengthens the overall standing of this country, so when we go to access loans it is easier. So the issue is not accessing loans for economic and social development. It is about when we access these loans, what purpose are we putting to those particular loans that we access? [*Desk thumping*]

We also have to examine, Madam President, the capacity and the ability of our country to service these loans when they become due. And I have seen in this legislation, provision, which is a very progressive provision, because that should be in every IDB, CDB, World Bank document or agreement where the Parliament is given an oversight role to ensure that the Minister of Finance does not go on a frolic of his own. Whenever he signs a loan agreement he has to come and table that loan agreement within 30 days of signing that agreement on behalf of Trinidad

and Tobago, and that is a very positive development. It gives the Parliament an oversight role in this matter.

And there are other clauses that talk to, if you are going to amend the agreement, any document that you are issuing, those things ought to be made available to the Parliament. And most importantly is this particular provision in the Bill—I think it is clause 5—clause 6—which refers to the actual charge to the Consolidated Fund wherever these loans are accessed.

So the people of the Republic of Trinidad and Tobago have to pay for these loans at the end of the exercise and that is why we would have liked to see, in this legislation, a provision that compels the Government to come to this Parliament and share with us what projects and programmes [*Desk thumping*] they are going to be accessing in order to qualify for certain loans, so that the Parliament would have a greater oversight on the kind of projects and programmes that the Government is going to be involving this country in.

But we are post facto. We are seeing, Madam President, these agreements after they have been signed, 30 days. We are not seeing those agreements before they are signed so that the Parliament could have a greater oversight on these particular agreements. So it tells us that the Government, because it has no plan, it has no vision, it has no strategic direction, they are on a borrowing spree. [*Desk thumping*] That is what this Government is on. And you could hear this Government, in their voices, in their presentation, in their utterances, they are eager to get at the doors of the Andean Development Bank. Their lips are almost watering, virtually, to go and get their hands on the US \$300 million.

Already, since this Government came into office, Madam President, between September of 2015 to today's date, they have borrowed over \$20 billion, [*Desk*

thumping] and when you look to Trinidad and Tobago to see where that \$20billion has gone, we “cah” see it. So this Government is on a borrowing spree. But at the end of the day, who is going to pay for that? It is the ordinary man and woman in this country who is going to be called upon to pay for it. That is what is going to happen.

Madam President, do you know that, as we speak today, what is the total public debt of this country in TT? Close to \$120billion. The total public debt is close to \$120billion. I have done a rough calculation, and maybe the Minister could correct me if I am wrong, the foreign element of it is close to \$22 billion. We owe foreigners close to \$22billion. Madam President, in terms of domestic, it is \$66billion, and in terms of the sterilized, it is 32. So when you add up these three figures, we are talking about over \$120billion thus far. You know what that translates to?—per capita, \$85,000 to \$86,000 owed by every man, woman and child in this country. That is what it translates to, Madam President. And therefore we are concerned about the debt sustainability of this regime. How do we go about ensuring that we do not end up in a debt crisis? Because that is where we are heading.

Madam President, if your economy is not growing and you are just borrowing and borrowing and borrowing, what is going to happen? You are going to crash the economy and you are going to send the economy into the hands of the dragon called the IMF. [*Desk thumping*] That is what you are going to do. Madam President, there is not one project that this Government has embarked upon. All we are getting is “NATO—No Action, Talk Only”. [*Desk thumping*] That is all you are getting from this Government, only talk but no action, and billions of dollars are being spent every year and you cannot see a developmental programme, you

cannot see a development project in this country.

Nothing has been done and all we are seeing is a lot of workers being retrenched and sent home and crime out of the roof, while many people are golfing. They are golfing. People jamming! Jamming! “Dey jamming.” [*Desk thumping*] “People jamming in the country.” The PNM jamming still, and whilst they jamming, many of them golfing all over the place.

So, Madam President, the question that is being asked, really, if the economy is in a negative trajectory, as we are being told by the Governor of the Central Bank—do you know that this country, for the first three quarters of 2016, the economy contracted by close to 9 per cent in 2016—for the first three quarters—[*Interruption*—the worst contraction in 33 years in Trinidad and Tobago, under the watch of the hon. Minister of Finance, who is disturbing us?

Hon. Member: The Acting Prime Minister.

Sen. W. Mark: The Acting Prime Minister, who should have more manners. Madam President, for 33 years—our economy has contracted the worst in 33 years under this Government. [*Desk thumping*] So what you are seeing taking place in our country is that the economy of our country is contracting because the Government does not have a clue of how to turn around this economy. [*Desk thumping*] So we are on a spending spree, Madam President, and a borrowing spree.

[*Disturbance of Electronic Device*]

Madam President: Whichever Senator has that device on, could you please leave the Chamber for five minutes? You will return after five minutes.

Continue, Sen. Mark.

Sen. W. Mark: Yes, Madam President. So here it is, and so on, we had

warned this Government and we told this Government, stop raiding the Heritage and Stabilisation Fund. [*Desk thumping*] That is a financial buffer that we need to protect if we want to maintain a certain degree of credibility in the international community. One person—I think it was the Minister of Finance said: it is not a trophy to be kept on a shelf. He said it is to be used. And, Madam President, between May of last year to March of this year, they have utilized over US \$625 million from that Heritage and Stabilisation Fund. [*Desk thumping*] But, I want to tell you, Madam President, if you did not see it—I want to refer you to page 13 of the *Business Guardian*, Monday, April 03, 2017. The headline is:

“Cabinet’s drawdown of US \$251 million from HSF...

It’s credit negative says Moody’s”

So when we are being told that it is not a trophy to be put on a shelf and we will use it in accordance with the rules, yes, they also recognize that here, Madam President, but they are saying there is a cost, you know, when you use this money in the way that they have done it. You know what they are saying, Madam President, in accordance with this article? They are saying that this decision to reduce the Heritage and Stabilisation Fund by US \$251 million:

“...reflects a deteriorating fiscal position driven by large fiscal deficits amid lower energy-related government revenues.”

So, Madam President, the Government did not exhaust—it is our view that the Government should have exhausted all its options before touching the people’s heritage fund. [*Desk thumping*] The Government did not exhaust its options. Madam President, we are now being told by the Minister of Finance that there is US \$300 million awaiting, for the Government to collect at the Andean Development Bank.

Madam President, you know when that was? I have the note here. That was some time in, I think, if I am not mistaken, it was July of last year. I have a note here from CAF and the date is July 22, 2016 and they approved on that day, US \$1.865 billion to promote the development of infrastructures and social improvements in Latin America. The seven countries involved were: Argentina, Bolivia, Colombia, Ecuador, Panama, Trinidad and Tobago and Uruguay. Nine loans, just under US \$2 billion, since the 22nd of July.

We were granted approval for \$300 million since the 22nd of July, 2016. Why, Madam President, it took so long to bring this Bill here?

Hon. Member: It took so long, from 2012.

Sen. W. Mark: No. You are dealing with the past. I am dealing with now. Why did you take so long to deal with this matter? Madam President, instead of going in touch, the point I am making is that the Government had the opportunity of going last year August, September, October, whenever, to get this money.

Hon. Member: Because they want to save it.

Sen. W. Mark: No, I am saying that that is what the Minister said. The Minister said he is hungry and he is going and eat the money. He is going for the money. He is like Max Senhouse. He needs the money. That is what the Minister is saying. So I am saying, if you need the money, why you did not go back in July, August last year to get your money? You allowed this money to lie there, and whilst you are allowing the money to lie there and await your arrival, you go into the people's savings, the Heritage and Stabilisation Fund [*Desk thumping*] and you extracted close to \$3 billion from that fund.

And we will always place this Government under pressure because they have to answer to the population, you know. There will come a time when all this

hide-and-seek will stop. You will have to come and tell the country when you went to them, did you tell the people you were going to raid their Heritage and Stabilisation Fund? You never told them that. [*Desk thumping*] You never told them that. And we are saying to the Government of Trinidad and Tobago that they need to do better than that.

Madam President, I want to go to the point that I made earlier, the state of this economy, to tell you, for instance, where we are. Every particular area, with the exception of, I think, financial services, real estate and probably distribution, every other item, every other sector, is in negative territory under this Government. So there is no economic growth. The energy sector has literally collapsed under this Government's watch. I am glad that the Minister of Energy and Energy Industries is back so he could get to work on that front.

So, Madam President, we have a situation that is developing where we do not have economic growth in this economy taking place. This is the second consecutive year that we are going to be in a negative zone when it comes to economic growth. It was 2.4 or 2.5, I think, last year, and I think we may be going into, maybe about 4 per cent or 3 per cent this fiscal year, because nothing is taking place in this economy.

Our balance of payments is in negative zone, both the current account and the capital account. The current account is in trouble by a huge deficit. So where in the past, the balance of payments used to reflect positively and moneys used to go into the reserves of the country, today the balance of payments is in trouble under this administration. Madam President, not only is the balance of payments in trouble under this regime, but we have a situation where the public sector debt, as I indicated to you, is also rising and is almost, as I said, close to \$120billion

according to the Central Bank on page 31, under “Public Sector Debt.” We are \$120 billion. To be precise, \$119.3 billion. That is the total debt. And, of course, the Government’s domestic debt, excluding sterilized securities and contingency liabilities, is estimated to have increased by 1 per cent.

Madam President, would you believe that they—the Government, that is—chastised us for the overdraft that we were involved in when the PP was in office? Do you know, on page 5 of this report, the Government went and borrowed on the overdraft facility at the Central Bank to the tune of \$1billion, and they never told the country that? We had to read that in the Central Bank report. This was financed—Madam President, let me read:

Provisional data provided by the Ministry of Finance suggests that the Central Bank recorded a deficit of \$2.5 billion for the first quarter of 2016/2017.

Two point five billion, the deficit for the first quarter of 2016/2017.

This was financed through domestic borrowing comprising of Government drawdowns on the overdraft facility with the Central Bank and the issuance of \$1billion domestic bonds in December2016.

So the \$2.5billion deficit was financed through drawdowns on the overdraft facility and the \$1billion domestic bond by this Government. So, Madam President, what is going on here is that the Government is actually borrowing and they are utilizing the overdraft facilities in an effort to survive, and we are in a sinkhole and we are going deeper and deeper into that sinkhole.

So whether we look at the external accounts, we look at the debt to GDP, the situation is the same. So I want to share with you, Madam President, on page 32, Table 14, Public Sector Debt Outstanding.

The total public debt at the end of December 2016 provisional is 77.2 per cent. The total debt to GDP, 77.2 per cent. Madam President, when you minus or you separate the sterilized debt from the total public debt, it comes down to 56.6 per cent of debt to GDP, and in terms of the external we are seeing where in September 2016 it was 14.5 per cent and it is now 13.9 per cent provisionally of December 2016.

3.00 p.m.

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

Sen. W. Mark: So, we are concerned about this spending spree and borrowing spree that this Government is involved in. This reminds me of a famous book written by an author in the 19th Century called Washington Irving. *Rip Van Winkle*. The Government seems to be sleeping whilst the country is burning, Madam President. Murders are on the increase, debt to GDP rising, the economy has crashed and many people in this country golfing. When they are not here golfing, they golfing elsewhere.

Madam President, we passed in this Parliament, as you would recall, the Sustainable Development Goals for 2015—2030 and we have not seen a plan coming from this Government to date [*Desk thumping*] as to how we are going to implement the 17 Sustainable Development Goals. We have passed it, we have approved it and, Madam President, I make reference to that to let you know that one of the objects, or one of the goals of the Andean Development Bank is to deal with the issue of sustainable development, and we would have thought that the Minister of Finance would have been able to come with a plan to tell us how his Government intends to go about achieving and fulfilling the sustainable development goals.

I noticed in a report published by Sustainable Development Solution Network dated July 2016, out of the 149 countries I see where Trinidad and Tobago is No. 78 out of 149 countries, but I am yet to see a development plan, a programmatic plan of action that would tell us how we are going to reduce poverty, hunger; how we are going to build education institutions; how we are going to deal with healthcare, climate change; how we are going to deal with innovation, and industry, and infrastructure; how we are going to deal with the oceans. We are not seeing these things and oil and energy is on the way out.

I read somewhere where somebody was making the statement that when the Stone Age ended, it did not mean that there were no stones. There were stones, but this gas and oil age is about to come to an end. There will be gas, there will be oil, but you know what, renewables are overcoming, oil and gas, and, Madam President, as you know, by the year 2020 over 20 million electric cars will be on the roads throughout the world. So fossil fuel will no longer be in demand in that great amount.

So, Madam President, this is a matter that we were party to, so we have no problem with the measure that is before us. What we are concerned about is that you are going to borrow. We want to know the purpose of your loan, we want to know the ability to repay your loans. These are the issues that the ordinary people of T&T are concerned about and we look forward to the Ministry providing answers as to exactly what he will be doing with the US \$300 million that he will be accessing when this Bill is passed and he goes [*Desk thumping*] to collect that money what it will be for.

Thank you very much, Madam President.

Sen. Taurel Shrikissoon: Thank you, Madam President, for recognizing me

and affording me the opportunity to contribute to this debate. Before I begin today, I would like on behalf of my colleagues, on the Independent Bench, to also welcome Sen. The Hon. Franklin Khan back to this House and want to wish him continued and greater health as his recovery continues.

The Bill before us today seeks to provide membership for Trinidad and Tobago in the Andean Development Corporation for raising loans for the purposes of financing development projects in Trinidad and Tobago, and that is the title of the Bill. As I begin today, I would just like to say I am a little bit confused with respect to the title of the Bill for two reasons, but one of them being—the latter part of the title speaks about “for the purposes of financing development projects in Trinidad and Tobago”, but when the Minister introduced the Bill he alluded that some of it—or I do not know how much of it—will be going to budget support, which is really a policy position. So I am not too sure whether or not the funding being used, or funding being sought, would really be for development projects or for policy projects, which would be for budget support. So I would really like some clarity there.

I would like to say at the outset that I really do not have an issue with Trinidad and Tobago becoming members, or being members of corporations or institutions like this because I believe membership in organizations like this, development banks, provides Trinidad and Tobago with benefits as outlined by the hon. Minister, benefits with respect to access to funding, and we even heard from the Minister in terms of the ease at which financing could be obtained as compared to other institutions. More so, the involvement in Trinidad and Tobago in an institution like this, being members, will also provide an opportunity for Trinidad and Tobago into the Latin American markets, and I think that has a positive impact

for trade in Trinidad and Tobago and that is a benefit for Trinidad and Tobago. So I am really seeing some benefits to be derived from this membership.

However, Madam President, as I get into the Bill, clause 1 of the Bill provides the short title and clause 2 provides definitions; clause 3 provides for borrowing from the corporation; clause 4 allows for the Minister to be authorised to execute or to sign loan agreements and to accept amendments; clause 5 refers to the loan agreement being laid before Parliament; clause 6 indicates that payments are to be charged on Consolidated Fund; clause 7 refers to the principal and interest on sums borrowed; clause 8 specifies that the loan agreement or instrument issued shall be valid and will have full force and effect in accordance to the terms; clause 9 deals with immunities; and clause 10 deals with validation.

You see, Madam President, one of the reasons why I wanted to go through it clause by clause is to say that clauses 3 to 8 speak directly to the borrowing of funds from the corporation. So I am left in a predicament to determine whether or not the title of the Bill should be membership or access to borrowing because the title of the Bill speaks of an “Act to provide for membership”, but the core of the Bill speaks to borrowing of funding from the Bill. [*Desk thumping*] So, here in the title of the Bill it refers to membership and developmental projects and the core of the Bill it talks about access to funding, and from the Minister, budget support policy-related positions. So I am in a little bit of a position here as to whether or not membership when we are members and developmental loans where the funding is being ascribed to policy. So I am in a little bit of a predicament there as to what really occurs, or what really is the intent, given the title of the Bill.

And just to support it a little bit, if you go to the bank’s website it says here:

“One of the most outstanding developments for the CAF in 2012 was

Trinidad and Tobago's agreement to become a full member of the institution. The accord involves a capital contribution of USD 323 million..."

And it says:

"With the incorporation of Trinidad and Tobago as the Institution's eleventh full member, CAF strengthens its presence in the Caribbean and deepens its dimension..."

So I am asking the question: If in 2012 we were recognized as members, how is the title of the Bill asking us to provide for membership? [*Desk thumping*]

And this is—[*Interruption*]

Hon. Senator: What is the name of the Act?

Sen. T. Shrikissoon: "An Act to provide for the membership of Trinidad and Tobago in the Corporation."

Further, Madam President, if you go to the website again you would see under the shareholders' assembly, we would recognize the hon. Minister of Finance as the legal representative and our Governor as also a legal representative for the Central Bank, both having shares in the bank. So I am seeing that actions of Trinidad and Tobago have constituted involvement and membership, but today we are having a Bill which speaks to membership.

Madam President, forgive me here being inexperienced in terms of dealing with matters as it pertains to access to funding from developmental banks. However, clause 3 here says:

"(1) Subject to this Act, the Government may, in such manner and on such terms and subject to such conditions as may be agreed with the Corporation borrow from the Corporation's own resources or

from the funds administered by the Corporation...”

So here it is I am seeing a piece of law coming before us to indicate Trinidad and Tobago accessing fundings, but the terms at which we are being lent, or terms by which we are borrowing are termed “in such a manner and on such terms and subject to such conditions...”, and I think it is very vague in my mind as to whether or not what are the requirements that are going to be imposed on Trinidad and Tobago given the law allows us, or the law defines it as in such a manner in such terms and subject to such conditions. So, I have a little bit of concern there, agreeing with this piece of legislation given that it is very vague at this point in time. I did not have the benefit of an agreement that this bank would have used before, or can be used as a template, or even as a guide as to what the conditions may be.

So here it is we have clause 3 of the Bill speaking to some vague items, clause 4 of the Bill allows the Minister and it says here in clause 4:

“(1) The Minister is hereby authorised to execute or sign for and on behalf of the Government...”

So we are seeing an element of the conditions being vague, and now we are seeing the hon. Minister having full authority to sign on this.

In clause 5, here we are seeing that the Parliament is now being informed after the signing of the agreement. So in my mind I am seeing vague clauses, autonomy to the Minister and then Parliament informed after. My concern is what if we do not agree; what if the conditions are too harsh; what about if the conditions affect people in Trinidad and Tobago in a negative way? We have seen before when we access fundings from other banks, the conditionalities imposed on the country were very harsh, and here it is as a citizenry and as a country we

cannot do anything because the law allows it to be vague in terms of the requirements, the Minister has full autonomy and Parliament is informed after. How then can I say, or can we say, this situation, if it has a negative impact could have been avoided. The answer is I do not think we have the input to do so at this point in time and I am a little bit concerned about that.

Just to draw reference to why am I saying that Trinidad and Tobago needs to have some level of awareness or involvement—I do not mean to go down a political line, but look at what happens when a Minister has full autonomy and I will just recall for one example the highway to Point Fortin when we saw agreements being signed overnight before an election, and now here we are seeing a Minister having the power to do the same. What about the building that was apparently a church in the heights of Guanapo, if I have that correctly? We had no involvement in that and even in the Uff Commission they went on to say that the findings or the funding for that project was vague. Trinidad and Tobago is being left exposed to the decisions being made by those in authority and we have no way to be able to correct or involve ourselves in that. So, Madam President, those are some of the issues I have with the Bill.

Clause 8 of the Bill speaks of:

“Notwithstanding any law in force in Trinidad and Tobago, any loan agreement and any instrument”—used—“under the powers conferred by section 3 shall be valid...”

Here it is we are seeing that the law is saying no matter what happens, this agreement takes precedence. So again, I am seeing we have no involvement, the terms are vague, the Minister has full autonomy, and now we are seeing that no matter what, even if there is a desire to change we cannot because it overrides

everything else and so I have a concern there with that as well.

And then clause 10, Validation. This is about the third time I am standing to speak in this honourable House and we are seeing legislation being passed for actions taken in the past, and again I am saying it is not a good precedent. Why it is that we are passing legislation to correct actions of the past? We should be forward thinking [*Desk thumping*] and I raise the issue with respect to the THA Bill before, we coming here on a Saturday to validate it—FATCA legislation—where we had to validate the actions of the BIR between 1989 and 2016, and here it is today we are validating actions of previous administrations far back as 1994—2016. I am not seeing that being forward thinking and advancement at all.

So, Madam President, these are my concerns that pertain directly to the Bill as it pertains to the Bill before us. But the Bill before us, as I said earlier, at its very core speaks of borrowing for Trinidad and Tobago and Sen. Mark used some statistics before and I want to just touch on some of them, however, his and mine may differ a little. I want to look at the overall debt level in Trinidad and Tobago, and over the period 2010—2016 we saw an expansion of debt in Trinidad and Tobago: 2010, total debt \$48 billion; 2016, \$89 billion; and in 2016, 12 or \$11 billion was really between the period 2015 to 2016. So we are seeing a substantial increase in the debt profile of Trinidad and Tobago, and we are seeing a very sharp increase over the last year and I am concerned about that level of increase.

Now the thing is, the GDP levels in Trinidad and Tobago have been on the decrease or decline since about 2013: 2013, \$170 billion; 2014, \$167 billion; 2015, \$150 million; 2016, \$145 billion. So while there was a debt expansion in Trinidad and Tobago, we are seeing the performance of an economy as Sen. Mark alluded to from the Monetary Policy Report of 2016, that the economy has experienced some

of the sharpest contractions in the history of Trinidad and Tobago. So as the debt profile increases, our GDP decreases, and so I am asking the question today: for what purpose is the funding being used for because it is not translating into an increase in the GDP of Trinidad and Tobago? [*Desk thumping*]

Now I just want to quote from E. D. Domar, who in an article, The “Burden of Debt and National Income” in the American Economy Review says:

“...the problem of the burden of debt is essentially a problem of achieving a growing national income.”

So if we are seeing debt expansion associated with a rise in GDP I am still saying it is okay, but we are not experiencing that at all and it is at cross administrations. And he says:

The proper solution for debt problem lies not in tying ourselves into financial straightjacket, but in achieving faster growth of GDP.

And we are not seeing it at all.

So we are seeing an increase in debt expansion and a decrease in GDP, which is saying to me that the use for which the funds are being put to are not increasing the value of goods and services being produced in Trinidad and Tobago. [*Desk thumping*] So with a falling GDP, how is this debt to be repaid? Obviously, if you have falling GDP—and in Trinidad and Tobago Government having falling revenue—then it is saying to me how is this debt service going to occur. In Trinidad and Tobago, we are seeing falling revenue—2011, \$47 billion; an increase up to 2014, \$58 billion; but by 2017, according to the Minister, we are seeing total projection just above \$46 billion. From the *Economic Bulletin* issued by the Central Bank in March, it says:

“The latest revised estimates from the Ministry of Finance show an

overall deficit of \$7.3 billion...for fiscal...2015/'?—2016.

So if it is that we are having deficit budgeting, it is saying that we do not have ability to retire debt because we have to borrow more to finance that debt. Let us see what is going on in 2017. The article goes on to say here that:

“Provisional data provided by the Ministry of Finance suggest that the central government recorded a deficit of \$2.5 billion for the first quarter of...2016/'?—2017.

Now I am quoting from the Central Bank figures here and it is saying—and that is how come Sen. Mark was able to say how it was being financed.

So if our revenue stream is falling then it really begs the question how the debt is to be serviced. Is the debt going just to be rolled over and pushed into the future? Probably whenever we have an election, should there be another administration, or if there is the same administration, what we are going to see is the same legislation that was brought to the House on December 8th in 2015, where we now have to increase the ceiling on the debt profile and I think we are on a cycle. I think we are on a cycle. So it is going to happen and the debt profile is going to run away from us again. But what is more alarming with respect to the expansion in the debt portfolio of Trinidad and Tobago, if we look at the composition of external debt, you will realize that in 2015 our external debt was \$14 billion, but 2016 it is \$21 billion. [*Desk thumping*]

So at the core of debt expansion we are seeing that the real expansion in debt is occurring in our external debt, not the domestic debt as fast as the external debt, and that has problems for Trinidad and Tobago because it is a requirement, one, to repay in foreign currency, a currency that is very scarce at this time. [*Desk thumping*] I cannot remember the last time we had such a large expansion of

external debt and I went back as far back as 2002 to check and there was not an increase. So I am really concerned of the level of exposure the Trinidad and Tobago economy has when we go to foreign agencies or external agencies. Very much concerned about that. And the latest data according to the *Economic Bulletin* of March 2017 says:

“External debt is estimated to have increased by \$1.2 per cent to \$21.5 billion. The increase in external debt was primarily on account of a US\$38.1 million disbursement by the Inter-American Development Bank...”

So it is saying that while we have an expansion of external debt there continues to be an expansion in external debt, and the legislation brought before us today also now empowers the Government to take this debt limit, this external debt even further or higher and I am concerned that it is giving us or putting us in a position of exposure and I really do not like that position.

Now, as we sought to increase the external debt what really will affects the cost of borrowing on the external debt, it would be our ratings, our debt ratings, and we are have seen before that our lending agencies have continuously downgraded Trinidad and Tobago with respect to our debt rating. And as our debt rating decreases, our cost of borrowing will increase, and this is exactly what you are doing and we are increasing our external debt level. I just want to quote, it says here.

“Moody’s Investor Service has today downgraded Trinidad and Tobago’s ratings from Baa3 to Baa2 and assigned a negative outlook...”

Madam President: What are you quoting from?

Sen. T. Shrikissoon: I am quoting from the Moody’s Report of April 2015 to 2016, and there is where it was downgraded. More so, according to this report

what would cause our continuous slip, in this rating it says:

“Moody’s would downgrade Trinidad and Tobago’s Baa3 rating if it concluded that the government’s planned fiscal efforts for 2016/17 were unlikely to”—reduce—“the deteriorating fiscal performance and steady rise in Government debt.”

So this legislation before us, again, is providing for an increase in Government debt. So I am optimistic as to what our credit rating would be. Would it be maintained or would it slip further? And just to give an indication, in that same report it went on to say that one of the reasons, or one of the factors they would consider would be availability of statistics in Trinidad and Tobago, and according to the Budget Statement 2016 from the hon. Minister, the international rating agencies and the multilateral lending institutions have all commented on the porosity of accurate statistical data in Trinidad and Tobago.

In fact, Moody’s Investor Services cited poor statistical data as one of the reasons for the downgrade of the country’s credit rating, and it went on to say that we will bring to Parliament in the new fiscal year legislation to establish an independent statistical unit. So while I am talking about credit ratings and a factor would be that establishment of the statistical institution, I am still not seeing it in Trinidad and Tobago as we speak. I am not sure of progress of it, but the legislation as promised in that budget statement did not materialize.

So, Madam President, as I come to the conclusion of my contribution—Sen. Mark alluded to it and he read from it—on December 8th, 2015, when the debt ceilings were brought to this honourable House, I had scepticism with respect to supporting the legislation, but the hon. Minister of Finance assured this honourable House at that time that he would give an undertaking to provide a debt

management strategy for Trinidad and Tobago, and he went on to say:

I will provide you with the information—and I am just paraphrasing—but to quote a section of it, he says:

I cannot say how frequently I will update this Parliament, but I give you the commitment that it will be done.

And I am saying I can support the Government with respect to increasing debt finance. I can support the Government doing so, but I would appreciate it being done in the context of a debt management strategy to show me how it is Trinidad and Tobago would be able to retire the debt and maintain debt levels. To ask me to approve or to support a piece of legislation that increases the debt level of Trinidad and Tobago without showing me the overall picture and the ability to repay, I have a problem with that. It is asking me to pass and approve legislation in a vacuum of no information, and I am very much concerned that that would leave us in a place where Trinidad and Tobago will require external help.

Even in that debate on December 8th, 2015, in a response to Sen. Mahabir who asked a question, the hon. Minister of Finance also gave us a commitment that he will use a benchmark figure as to not allowing the extent of foreign borrowings to run away from us. That we have not seen and I am just going to quote from *Hansard*. It says:

“We can look at the extent of foreign borrowings. I think we can all put our collective heads together. I have absolutely no difficulty with that.

I will look at the current committee system and discuss it with the powers that be and let us see if we can put something in place...”

And I am saying that too has not materialized.

So then we are here again today with legislation before us for a similar type

of financing, but the commitments given by the Government, whether because of time or any other reason, they have not been able to present what they have committed to, and all I am saying is I am still willing to support this legislation if the information would be provided. What is a good debt management strategy? I would like to know what our debt service for the next 10 years would be—
[*Interruption*]

Madam President: Sen. Shrikissoon. Members, can we please listen to Sen. Shrikissoon in silence? Sen. Shrikissoon.

Sen. T. Shrikissoon: Thank you, Madam President. So in terms of the debt management strategy, what is the projected level of debt for the next 10 years? What is the projected level of revenue for the next 10 years? What is the projected level of expenditure? Is it going to be years of deficits or surplus? Every year we have been hearing we can look forward to a balanced budget, and even in the last administration we were looking for a balanced budget in 2016 and now we are hearing that it could be as far as 2020. If it is we do not have a balanced budget, or we are in a deficit position, then retiring of debt is not an option and it will just continue to increase the debt profile of Trinidad and Tobago.

Do we have a strategy we are going to deal with the debt before us? Do we have a strategy where the debt that is going to incur will realize itself into growth of GDP? And I am not seeing that and I am not hearing about that. All we are hearing is that we have access to funding from certain agencies, and therefore, the Government needs the support, financial support and we are accessing the funding.

That is insufficient in my mind to justify the debt position because what is going to happen is we are creating bills for the children of Trinidad and Tobago to pay. [*Desk thumping*] And I am saying this, in the book of Psalms, there is a psalm

that says a blessed man leaves an inheritance for his children's children [*Desk thumping*] and we, as leaders, are leaving debt for the children of Trinidad and Tobago to pay and I am concerned about that.

3.30 p.m.

If you look at the debt position of Trinidad and Tobago right now, you will realize that the Government is actually juggling cash. They are borrowing funds to pay off a maturing debt and I understand the financial tightness that is going on and this may be the only way to retire some debt and just to support it. It says here from the *Economic Bulletin*:

“Central Government domestic debt, excluding sterilized securities and contingent liabilities, is estimated to have increased by less than 1 per cent. During the quarter, the Government issued a \$1.0 billion bond under Development Loans Act¹⁶. The resultant rise in domestic debt was however partly offset by the \$476.5 million repayment of CLICO zero-...”—rated—“bonds which matured in October 2016 and a \$150.0 million partial repayment on the \$1.5 billion Floating Rate Bond issued with First Citizens Bank in November 2015.”

So you are borrowing, increasing the borrowing, to offset maturing debt and that is a sign of things to come. It is a sign of saying that something is not very right because in order to be able to pay off debt, we have to incur and increase more debt and that is something to look at. It is a sign. What happens if the revenue of Trinidad and Tobago continues to be restricted or to fall? How will this really occur? And that is why I am saying, a comprehensive debt management strategy for Trinidad and Tobago will alleviate the concerns of citizens like myself and it will tell me and it will show to the country, we are aware of what we are doing and

debt service is on our mind, not just access to the funding.

So, Madam President, as I conclude, I would like to say that the Bill before us today, in my mind, is more about accessing funding rather than membership. I am uncomfortable with the terms under which the funds would be borrowed given that it is very vague and I would have liked to know that even this Parliament or any other agency would have been informed before such a commitment was undertaken from a bank as lending us funding. I am still uncomfortable with legislation being passed now and being applied retroactively. Our debt expansion has not brought about an increase in GDP and falling revenues will make debt service more difficult. Our external debt profile is rapidly expanding and this piece of legislation allows for the Government to further increase our external debt. This will have implications on our foreign reserves and our ability to repay. And if at any point in time into the future, there is a depreciating currency, our debt repayment will be more expensive.

External borrowings can become more expensive as we have been continually downgraded by credit agencies and I am really unsure of what the credit rating would be in April 2017, and I renew the call for a comprehensive debt management strategy having a clear goal of retiring debt and Trinidad and Tobago's ability to service its obligations. And I do highlight the concern of raising debt to satisfy maturing debt. I believe that that is a sign that things are not 100 per cent right with respect to the debt management strategy and debt being incurred in Trinidad and Tobago.

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

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, Madam President. I rise to join this debate on a Bill entitled an

Act to provide for the membership of Trinidad and Tobago in the Corporación Andina de Fomento also known as the Andean Development Corporation and for the raising of loans from the corporation by the Government of Trinidad and Tobago for the purpose of financing development projects in Trinidad and Tobago and for matters thereto. I join this debate so early because for those of you “who old enough and used to pitch marbles”, I want to get “meh knocks back in” [*Laughter*] so that is why I have started so early.

I want to go on record as saying, Madam President, that I appreciate the sentiments expressed by Sen. Mark and Sen. Shrikissoon with regard to my recovery and permit me before I get into the meat of this legislation to spend two minutes to say thanks to a couple people and couple institutions.

Madam President, as you would be aware, while on vacation in Thailand in mid-December, I became ill and gravely ill as a matter of fact. I was hospitalized for 12 days in what turned out to be a cardiac event. On my return to Trinidad, additional testing indicated that I needed an immediate bypass surgery which was conducted on the 9th of January, right here in Trinidad. Today, after approximately three months, here am I standing [*Desk thumping*] but I must say standing by the grace of God. Please permit me, Madam President, to just say thank you to a couple of people.

Firstly, I want to thank my doctors and my medical team, both in Thailand and here in Trinidad. And I must say that the Thai medical system is first class and so too my treatment here. I would like to thank my wife and children for their support and for being close to me in my recovery and during my surgery. I want to thank the Government and the Cabinet in particular. Special mention to the Prime Minister for his support, his understanding, his caring and his concern. So much so,

if I should say so or probably I should not, but I was given the clearance to resume duty since the 20th of March, and when I told him, he said, “No way”. He said “Take two extra weeks, I want to be sure that you are rested and fit and ready to take on this job.”

I would also like to thank the Acting Prime Minister, the Minister of Finance, for his support to my wife while she was in Thailand and while we had our emergency. Also, I would like to thank him for having the most challenging Ministry, the Ministry of Finance and yet he was able to competently handle, as an Acting Minister, the Minister of Energy. [*Desk thumping*] And few of you all may know that he was also acting Chairman of the PNM and this he had done quite admirably also. [*Desk thumping*] And what can I say that I have not already said about the Minister of Finance and Acting Prime Minister is that he has a tremendous capacity for work.

Special thanks to Members of this honourable House: the Government, the Opposition and the Independents. I want to specially recognize the colleague to my right, the hon. Paula Gopee-Scoon who, my understanding and from all reported, did an excellent job as the Acting Leader of Government. [*Desk thumping*] And Madam President, to you, as the President of this Senate and head of the Senate for your understanding, your concern and all your kind thoughts and prayers.

And finally, Madam President, I want to thank the hundreds, or possibly thousands of ordinary citizens who sent messages, who saw me in the grocery, who met me on the streets, and expressed their concern and their prayers. Because sometimes as politicians, we feel vilified but this experience has taught me that there are a lot of ordinary citizens out there who genuinely care about their leaders and to them all, I thank them sincerely from my heart. [*Desk thumping*] So I feel

good. Not so good and so brave as my good friend Mr. Panday who said “If you see me fighting ah lion, feel sorry for the lion”. At this point in my life, “I eh looking for fight with any lion”. [*Laughter*] The occasional fight with Sen. Mark will suffice. [*Laughter*] But having said that, I want to say that I thank you all very much in this honourable Chamber. So let me get back to the matter at hand.

This is a simple piece of legislation that provides the legislative framework to allow us to be full members of the Andean Development Corporation and more importantly to access concessionary borrowing. I do not want to get too critical too early but it is a difference between what I called reckless borrowing from the UNC as compared to prudent borrowing from the People’s National Movement. Because the hon. Minister of Finance said, in the other place, at the Andean Development Corporation, we will be borrowing at LIBOR plus 2 per cent. LIBOR is 1.86 per cent. That means we will be accessing developmental funds at a mere 3.86 per cent interest rate. Similar to the IDB. The IDB also has a moratorium. I always say the IDB is the closest thing to free money. Okay, and probably the Andean Corporation may be the second closest thing to free money. So we are in a similar mode as the CDB, the IMF, the IFC, the IDB and some of these multilateral agencies, and I will deal with the whole borrowing scenario shortly but just to make the point that this administration, this Prime Minister, this Minister of Finance, this Cabinet, this People’s National Movement, understands the economy and we know what we are doing. [*Desk thumping*]

But just to show you, Madam President, again, I do not want to be too critical but it is the incompetence and the tardiness that went through with this sequence of events that have us here today. I will go through very slowly the chronology of events to demonstrate. One, CAF is a developmental bank that was

created in 1970. That was already articulated by hon. Minister of Finance. Trinidad, geographically part of Latin America—although we are Anglophone in terms of our history—we became, in 1994, an associate member of CAF under a PNM administration. There, we acquired 108 Series C shares at a minimal cost of US \$1.0 million. Fast forward to April 2012, under a UNC administration, another agreement was signed to become a special member country. However, that agreement caused us, as a country, to acquire 22,772 Series C shares at a cost of 323—almost US \$324 million, almost equivalent to TT \$2 billion. But as a special member, we were only entitled, if we had the legislation, to borrowing US \$40 million.

So here we had \$2 billion tied up in capital from 2012 to 2017. Three years, under the UNC, from 2012 to 2015, with prominent financial experts like Mr. Dookeran and Mr. Howai, supposedly top financial experts, the UNC went to sleep. There was a sense of malaise that was taking place in that Government where they were not on the ball as to what was happening. That \$2 billion had no capital appreciation, you know; that was dead funds. That is equivalent to taking \$2 billion and putting it under your mattress. That is what went on there. Now, fast forward to September 2015, a PNM administration is elected into office and one Mr. Colm Imbert, an engineer, was appointed Minister of Finance. In nine months, on the 2nd of June, 2016, this administration applied to CAF to become full members. By this action, we acquired Series A shares or what is called golden shares for US \$1.2 million and today, here we are with this legislation, once it is passed, we have access to approximately \$2 billion of developmental funding for development projects at very, very concessionary rates. I want to congratulate the Minister of Finance for his prompt action. [*Desk thumping*]

And you wonder what we do with the money. I say reckless borrowing juxtaposed to prudent borrowing. You know my pet peeve, Madam President, the Point Fortin Highway. This is money that could have been used for the Point Fortin Highway; concessionary development loan from multilateral agencies. So if you did not want to go to the IDB because “yuh doh like IDB procurement procedures”, well at least go to CAF and you would have had \$2 billion access to that.

I remember quite clearly when Mr. Jack Warner threatened Mr. Winston Dookeran and say if you do not find \$1.5 billion to start the highway, heads will roll. Immediately after that, Prime Minister Kamla Persad-Bissessar went on “ah excavator, dip the bucket and Dookeran had ah big cheque”—sorry, the hon. Winston Dookeran, “ah big cheque so for 1.5”. Remember that, Minister of Finance? For \$1.5 billion and you know what happened? OAS did not have access to the route as yet legally, we had to pay over \$300 million in liquidated damages because of that. That is the level of incompetence that I want to draw to your attention. So when I deal with our borrowing profile, I want to show you that while we are in a more dicey position today, we know what we are doing and we are in competent hands.

Today, this PNM administration has to manage in more fiscally challenging times. Those were the days there was surplus budgeting you know; those were the days when oil price was \$100, okay, and gas price was high and revenue was shooting through the chimneys in the roof, if there were chimneys in Trinidad, and here we still had that level of fiscal indiscipline that probably put us where we are today.

But, Madam President, I just want to deal with two specific issues that have

been on the lips and the mouths of commentators and in particular, Members of the Opposition: bumping their gum, so to speak, sensationalizing the public and trying to create panic in this country and it has to do with two things. Sen. Mark, in his good self, was articulating the same thing: how we are reckless borrowers. I will show otherwise. And secondly, our discreet withdrawal from the Heritage and Stabilisation Fund. He said we are raiding the funds. I will show how Norway, how Saudi Arabia, how Oman, how Kuwait, how Bahrain, all have to dip into their Heritage and Stabilisation Fund for fiscal support because their economies are similar to ours, and show that our withdrawal as a percentage of GDP is probably still the lowest of all these countries. Okay? So do not create this panic mode as if we are raiding the Heritage and Stabilisation Fund.

I mean, the Minister of Finance said it is not a trophy on a wall, but what he really meant is that, obviously, even in your own finances, if hard times hit you, if you lose your job for a six-month period, if you get a reduction in salaries, you would not stop your children from going to school, you know; you would not buy books for them when the new term opens you know; you would not go to the grocery and not buy food and say my fiscal balance is untouchable and my savings is untouchable.

But as Prime Minister Dr. Rowley said in the meeting in San Fernando, we would not waste it but obviously, we have to gingerly take out from it to keep the country afloat and to please the citizens of Trinidad and Tobago because we have a plan, and you will see in the budget statement that, hopefully, on the revenue side at least, we want to get rid of deficit budgeting by 2020. So do not take the deficit budgeting in isolation in 2016/2017 as Sen. Shrikissoon seemed to be doing in his presentation. We have a plan in which we hope to get out of that and it will be

cutting the expenditure to manageable levels, good contract management, and hopefully on the revenue side, we should be increasing revenue through the diversification exercise and through initiatives in the energy sector which I will deal with shortly.

But how did we arrive at this deficit? As you all know, deficit occurs when expenditure is greater than revenue and you handle a deficit in three ways: you can increase revenue to bridge the gap; you can decrease expenditure, and you can find ways to fund your deficit and we have been doing all three simultaneously, but let us deal with the revenue side first. The budget statement said that energy revenue dropped from \$19 billion in 2014 to \$1.7 in 2016, a 90 per cent decrease. That decrease was because of three things. Falling commodity prices. We are price-takers so we have no say in that matter. Price high, we laugh; price low, we cry. We are price-takers and it makes no sense saying anything. I could predict as much as I want about what energy prices will be, nobody listens to the Minister of Energy in Trinidad and Tobago. They may listen to the Saudi oil Minister, not the Minister of Energy in Trinidad.

Declining production: we all know oil production is down to 75,000 barrels now as we speak from a high of 277,000 in 1977. There is something called gas curtailment which I will deal with shortly. But what was more significant on the revenue stream, as significant as declining production and falling prices were, were fiscal incentives offered by the UNC Government to the oil companies. And as simple as it may sound, by allowing companies to write off 100 per cent of their capital expenditure in year one has had significant negative impact on our revenue stream. That is like throwing the baby out with the bath water. While in principle, the concept of offering fiscal incentive to the exploration and production

companies was good in essence, that was so ridiculous that very few countries in the world offered to write off your capital within one year, and that is what had the significant impact. So that in 2016, bp, who used to be paying billions of dollars in tax revenue, had no tax for the Government of Trinidad and Tobago because of that fiscal arrangement that was put forward by the United National Congress.

On the expenditure side, we have dropped the average \$60 billion expenditure profile of the UNC from 2010 to 2015 to \$52.2 billion in 2015/2016, which, because of the lower revenue, we ended up with a deficit of \$7.29 billion and for 2016/2017, as the Minister of Finance indicated, we are forecasting a deficit of \$6.0 billion. Sen. Mark quoted the first quarter deficit of \$2.5 billion and want to extrapolate that for the rest of your—that is not how you do it because your expenditure may decrease and then your revenue could increase later down in the year. So the budgeted deficit figure which we still stand by is the \$6.0 billion as articulated by the Minister of Finance.

And then how do we fund the deficit? Borrow but prudently borrow. I have a list here of the borrowing that we did for the first quarter of this year, September 2016 to December 2016. We raised a \$1 billion loan under the Development Loans Act. The bond was initially issued for \$500 million but was significantly oversubscribed and consequently increased to \$1 billion, good; \$476 million of that was used to repay the Clico zero-coupons, as I think you mentioned, Sen. Shrikissoon. A \$90 million bond by UDeCOTT for the Brian Lara Stadium, developmental projects. You have virtually a billion dollars tied up there, 95 per cent complete and the UNC left it there as a white elephant for five years. Four hundred-million bond by the National Insurance Property Development Company Limited to finance PURE which is the road paving project that has been reactivated

by our new Minister of Works and Transport; US \$38.1 million disbursement by the Inter-American Development Bank for the purpose of a multiphase waste water rehabilitation project.

This is a development project that is so direly needed in Trinidad and Tobago. Waste water is a major, major issue in Trinidad and Tobago, especially along the East-West Corridor and south western Tobago, good, and it is reaching crisis proportion because how we dispose of waste is fundamental to the health of this nation. And as you all know, on February 14, 2017, Government issued a \$1 million bond, maturing in 2025, at 4.1 per cent. The bond was oversubscribed in the amount of \$1.4 billion and part of that money was used for the maturing of UDeCOTT \$500 million bond for the outfitting of the Government Plaza.

So, Madam President, we are not borrowing recklessly, we are borrowing prudently because we are suffering from a significant drop in revenue. We are curtailing our expenditure and we are trying, as a responsible and prudent Government, as to how we fund our deficit and we plan to come out of deficit budgeting by 2020. A lot will depend on oil price, gas price, gas production and I will deal with that shortly if I have enough time.

And then let me just deal now with the Heritage and Stabilisation Fund and let me just deal with a gentleman here called—“he used to be ah PNM, he used to be ah UNC”. He is a radio talk show host, “he was ah actor and now he is ah energy expert yuh know”. Good? [*Crosstalk*] But he is from Cedros but I would not bad talk coconut oil because I am from Mayaro. Okay? But he is an expert now on energy matters. “He talking about shale oil and what”—he probably read an article somewhere. But what he is an expert of—and I take umbrage to it, he is an expert of criticizing the Prime Minister, our Prime Minister, Dr. Keith Christopher

Rowley, and he is overdoing it. His language is unbecoming of a columnist, okay, and I do not even want to read this here because he criticized the Minister of Finance too in this article you know. But the less said of him the better.

But on the Heritage and Stabilisation Fund, Norway, whose current estimate of their fund is US \$900 billion you know. You could imagine how much US \$900 billion—and you know what Norway's population is? Four point five million people and they are also the happiest country in the world, eh, if you saw the report. And you know why they said they were the happiest country in the world? [*Crosstalk*] Not because of the amount of money they have in their Heritage and Stabilisation Fund, you know, because their public institutions work. That is a developed country. But having said that, they are withdrawing from their fund—in 2016, they withdrew US \$25.6 billion and in 2017, they plan to withdraw \$28.8 billion for fiscal support because their revenue has decreased substantially, and they have a big social welfare system in Scandinavia: Norway, Sweden, Denmark and Holland.

They epitomize socialism, and socialism that works, eh. However, the withdrawal from their fund is measured at 8 per cent of GDP. The mighty Norway, you know, with US \$900 billion, they withdrew 8 per cent of GDP.

4.00p.m.

Let us go to Saudi Arabia. Saudi Arabia withdrew from their US \$600 billion to US \$700 billion fund. They withdrew US \$79.2 billion in 2016, which is equivalent to 11.5 per cent of GDP. Madam President, the withdrawal from our fund, the last withdrawal the Minister of Finance made was 1 per cent of GDP. And overall, since he started, the first and the second withdrawal is just about 3 per cent of GDP. So when you analyze it in that way and you look at the core statistics

and understand the macroeconomic framework, to use a phrase of Sen. Mahabir, you understand that this Ministry of Finance and this Minister of Finance and this Cabinet understand the fiscal position we are in and we are prudently managing our way out of it. We are managing it from the expenditure side, because we are getting value for money now, you know. Ask the Minister of Works and Transport.

When I was the Minister of Rural Development and Local Government, we had a programme for \$25million to fix rural areas, tendering out contracts for road paving. Invariably, every single contract was awarded below the engineers' estimate, because the contractors were competing for work and very large contractors were bidding 20 and 30 per cent below the engineers' estimate and with all the capabilities to do the job. And the Minister of Works and Transport will tell you now that we are paying probably 30 to 50 per cent less than what the UNC was paying for the same set of services. [*Desk thumping*]

Saudi Arabia, the Kingdom estimates, I already mentioned what is their withdrawal as a percentage of GDP. Oman, their withdrawal of US \$13.8billion in 2016 was 22.6 per cent of GDP. Bahrain, their US \$2.9 withdrawal in 2016 was 13.6 per cent of GDP.

So, forget Moody's, you know. They could write what they want. We have to manage this economy. We have to understand what the issues are that face the nation and we have to play a balancing act without being overly stringent, but without being in a spendthrift mood and I think we are doing that in an extremely manageable fashion and again I want to compliment the Minister of Finance for that. [*Desk thumping*]

The last thing I will do now, Madam President—how much time do I have? Ten minutes.

Madam President: Eleven minutes.

Sen. The Hon. F. Khan:—is to deal with the revenue side, as to what is happening in the energy sector, and in particular the initiatives of the Prime Minister and Minister Stuart Young in recent times.

Madam President, the single most important issue facing this country is gas curtailment, because we have built an industry that includes petrochemicals in Point Lisas and LNG in Point Fortin, based on an abundant supply of gas.

There was a time that this country's gas reserve to production ratio was 35 to 40 years. Right now it is down to under 10 years, because we found so much gas in the 1980s and the 1990s that there was something called the monetization of gas. There was something called the Trinidad model that was being used in Africa and the Middle East. People were coming with cap in hand asking you: how did you do it? And I compliment people like Prof. Julien and Patrick Manning and Trevor Boopsingh and some of these guys for building that model.

However, somewhere along the line, in the last five to seven years we dropped the ball. We dropped the ball because we were depleting our reserves faster than it was being replenished.

When in 2009, I think—while the UNC was in power 2013/2014, Dr. Rowley, as Leader of the Opposition, he took me to some of those meetings and he was saying there is a gas shortage crisis in this country. Minister Kevin Ramnarine, he is now the expert, you know. He is only talking on the morning show and he is writing articles “and thing”. But when he was Minister of Energy he supervised this position and when they were saying that there was a gas shortage and an imminent and a real, that is the word, a real gas shortage, Kevin Ramnarine said that was because of maintenance of the platforms offshore. Look, Sen. Small is

shaking his head. And nothing happened from 2010 to 2015, in terms of the replenishment of the reserves.

That is the context now, in which I put the Prime Minister's intervention. Because if the gas curtailment issue is the most fundamental issue, in terms of economics affecting this country, it needs leadership from the top and that is what is being provided by our Prime Minister, Dr. Keith Christopher Rowley. [*Desk thumping*]

He brokered a deal with Maduro in Venezuela. For years we have been trying with the Venezuelans, you know. It is not today, you know. Patrick Manning, Kamla Persad-Bissessar, "keep all kinda function with Chavez, yuh know", and nothing happened. Dr. Rowley, within six months of his tenure as Prime Minister said Maduro called him and said: Let us work together. Today there are two agreements signed on Dragon, the Government to Government Agreement and the Heads of Agreement between PDVSA, Shell and NGC and we hope, all things being equal, to have the delivery of Dragon gas by 2019.

Lo and behold, the Prime Minister, last week, met with the leaders of the three largest oil companies in the world. Understand that, you know, the three largest oil companies in world: ExxonMobil, Shell and bp. They do not come bigger than that. They do not come more sophisticated than that. And there, bp has committed to US \$5 billion in foreign direct investment in Trinidad and Tobago over the next five years. He sowed the framework of the gas sales agreement that they will now be supplying new gas from Angelin and Juniper; Juniper within the third quarter of this year and Angelin by the first quarter of 2019, to help bridge the supply/demand gap in Trinidad and Tobago.

He met with Shell. Shell has committed to a significant work programme to

the tune of several billion United States dollars. They go to redevelop the star ship wells, Starfish wells—sorry, I am studying Star Trek —the Starfish wells off the east coast. They will be investing all the capital in the Dragon to Hibiscus pipeline. Okay? And they are acquiring some other assets in Trinidad and Tobago and in Venezuela. It seems as though they want to use the Trinidad/Venezuelan duplex as part of their international trust in Latin America and he held discussion with—
[*Interruption*]

Madam President: Minister, you have five more minutes.

Sen. The Hon. F. Khan: Yes. And he held discussion with ExxonMobil, as is bandied around in the newspaper about the major oil discoveries in Guyana. So we are dealing with the Guyana issue at two levels, at a Caricom level. As you know the Prime Minister met with President Granger at the last Caricom meeting in Georgetown and now he is dealing with the owners of the licence ExxonMobil to see what type of synergies we can develop with the energy sector there.

Madam President, on the oil side, I plan to meet next week with oil-producing companies and it is my intention that by next year, 2018, we must and have to increase our production from 75,000 barrels a day to 100,000 barrels a day. [*Desk thumping*] This would involve the engagement of bp, Perenco, who has bought out Repsol in the TSP field, which is called Teak, Samaan and Poui.

Madam President, Teak, Samaan and Poui, when I was in high school in Mayaro, used to produce 160,000 barrels of oil per day, you know. We used to be loading a tanker there once a week, you know. The production now is 10,000 barrels a day, but there are still deeper prospects which Perenco is a company that is versed in taking depleting assets and injecting new technology and new capital and building up production.

Petrotrin, the less I say about Petrotrin, the better at this time. However, Petrotrin is sitting on probably some prized oil assets, especially Trinmar and especially the south-western peninsula or what is called the southern basin of Trinidad and Tobago and we would be engaging Petrotrin with the lease operators and with the farmout people that they are engaged in and we will come up with a plan to boost production.

And then there is BHP who has the Angostura field, which at one point in time was considered a major discovery, a continuation of the El Furrial trend in Venezuela, but it turned to be not that, but there is still some production there and I think with some good seismic and good exploration we can have some positive results there. So the plan is to get back production up to 100,000 barrels per day so that we can stabilize our revenue stream from the energy sector.

If Sen. Gopee-Scoon was talking today, which I am not sure, she would tell you how the diversification effort is going, how we plan to get new tenancies at Tamana Park and some of the other diversification process.

So, Madam President, in wrapping up, I make the point that it is not all doom and gloom in the national economy. Together with energy, we are working on diversification. Because I say this without fear of contradiction, I say this with the greatest sense of humility, that the People's National Movement administration are good managers. [*Desk thumping*] We have a competent and innovative leader in the person of Prime Minister, Dr. Keith Christopher Rowley. We have an efficient and knowledgeable Minister of Finance in the person of the Hon. Colm Imbert, Member of Parliament for Diego Martin North/East and my own Member of Parliament. We have a very well balanced and committed Cabinet of which I am proud to be a part of and I want to give the country this assurance that despite the

challenges we face, I think the economy is still in good hands and we will come out of it very shortly. Madam President, I thank you. [*Desk thumping*]

Sen. Gerald Ramdeen: Good afternoon, Madam President. It is my privilege to join this debate where we are debating a Bill to provide for the membership of the Andean Development Corporation. I too would like to join with the Members of the Independent Bench and the Opposition in warmly welcoming back the Leader of Government Business and wish him all the best in his health in the future.

Madam President, I would like to begin this debate by answering a few of the points made by the Leader of Government Business, with respect to some of the issues that he raised with the Andean Development Bank and the Bill that is before us today.

The fact that we as a country can have this legislation brought to our Parliament today and the fact that the Acting Prime Minister can indicate to the country that Trinidad and Tobago and the people of Trinidad and Tobago would have access to almost \$2 billion, through the Andean Development Bank is a matter for which the Government should give credit to the People's Partnership. [*Desk thumping*] The actions of the People's Partnership in putting this money in the Andean Development Bank, in the Andean Development Corporation, Madam President, is not a matter deserving of criticism, as the Leader of Government Business has indicated, as though it was money under someone's mattress. It was prudent, fiscal management by the People's Partnership to understand that you must put aside for a rainy day. [*Desk thumping*] And the fact that those on the Government side would criticize those in the Opposition, then in the Government, for not bringing legislation is not a matter worthy of criticism, Madam President. It

is a matter that we put aside, knowing that when the time is right we would have brought legislation to access those funds. [*Desk thumping*] It is not that it was not needed, like Sen. Mark had said. But unlike what has been coming from the Government, the People's Partnership administration understood about savings. They understood about putting aside for the future because we must not forget that it was a UNC Government that started and established what is today the Heritage and Stabilisation Fund. [*Desk thumping*] The deposit in the Andean Development Corporation was yet another move whereby the former administration, when in government, understood that we must look after those who will come after us.

Now, I want to take these points one by one. Madam President, I am surprised that the Minister of Energy and Energy Industries and the Leader of Government Business would come to this Senate today in debating this Bill and tell us about all the progress that has been made by the PNM in raising revenue in this country.

They talk about the Dragon field and the agreements that have been made with Venezuela and President Maduro. I listened to the Minister in the Office of the Prime Minister tell us about an agreement signed by PDVSA, Shell and NGC. Does anybody in this country know what the terms of that agreement are? Has it been disclosed what are the plans as to how that agreement is going to raise revenue for our country? Has anybody told us when is the timeline for that gas in the Dragon field to be accessed by Trinidad, if at all? Not a word.

The Leader of Government Business complimented the hon. Prime Minister for the past week about all the developments that have been made. If any citizen were to read or to go on the website of the Office of the Prime Minister of the Republic of Trinidad and Tobago, they will wonder if something is wrong with us

today. Because if you read the releases, Madam President, from the Office of the Prime Minister, you would wonder why we need to go to the Andean Bank.

The first release this week from the Office of the Prime Minister was that the Prime Minister—

“Prime Minister Rowley meets with BP...

Prime Minister Rowley’s Meeting with BP Yields Fruit

...BP will invest five billion US in”—Trinidad and Tobago—“over the next five years.”

But those were plans that were under the People’s Partnership bearing fruit today. [*Desk thumping*] When you plant a seed, you do not pick fruit the next day. When you plant a seed it grows and then you would eventually, in time, reap the benefits of that. So the PNM is simply, by virtue of—[*Crosstalk*]

Madam President: Members, could we please listen to Sen. Ramdeen in silence? Sen. Ramdeen, continue.

Sen. G. Ramdeen: Thank you, Madam President. When you plant the seeds during the time of the People’s Partnership, this Bill represents the fruit of the UNC and the People’s Partnership. [*Desk thumping*]

Prime Minister Rowley’s trip, Madam President, to bp, Shell, EOG Resources, Madam President, any Prime Minister going to any other country that is involved in the energy sector, the large energy companies are going to welcome you and have a talk with you. What we want to know is after that week that has gone by, can anybody in this country, including any Member on the Government side, tell this country what has Trinidad and Tobago actually achieved in the last week? Read every single press release from the Office of the Prime Minister, \$5billion.

I heard the Minister of Energy and Energy Industries talk about Starfish. Do you know when Starfish was brought into play? It was in 2014, under the People's Partnership. [*Desk thumping*]

“PM Rowley and Shell Expresses Confidence in Local Energy Sector”

Madam President, when you read—and I would not take the time to read all of it—the press releases that come out to these meetings, respectfully, with the most generous interpretation, it amounts to absolutely nothing. Because do you know why, Madam President? There is—when you read the press release, it is designed to simply “mamaguy” and it is PR for the people of Trinidad and Tobago, to hide what is actually going on in Trinidad and Tobago, because at the end of the day nobody could tell us what EOG is going to do in Trinidad and Tobago as we speak now. Nobody could tell us what Shell is going to do, as we speak now. Nobody is going to be able to tell us what are the plans to generate revenue through the energy sector.

Madam President, I want to go directly to what the Leader of Government Business said. The Leader of Government Business told this Senate this afternoon that by next week they are going to have talks with Perenco, who have bought over Repsol.

Madam President, this in my hand here, is a folder that represents over 40 letters written by a local company—and I want the people of Trinidad and Tobago to hear this—a local company that has 200million barrels of oil off the east coast, that Repsol is taking advantage of, that the Permanent Secretary and the former, not the present, the former Minister of Energy was written to, to take steps to allow Repsol to not stifle the development of this company. It is the only local energy

company that is traded on the stock exchange of Trinidad, that has reserves of 200million barrels of oil, plus 60 million barrels and the PNM Minister of Energy and Energy Industries has done absolutely nothing to assist that company and all of the evidence is here, all. [*Desk thumping*]

Madam President, the PNM talks about prudent fiscal management. They talk about how well they have run the economy. Madam President, do you know that on the 14th of March, 2016, the Permanent Secretary in the Ministry of Energy and Energy Industries was written to? Let me just read one paragraph of how they have abandoned or own people.

To date—[*Interruption*]

Madam President: Hon. Senators, once again, can we listen to Sen. Ramdeen in silence? Sen. Ramdeen, what exactly are you quoting from? Just quote the date and the nature of the document from which you are quoting.

Sen. G. Ramdeen: Madam President, what I am quoting from is a letter written by the Executive Chairman of Mora Oil Ventures Limited, dated the 14th of March, 2016 to Mr. Selwyn Lashley, the Permanent Secretary in the Ministry of Energy and Energy Industries, International Waterfront Centre, No. 1 Wrightson Road, Port of Spain. I just want to read these two paragraphs.

To date—

This is the Executive Chairman of Mora Oil writing and telling the Permanent Secretary:

To date we are still not operating after nine months and there continues to be weekly delays with Repsol, that they have done their best to stretch for months, with regard to the restarting operations of the platform.

And listen to this, Madam President.

The effect of this situation is that we have sent home the majority of our staff, 28, and there is uncertainty for them through no fault of their own.

That is the Executive Chairman of a local company begging for assistance from the Permanent Secretary in the Ministry of Energy, writing to the Permanent Secretary under a PNM administration and begging them to assist in—
[*Interruption*]

Madam President: Minister, please.

Sen. G. Ramdeen:—accessing the resources that belong to the people of Trinidad and Tobago, and this PNM Government is telling us about fiscal management and restarting and trying to increase the production on the east coast. This is Teak, Samaan and Poui. That is where the oil is.

Sen. Khan: Sen. Ramdeen, that is a private commercial arrangement between Reposal and Mora Ven. However, I will admit that as a country we are losing some production. I was recently seized of the matter and I plan to deal with it in the shortest order.

Sen. G. Ramdeen: Minister of Energy and Energy Industries, I have knowledge of this matter and to the parties who are involved, I gave them the assurance that once you were back in the country something would be done. So I hope that something is done in this, because when—as a citizen I am not knowledgeable about the energy sector, but to think that the people of Trinidad and Tobago have 200million barrels of oil sitting in the ground, by 60 million barrels, and every single day when we have any debate in this Senate we talk about how production has fallen to 65,000 barrels per day, there is something wrong.

If energy revenues have fallen by 92 per cent, and we have been told that over and over that if you used to get \$1 before, you are getting \$0.08 cents now, or

if you used to get \$10 before, look at how it has fallen now. But we cannot have this situation continuing for over a year now, because the people of Trinidad and Tobago and our country are losing revenue daily. We have to do something about it.

Madam President, I heard the hon. Leader of Government Business talk about the situation in Norway, Saudi Arabia, Oman and Bahrain. But respectfully, Madam President, we normally say you cannot compare apples with oranges or you are comparing apples with oranges. When I sat and listened to the Minister, that is like comparing douns with breadfruit. Because you cannot conceivably compare the withdrawals, where you have a Heritage and Stabilisation Fund of US \$900billion to what we have. We all admit that things are hard, that the revenues have collapsed in our country. But the fact that the revenues have collapsed, Madam President, means that we need to have an administration that understands prudent fiscal management.

And when the Minister of Finance announces that they are going to access the \$2billion that is in the Andean Development Corporation, I do not think anybody can object to funds being accessed wherever it might be. But what we are concerned about on this side is what you use the funds to do. That is what we are concerned about. We can support this legislation. This was money that was put in there both by the PNM and the UNC, but at the end of the day, Madam President, having regard to the situation that we find ourselves in today, can we rely on the words of the Leader of Government Business, that the PNM will make good use of the funds that they are going to access from the Andean Bank?

Madam President, I am shocked. When you read the *Economic Bulletin* from the Central Bank dated March 2017, and you go to public sector debt, I am

shocked that the Leader of Government Business will stand in this Senate and read out, that while today there are hospitals that do not have drugs, there are schools that cannot be completed, there are pensioners who cannot get their pension when the month is up, and more importantly there are public servants who have to wait for their salaries at the end of each month. The Central Bank Bulletin would tell us that—the PNM Government that claims to have prudent fiscal management and prudent borrowing and proper spending, the Central Bank will tell us that new state enterprises included borrowing \$90million bond by UDeCOTT for the Brian Lara Cricket Academy, Madam President?

Madam President, there is absolutely no way, having regard to the financial position that this country is in, that any government that cares about the people of this country will raise a bond for \$90million to finish the Brian Lara Stadium, while you have children who are suffering for operations in this country, children who cannot get books, people who cannot buy food. You have contractors. The hon. Minister of Works and Transport will know the reason why there is absolutely nothing happening in the construction industry is, you know why? Because the banks are calling in small contractors' loans every day. They have to sell equipment.

I dealt with a matter recently where a bank is selling a man's house for four—[*Interruption*]

Madam President: Hon. Senators, at this stage we will suspend and we will resume at 5.00 p.m. So this sitting is suspended until 5.00 p.m.

4.30p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam President: Sen. Ramdeen.

Sen. G. Ramdeen: Madam President, when we broke for tea I was going on to an issue raised by the Leader of Government Business. I know there was no ill intent meant by the statement, but we have to be very careful when we make statements in our Parliament. We are being watched, read and looked at by the international community, and we cannot be saying things like, “Forget Moody’s”; we cannot. These are the people who judge our international ratings when we go to get funds from other outside institutions, and we cannot simply make statements. We must be a little bit more responsible as parliamentarians. [*Desk thumping*]

A point that was also touched on by the Leader of Government Business is the idea that as a country we need to do something about the public service. I read recently in the newspaper that the Ministry of Planning and Development now has access to a loan of \$40 million, and it was stated that the plan—at least we got the plan in that one—was to try and make the public service more efficient. When the Government speaks about the state of the public service, we must not lose sight of who was in government between 1956 and 1986. Who was in government for those 30 years? We must ask the question, how did the public service get to the state that it is in today?

Madam President, we have to, as a country, do something about the public service, and I will give you a classic example that flows from the information that I referred to earlier in my contribution. The Permanent Secretary in the Ministry of Energy and Energy Industries, Mr. Selwyn Lashley—Permanent Secretary in the Ministry of Energy and Energy Industries—who has been written to at least 20 times in this correspondent bundle that I have here, my information is that as of March of 2017 that Permanent Secretary ought to have demitted office, and a decision was taken by the present Cabinet, pursuant to Regulation 14A(1) of the

Civil Service Regulations, to retain this particular Permanent Secretary. One wonders for how long this is going to go on for, because this is the kind of action that causes the public service to become inefficient.

It happens in every sector, because when you do that with one Permanent Secretary, what happens to the motivation of those people lower down? Those people who are going to work every single day as dedicated public servants, rising to the task in hard times and at the end of the day they work hard and expect to be promoted when that promotion is deserved by merit, when we have things like this happening.

It is unfortunate that the hon. Minister is not here, for that Ministry, but I would like to give way and ask him to explain what were the circumstances under which this Permanent Secretary was allowed to continue in office, was allowed to stay in that office and deprive those persons who could have aspired to that office, who have been in the public service for years? That is what we have to cut out. I hope that the Government will use the funds that they now have access to, by virtue of that loan, to be able to really do something about the public service, because the inefficiency in the public service is something that has plagued every single administration that has held power in this country since 1956.

Madam President, we have heard a lot in this debate about what the funds that can be now accessed by the Government if this legislation is passed, or I should say when this legislation is assented to. When you listen to the Government you would think that the economy of this country had fallen apart in 2015. One must not forget the state that the People's Partnership had to find this economy in, in 2010 when they came into office. I just want to make reference again to the *Economic Bulletin* of the Central Bank from March 2017. Under Central

Government Fiscal Operations Part 7, I want to read one sentence, it is this:

The protracted period of lower-than-budgeted crude oil prices influenced the Government's withdrawal of TT \$2.5 billion from the Heritage and Stabilisation Fund (HSF) in FY 2015/16 to finance its operations...

And this is the important part:

...making this the first withdrawal from the HSF since it was established in 2007.

Madam President, the entire world went through an economic crisis that started in 2008. Before the People's Partnership came into government in 2010, we had on the 13th of January, 2009 when Mr. Duprey wrote to the Governor of the Central Bank, the entire economy of Trinidad and Tobago, the financial system of Trinidad and Tobago was put at risk because of what happened in CL Financial. It was because of prudent fiscal management by the People's Partnership that today we are in a position where the PNM Government that is in power will benefit from the prudent fiscal management of that CL Financial catastrophe between 2010 and 2015. The economy could have crashed, but the People's Partnership found over \$20 billion to put into Clico, to save Clico and to save the economy of Trinidad and Tobago between that period of time.

Madam President, the reason why it was important to refer to what the Central Bank was saying is because even when there was an international financial crisis that Trinidad did not have any control over in 2008, the then PNM Government did not go into the HSF. Between 2010 and 2015—yes, revenues were high at one point in time—but no matter how bad it came, the People's Partnership never dipped into the HSF. [*Desk thumping*] What you have is within

18 months of this administration they have gone into that fund twice. They have taken out \$3 billion from that fund. Three billion dollars from that fund.

If I can refer to the *Express* of Friday, March 24, 2017, the Minister of Finance, Acting Prime Minister, is quoted as saying the fund drawdown was to protect the Trinidad and Tobago economy. If I can quote the Acting Prime Minister, he said:

“We have drawn down \$1.7 billion from the fund so the remainder of the \$6billion”—that is \$6 billion deficit—“which would be \$4.3 billion will be financed through borrowing and it is going to be used for the Public Sector Investment Programme”—PSIP—“which is a total of \$5.1 billion, ’...”

Now, the question that one has to ask is, in the 18 months that this administration has been in power, what projects have they started, what projects have they completed, what projects have been done under the PSIP for the last 18 months? [*Desk thumping*]

If you cannot start a project, at least finish what you had when you went into office. There were 78 schools that were under construction—78 schools. You see the point about that bond, that \$90 million that went to the Brian Lara Stadium is important, because the Minister of Education is on record as saying he wanted \$34 million to finish the schools. He could not get \$34 million to finish the schools that every single day we see in our country parents protesting, but you found \$90million to borrow, by virtue of a bond, to complete the Brian Lara Stadium. How many children are going to benefit from that? How many citizens are going to benefit from that?

Madam President, it is not simply the bond, you know, because if anyone

were to drive up and down the highway, whether it be morning, noon or night, the lights at the Brian Lara Stadium are on, as though the 2020 World Cup is being played there, you know. Day and night the lights are on. I would like the Minister of Sport and Youth Affairs to tell this Parliament one day what has been the electricity bill for that stadium since September 2015 to now, and whether we as a country could not put that money to better use for the citizens of our country.

Since the first budget that was presented by the Acting Prime Minister we were told that this administration is going to bring legislation to split the Heritage and Stabilisation Fund into heritage and stabilisation. We have had a long legislative agenda that the Government has boasted from north to south, east to west about, but nowhere on that legislative agenda is there any legislation to separate the Heritage and Stabilisation Fund. What will happen, the reason why that is so—respectfully, let me say so—is because they cannot and will not do that because they want to have the opportunity to dip into that fund over and over and over, and before we know it, when we look for the Heritage and Stabilisation Fund, it will be gone. There will be nothing no split.

I have no difficulty in giving way, if the Acting Prime Minister will tell us: When are we expected to debate this legislation to split the Heritage and Stabilisation Fund? And it is important because we cannot pursue a line of borrowing and borrowing and borrowing from the one place where we have put aside for our future and for our children. We cannot continue doing that. And it is no excuse for a Prime Minister to stand on a public platform and tell the people of this country that we should not be concerned about that because the fund earned \$350 million, and all we took out is \$251 million. That is no excuse, and at no point in time when this is being done is the country told, “We are taking out this

money and we are going to spend it on this project, or this project, or this project”, so that the people will understand.

When the question was asked in this Parliament, when the first \$2.5 billion was taken out and the question was asked of the Minister of Finance: What are you going to do with that money? The answer that the people of Trinidad and Tobago got was that it was going to be spent on goods and services. I can tell you that the people of Trinidad and Tobago are still looking for the goods and services from that \$2.5 billion, now \$3 billion, that has been taken out of the Heritage and Stabilisation Fund.

And there is a real concern about that, Madam President, because we understand that the country is in dire times. We understand that the Government needs money, but if you are going to access the \$2 billion that the People’s Partnership put aside in the Andean Bank then we would like to know, where are you going to spend that money and who are the people of our country who are going to benefit from that? Is it going to be the super elites again or is it going to be the poor man who at the end of the day does not have money to pay a light bill, a water rate or a mortgage or a car loan when the month is up? It is time as a country we forget about the super elite and we think about the poor man. [*Desk thumping*] It is time as a country we think about the people who cannot put food on the table when the day comes.

I am glad that the Minister of Finance and the Acting Prime Minister has said they are going to access that money, but I do hope, and those on this side on behalf of the people of this country, the 1.3 million people of this country would humbly advise the Minister of Finance to please let some of that trickle down to the ordinary man on the street. Let some of that trickle down to the ordinary man

who does not know how to meet ends at the end of the month.

Too much money has been spent in this country in the last 18 months, and we are hearing about deficit and deficit and borrowing and borrowing, but at the end of the day, wherever you go in this country, whether it be north, south, east or west, the complaint of the people is that they are getting nothing from this Government—absolutely nothing. That has to change—it has to change. If the people of the country are complaining that they are getting nothing, that is a sign of condemnation for that Government. It is a sign of failure.

I said before, the last time I spoke, we have a crisis of leadership and we have a crisis of competence, and we will not get out of the situation that we find ourselves in if we cannot resolve the crisis of leadership and the crisis of competence, because it takes good men to get a country out of the difficult times that it finds itself in. We do not have that in the Government that we have today, and something has to be done about that. Because just as I have said, we will wake up one morning and find the Heritage and Stabilisation Fund gone. We will wake up one morning and wonder what has happened to the country that we know as Trinidad and Tobago.

I want to just remind, respectfully, the Government that when this country became independent and became a Republic, we had a Constitution, and that Constitution set out, before you got into section 1, what the people of Trinidad and Tobago have affirmed as a nation. I want the Government, this PNM Government to remember that when they access and borrow any money that we have to pay back, and that our children will have to pay back, and debt that will saddle us into the future, when they go to spend that money as a Cabinet they must remember that the people of Trinidad and Tobago, when we came together as a nation, we

affirmed to respect the principles of social justice, and therefore believe that the operation of the economic system should result in the material resources of the community being so distributed as to subserve the common good. That there should be adequate means of livelihood for all, not for some, for all. That labour should not be exploited or forced by economic necessity to operate in inhumane conditions, but that there should be opportunity for advancement on the basis of recognition, merit, ability and integrity.

If we as a country and if those on that side as a government can abide by the principles that all of us came together and started the birth of this nation, we will be all better off today, and we will not find ourselves in the position that we find ourselves in today.

We as an Opposition understand the position of the Government. Like Sen. Mark, we have indicated this piece of legislation was birthed under the PNM, it passed through the People's Partnership and it is back in the PNM today. They have brought the legislation—[*Interruption*]

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

Sen. G. Ramdeen: Thank you, Madam President. We understand that we want to give the Government the opportunity to use the funds that we put aside, but we would like the Government, as I have said before, to use those funds for all of the people of this country.

As I said before, we need to stop looking back and look forward. We need as a country to work together for the common good of all of the citizens of this country. We need to understand that there are people in this country today who cannot, at the end of the day, put a meal on the table, and we need to look after those people. The sign of a real great government and leader is one of equality, one

where all of the people of our country could feel that they belong, and at the end of the day they have a government that serves all of them. We cannot have some of the people of this country feeling that the rich are getting richer and the poor are continuing to get poorer, and that is the kind of governance that we have experienced over the last 18 months.

In September of 2015, the people of this country decided that they would put the PNM Government to run the country. I do not think that anyone in this country who had voted for that administration can today be proud of the decision that they made on the 7th of September, 2015. It is time that our leaders lead because that is what they were put there to do. It is time that the Cabinet gets together and governs this country in a way that will take us forward. We cannot continue along the path that we have travelled for the last 18 months.

Everyone will make mistakes, none of us is perfect, but we cannot continue intentionally making mistakes to the detriment of our people. We are going down a precipice. Some people say we are on an edge, I say we are already over and we are waiting to hit the ground. We need persons who can stand up in hard times, steady the ship in rough waters and make sure that when the storm is over there is something for our children and our country.

What we have had over the last 18 months we cannot say that that is what we have gotten from this administration. I implore the PNM administration to do what is right for all of our people. Govern our country in the right way so that at the end of the day we can be proud of Trinidad and Tobago, and the citizens of Trinidad and Tobago can be proud of the country that we know, and we will all be better off and all our children will be better off when tomorrow comes.

Thank you, Madam President.

Sen. Dr. Dhanayshar Mahabir: Thank you very much, Madam President. Before I begin, I too would like to welcome hon. Sen. Franklin Khan back in the Chamber. It is good to see that the Senate is now fully constituted with the de facto leader in his place. I also would like to commend Sen. Paula Gopee-Scoon for the excellent service that she performed while she coordinated the benches in his absence. [*Desk thumping*] It was a very pleasant experience working with her, and we were, I think, very efficient in how we administered the floor.

Madam President, let me say at the outset that I support this legislation. I support the legislation because of my experience in the field. I did work for a few years in the field of development banking at the Caribbean Development Bank, and so I have come to appreciate very much the critical role that a development bank can play in a region such as ours.

Membership in such an organization confers for a range of countries at varying stages of development, a number of benefits. Our membership in the Andean Corporation or at the Andean Development Bank is certain to generate the types of benefits that I will enumerate. Low interest rates—the Minister has indicated that the loans that we will contract at the Andean Development Corporation/Bank are going to be a couple percentage points above LIBOR. That of course is in keeping with the principles of development banks across the world, where for certain well-screened projects we are able to obtain financing, and financing for a very long period of time—occasionally even with a moratorium period, so that these projects which are to be funded, which do have a long life and which will take time before they actually begin to stimulate economic activity, are going to be financed, not by an investment bank.

A development bank is unique. It is not like Goldman Sachs where the

Minister I think would have raised some funds recently, to the tune of US \$1 billion. An investment bank has its own different *modus operandi*. Commercial bank different, Central Bank different, but a development bank is geared towards the economic development of its members. And we measure the economic development by the rate of growth of the GDP, together with other indicators of course, but we are able to measure the input of the bank with respect to the borrowing of these countries and the impact of the borrowing on overall economic growth, the growth of income. So that the development bank, by offering low interest loans to which we are going to be a beneficiary, will continue the process of development for Trinidad and Tobago.

As the Minister rightly indicated, the development bank provides technical assistance, in that, in every loan that is secured—one of my functions as a country economist at the Caribbean Development Bank was to look at the current economic structure of the countries which were borrowing, to identify flaws to recommend to governments what they could do with respect to revenue collections, with respect to project implementation, administrative capabilities, to ensure that they are able to absorb this investment and to ensure that the investment is going to generate a positive outcome in the shortest possible time. So that the technical assistance that Trinidad and Tobago will receive, on the basis of the participation in this bank, I think will augur well for economic development.

A third very important point that the Minister alluded to was the fact that membership in this organization will allow our own domestic firms an opportunity to bid for contracts in that organizational structure as well. So that while our firms will be able to obtain contracts for loans contracted by Trinidad and Tobago, part of the agreement will also allow Trinidad and Tobago's firms to bid for jobs across

all the members in the bank which are of course borrowing for projects.

The Minister did not mention, but there are very important opportunities for staffing in Trinidad and Tobago—professionals such as engineers, architects, economists in particular—to have an opportunity to work in the Latin American region. I certainly worked in my own development bank with, of course, a diplomatic passport. I do not have that in the Parliament now, but I had one then. As a young professional you waved it through, and it was a good perk of the job as a young, late twenties economist, that you have this facility.

I think Trinidad and Tobago economists and engineers, architects and people who are going to be professionals in the field of development banking will have a very valuable opportunity, once we can master Spanish. Many of our professionals now do have a facility in the Spanish language. It is important to have that facility, if we are going to penetrate the Latin American market, Central American market in any meaningful way, for us to make use of the facility which really is not as open to us now as it would be when we become a full member.

I do not know what the policy of that particular bank is with respect to the recruitment of staff from its membership, but certainly in the development bank with which I have had experience it was always a policy that once you are a member of the bank, then there will be opportunities for professional development of staff in the organization for member countries.

Finally, with respect to benefits, I think that we have now a very good entree into Latin America. We will be able to penetrate the Latin American market with ease. It is still an area so close to us, and yet so very far for historical reasons. We have been looking at that for quite a while, we have been looking at our relationship with Venezuela, but I think the Andean Development Bank

membership will allow Trinidad and Tobago a greater opportunity to penetrate Central and Latin America as markets for our goods, raw materials for our own manufacturing processes and in fact a larger economic space, larger than the English-speaking Caribbean. So that the process of international trade is going to be enhanced, and we can develop through greater trade.

I think really that given the range of incomes in Central America and Latin America, we should be in a better position to expand our manufacturing base, our service industries in these regions, and we can use membership in this development bank as a valuable pivot in which we are going to exploit these opportunities. Those are the benefits, but I do have some concerns.

Concerns that were expressed by my colleague Sen. Shrikissoon. One that he did not express that I will raise at the outset is that we are a member, a major player with other development banks, such as the Caribbean Development Bank, the International-American Development Bank, the World Bank, the International Bank for Reconstruction and Development; we are important and significant players in those development banks. We have always been a member of the IMF, which is not a development bank, but really a bank to assist in balance of payments support. It seems as though there has to be some good reason, in addition to the benefits that I have mentioned, with respect to our membership in a new bank.

5.30 p.m.

I am not sure what the relationship is between the Caribbean Development Bank, if any, and this Andean Development Corporation. I am sure because I worked in that arena that there was a strong relationship between the World Bank, the International Bank for Reconstruction and Development and the CDB in which at the CDB we dealt with the smaller countries and we liaised with the World Bank

on a continuing basis so that there was an integration between the World Bank and the CDB to the benefit of all member countries, of course. I do not know if such a relationship is going to exist between the World Bank, the CDB and the Andean Development Corporation, so that we are not duplicating the work of each other, but rather we are streamlining.

In fact, one of my functions was to ensure that the number of agencies working in the Caribbean did not duplicate each other and when we examined our work programmes, we wanted to be sure that our exposures were in different sectors and so we were able to identify the development problem in a country and determine who is best suited to perform what function and who will finance what programme. So, I do not know what the relationship is and I am sure the Minister is going to enlighten us on that.

But, Madam President, I do have a concern and the concern is clause 3. And it is a concern that was shared by my colleague Sen. Shrikissoon. With your leave, may I read clause 3, Madam President:

“Subject to this Act, the Government may, in such manner and on such terms and subject to such conditions as may be agreed with the Corporation, borrow from the Corporation’s own resources or from the funds administered by the Corporation, from time to time, such sum or sums as may be required for the purpose of financing or promoting economic and social development in Trinidad and Tobago.”

The benefits I alluded to earlier referred really to economic development not social development in Trinidad and Tobago. Let us make a distinction between the two. When we are talking about economic development we are looking at the growth rate, rate of growth of measurable components of the economy, the GDP

income per capita being the most important. We would be looking at whether certain sectors are growing faster than others. It may be that in some countries it is going to be more service based, tourism based; other countries will have manufacturing as its basis; others will have an array, a mixture between the two; others may even be in agro-processing as an important pole of economic development, economic growth; and that will be the basis upon which we will assess our lending and we will be judging the value of a project.

And there are really strict confines with respect to lending to promote economic development. The projects will have to be assessed. The projects will have to be identified. There was something known as PIMs., Project Identification Missions of which I participated in a number of them. We would actually visit the countries to look for projects. Some of them would be ports if, in fact, you were a fishing country and you do not have an adequate berthing facility to dock your vessels, we may identify the port as worthy of financing, perform what is known as a cost-benefit analysis and make a recommendation to the Government that maybe if you put forward a proposal for us, we can help you package a proposal to finalize your port facilities, we may even join with another development bank to get additional financing, we have consortium lending and we can judge the economic benefit of this particular airport, the fishing port or, from my experience, the cruise ship ports, as I remember a project that I did in St. Lucia. So that we do have measurable criteria with the projects that are to be financed by the development banks. In any event, the *raison d'être* of the development bank is really project financing, long-term project financing which would not be financed by commercial banks, because the projects would take maybe 10, 20, 30 years before they really generate the type of benefit on economic transformation that you

would want.

So that the development bank has focused on the project side and in the project side you have the terms and conditions, procurement regulations and we are able then to look at the project over a long period of time, justify it, and there is a great deal of transparency there. We are able to judge whether, if certain things go right, whether the project will generate a net outcome in five years, 10 years, 15 or 20. And in that way, we are able to see how this particular project will contribute to economic growth out of which there will be tax revenues placed in the Consolidated Fund out of which the revenues will then be used to service the said loans. Development banks are businesses like any other. They need to be repaid.

One of the reasons for strict IMF conditionalities, which we in this part of the world always are a little bit concerned about, is that when the fund, the IMF lends to us, its first obligation is to ensure that things are put in place in the borrowing country so that this particular country can return to the fund that loan within a three to five-year period. So the fund must protect its resources first, it is a fund, it is the world's largest credit union. You contribute to the fund and you are then subject to certain changes in policy which will protect the fund's resources. Development banks are no different, because if countries default, if the projects turn out to be non-economic or economically non-viable, then the problem for the development bank is that you have a country with negative economic growth, and the ability of this country to service the loan is compromised.

I dealt with one case, well I did not deal with that case, that is the one country I did not deal with in the Caribbean, that was Guyana at the time that was left to a different group altogether, it was a difficult case. Guyana at the time, that was in the late '80s, was unable to pay its obligations. I am sure they would have

changed now, but at the time there were no other sources of funds for Guyana. They had to come to the organization in which I was to see if we would make some concessions for them: their GDP was not growing; their public debt was high and rising; their foreign exchange reserves were negative; they were obligated to a number of agencies; they had rescheduled and they had reneged; and that particular country found itself in a situation where the development banks were not going to continue to lend to it.

So when I look at clause 3 and I see that according to the Bill before us, we are placing, we are not stopping at the purpose of financing or promoting economic development, but I see that we are going to be borrowing to finance economic and social development, I see some possibility for a problem arising and that is, not only for this Government, but all future Governments too. Do we really want to use development financing, development bank financing for social development? Do we want to use the development bank financing for non-project purposes? That is a policy position. Because if we do, you see, my concern from the experience I have had is that we can borrow just for, as the Minister indicated, policy-based loans, that is another name for general purposes, and it is to fill the budget deficit.

The concern is that we are experiencing a budget deficit now, significant—the last figure we had was that the Government expects to collect in the current fiscal year \$37 billion. It is going to spend much more than that so we do have a projected deficit of around \$7 billion. We have had a deficit now since the year 2009. We have had for the last eight continuous years, deficit after deficit, which means that we are spending more than we earning. This is not confined to the Government here and now.

The Manning administration experienced a shock in 2008 in which their

revenue—they had planned to spend \$52 billion in that year, 2008, but the revenue outturn was \$37 billion, identical to what we are seeing in 2017. And since that time we have seen governments change, the Manning administration changed in 2010 followed by the Kamla Persad-Bissessar administration which changed in 2015, now we are in the Dr. Rowley's administration, this problem of deficits cuts across the politics. And when we see deficits being an entrenched feature of our economy, not for a three-year period or a five-year period, but for now approaching a nine-year period with no chance of this trend being reversed and we are hearing—two years ago I heard that 2016 was going to be the year in which there was balance, and now it is moving to 2020 and it is going to move on in that direction.

There is a problem and the problem is that Trinidad and Tobago is living beyond its means in that we are spending more on an annual basis as a Government than we are earning in revenue. What do we do? We could earn more revenue: we could raise the tax rates, that is an opportunity, but there is a problem with overtaxing a country; you undermine incentive; we could try to increase collections. I am sure the Minister is doing that. We could sell assets. We have been doing that, FCB IPO; we can sell certain assets or we can borrow. We have been borrowing domestically. We have been borrowing regionally. We have been borrowing internationally, as the Minister borrowed from an investment bank recently. So we have been exhausting our—we have been exploiting our opportunities to borrow. All the time our debt is rising.

And the point raised by Sen. Mark and Sen. Shrikissoon is a valid point and that is, we need to determine what is our debt stock at this time. We need to know very, very clearly what has been the trend with respect to debt because, Madam

President, if we in Trinidad are saying we are on top of our public debt figures—we know exactly what is owed by all arms of the State—I think we are being a little optimistic. The people of Greece held that view, Ireland and the couple of other countries held the view that they knew what their public debt was, but in Trinidad we do have some debts contracted by places like Petrotrin, WASA, T&TEC, et cetera, we need to account for all of them as well. And the problem with debt is that it has to be repaid; that is why it is not grant.

And the problem with the debt as my colleague Sen. Shrikissoon has indicated is that we have been borrowing since 2000—it is called financing, Madam President, in my line of work—we are financing our deficit and we are not adjusting. You can finance when your income is \$37 billion and your expenditure \$45 billion, if you know that this shortfall is temporary. It will go away, it is temporary problem that will disappear in due course, but for nine years, which is approaching a decade now, we know that this problem is more serious than we think it is going to be.

We have seen the price of our commodities fluctuating from a very low in the 30s for oil, and now the price today of our basic commodity, crude, is less than \$50. There is a view, I am not an expert on the oil market, but there is a view that this oil price is going to remain low for quite a while. American shale is coming on. There are some producers, certainly, in the north Atlantic that have had to shut down production, very similar to ours because they will break even only when the price of oil reaches \$50 a barrel.

There are some, certainly in the Alberta tar sands, they cannot really make money at a price of \$48. They can tread water, but they really are hoping for an increase in the price which may be a while in coming. We have been doing the

same. We are a high-cost producer. We are not like some of the Middle Eastern producers and we are also seeing a drop in volume. This means that over the medium term the deficits are going to be with us for a while because of the prices over which we have no control; that is now old hat—the prices are depressed and will remain so in the medium term.

What does that mean? It means that if we are to raise the financing from this development bank for social development we will be using the funds for budget support to fill the gap. It is not going to contribute to expanding the productive base of the economy, and we do need to engage in some kind of action that is going to expand our production. There are concerns—that is, this is just another credit card, so that when you are running a deficit in your own household finances and your one credit card has been exhausted, they call it “maxing out”, you simply get another credit card from another bank and another credit card, but soon we will run out of cards. We will run out of development banks and once we run out of development banks, that and there goes our source of cheap credit.

We then will have to access the international market. And this is where my colleague Sen. Shrikissoon raised another valuable point. A- from Standard & Poor's and BAA3 with a negative outlook from Moody's mean that once the rating agencies have given us a negative rating, a negative outlook, what they have signalled to us is that for a number of reasons, which they have outlined, they hold the view that our credit rating can decline in the next assessment which is going to be this month.

There was a last assessment in April 2016, there is a current assessment now and one of the things that the agencies are looking for, because what is the role of the agency? It is to value Trinidad and Tobago's bonds, Trinidad and Tobago's

ability to honour its international obligations or its obligations to creditors, and it provides a risk to us of having to reschedule—let us hope we never ever default on any our bonds—but the risk of rescheduling is always there, and this means that the lenders must be the people who buy paper, Trinidad and Tobago paper, must be convinced that Trinidad and Tobago can repay.

One of the indicators that they will use that we can repay is, Madam President, that we are balancing our budget, our public debt is not rising and escalating—and our debt is now a problem. I would like the Minister to assure me that he is looking at the debt, not the debt to GDP ratio, but debt to Government's revenue, because it is out of his revenue that ultimately debt will have to be paid. Of course, you can, as my colleague Sen. Shrikissoon said, you can borrow from another bank to repay your first bank, but soon you will run out banks to borrow from when word spreads that you are exhausting all your avenues for borrowing. And then the day of reckoning is that you will have to allocate a certain percentage of your tax revenues to honour your obligations.

If our revenues are now \$37 billion, I am sure our debt servicing to our revenues would be in the order of 15 per cent. It cannot be that we are paying more than \$3.7 billion. And I think, ideally if I were a Minister I will want to pay no more than 10 per cent in this time of my revenues for debt servicing so that I can, Madam President, have 90 per cent of my revenues to finance the social needs.

So, we do want to look at this particular debt servicing to Government's revenue ratio, see how it is behaving and if it is getting out of control in that it is really consuming scarce resources, we need to take steps to arrest it. And given what was presented to us prior, we know that the Minister can borrow up to US \$300 million from the Andean Development Corporation. Given the interest rate of

4 per cent, low interest rate, the annual interest payment on that loan will be 4 per cent of \$300million, around US \$12 million—[*Interruption*]

Madam President: Can we please listen in silence.

Sen. D. Mahabir: Thank you very much, Madam President. The point I am making is that the Minister can borrow \$300 million and, according to clause 3, not for a project which I can assess with respect to income generation contribution to GDP, but for social purposes and budget support. And when you finance social development it could be—what does social development mean? Is it URP? Is it CEPEP? Is it environmental works? It could be a number of things. Is it to pay old-age pension? It could be a number of things. This is what this phrase here, and the Minister, of course, will clarify, but it is really for budget support. Even though it is for budget support, you are going to have to pay some US \$12million to actually service this loan on an annual basis. It is adding to the interest payments of the Government and the charge is gradually rising. We are borrowing. We have IDB loans.

It is true that we are borrowing at 4 per cent or less, but what is also true is that the volume is rising. And although the rate is low, when the stock is rising you will find gradually over time, if our foreign exchange earnings remain stable and our interest payments rise, we are going to consume more and more of our forex, scarce forex, simply to pay the debt servicing and less to buy milk, medicines and machines. [*Desk thumping*] We were there before in the '90s.

It was only in 1995 when the former Minister of Finance, that is hon. Brian Kuei Tung, had settled a large number of outstanding obligations to the international community that we could have then started to speak about restoring the debt that we owed to the public servants of Trinidad and Tobago who had had

their salary cut by 10 per cent, 10 years prior.

You see, in this globalized arena the international debt takes precedence. There is a good reason for that. The reason is, the moment you run against one international creditor you become an economic pariah, you become an outcast and you are unable—I saw it with a fellow Caricom neighbour, it was not pleasant for the people of that country and I want to alert the Senate, not to be alarmist, but when we borrow for budgetary purposes without having a clear means of repaying, then we are simply adding to our—we are borrowing for consumption, we are not borrowing for production.

And I think this development bank which is an excellent institution, I understand that they do have a more relaxed position on environmental impact assessments, I am hoping that if we do borrow from them we will ensure that our EMA Acts and so on are in place, and that we do subscribe to the environmental concerns of the country. And also, their procurement policies may be a bit more liberal, but at the same time we have to repay the loan. It is an excellent facility. It is an excellent facility such as the IDB facility, the Caribbean Development Bank facility, the International Financial Corporation facility, the IBRD facility. These facilities are all excellent facilities, but only if, Madam President, we use those resources for the development needs of Trinidad and Tobago. What might some of these needs be?

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

Sen. D. Mahabir: Thank you very much, Madam President. Thank you. Okay. Yes. It always runs because, Madam President, it is one of the few times in the Senate I am getting an opportunity to explore an area that I know. All the other areas I am just making it up. *[Laughter]* And now that the humour is on, now that

there is humour let us see exactly, Madam President— given my professional familiarity with development banking, my affinity for it, that we should be looking at the facility, we should be looking at this particular facility to really finance our development needs.

When I look at what I see around us, I see that Trinidad and Tobago has a very good manufacturing base. The Minister of Trade and Industry is, of course, going to ensure that that base continues and that we exploit the markets abroad especially in Latin America and Central America and elsewhere. But really, given the growth of the US economy, given the fact that the US economy is emerging out of its long recession starting in 2008 and that economy now can act as a locomotive for the region, I see valuable investment opportunities in Trinidad's tourism. Could we use the facilities to upgrade the tourism plant in Trinidad and Tobago?—a highway from Wallerfield to Mayaro or Manzanilla is something that, I think, if that proposal were to come to this Chamber using some of the funds here, I would say this is certainly going to open an area for us to take advantage of the growing burgeoning US economy.

Are we going to finance infrastructure for a pharmaceutical industry the way Singapore has done with respect to its pharmaceuticals? Are we going to look at a financial sector? We did have an international financial sector plan before; are we going to look once again at having Trinidad and Tobago as an investment hub between North America and South America?

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

This development bank will allow us certainly to be the domicile of a number of firms I would imagine which would like to have business in the English-speaking part of the hemisphere and the Spanish-speaking part together

with, of course, other areas.

I think that we do need now, Mr. Vice-President, with the couple minutes that I have left, we do need to think seriously about continuing to finance the deficit, that is, “financing” just a grandiose word to say, we are going to borrow to fill the gap. I think the time is now for us to ask ourselves a question on whether, given the current environment that we see for the commodities that we export, given the fact that we have not expanded our economic base in any significant way over the last decade, should we not stop, pause, take stock of the fact that maybe the Minister of Finance should look at a budget of around \$45 billion now if he is to raise revenue of 40? Let us gradually whittle that down, but at the same time use the resources of the corporations such as these, IDB, CDB, World Bank, elsewhere so that we could really expand the economic structure and the economic base of Trinidad and Tobago.

So that, Mr. Vice-President, we are going to see that growth in the GDP that Sen. Shrikissoon spoke about, the growth of the Harrods and of the Domars of this world. Because it is only when the income of a country rises, when the GDP rises that we will be able to support a growing debt. The moment the debt escalates and the income stagnates, we are setting the stage for a country in which the quality of life of its citizens will deteriorate. Mr. Vice-President, we were there before, I hope that we do not get there again. I thank you. [*Desk thumping*]

6.00 p.m.

Sen. Dr. Lester Henry: Thank you, Mr. Vice-President, for allowing me to join in this debate and make a small contribution to this Bill. I mean, I will deal with some of the comments coming from the Opposition a bit later on in my contribution, because to hear them associate themselves with fiscal responsibility is

mind-boggling, given what, I sat on the other side for five years complaining to them about what their Ministers of Finance were doing by increasing their budgets every year in a very reckless manner. But, I will get back to that later.

First, I want to start with looking at this creature that we essentially are going to be a part of, this is the CAF, I would not bother to read the Spanish, we all know what I am talking about. Because a lot of the public may not know what really this institution is about, other than several of the Senators before me commented on the fact that it was a multilateral lending agency and a development bank.

But these development banks principally started after World War II in the 1950s and 1960s, and the one that we are most familiar with is the IDB, or IADB as some people pronounce it—prefer to call it. And a little known fact about the IDB, because most of us, in fact, including us in the economics field, generally tend to associate the IDB with lending to governments, and that is what they do now, and I have a long list, the country profile for Trinidad and Tobago in terms of what they forwarded to the governments over the years, and I may have time to get into that a bit later, especially between 2010 and 2015.

So, the CAF came out of a need of certain Latin American countries to basically handle their own stories: the Andean group of countries decided, well, you know, the World Bank and the IDB were not quite doing what we wanted them to do. They were not as sensitive to the issues of the region as we thought they should be. So, basically they adopted a model of a multilateral agency where the borrowers are the main shareholders, and the borrowers also control the institution. That is the significant difference between the IDB and the World Bank, and that is what makes them different and are able to function in a different and a

more sensitive capacity when dealing with countries in their region, and now by extension our region, Latin America and the Caribbean.

So it is a model that is quite different from the World Bank and the IDB; the World Bank is based on a model where rich countries donate the money and poor countries borrow it. So, you could see that in such an arrangement there are benefits of it for the World Bank and, of course, for its major contributors, but over the years you heard all of the claims and the cries of the developing countries who were mainly the receivers of loans rather than contributing significantly to the fund itself. So, that model was well known to the Latin Americans and they decided to go a different route and established the CAF around 1970, and since then it has expanded, but that fact is very significant in terms of the operations of the bank.

I have a few quotes I would like to make, Mr. Vice-President, and for the purposes of the *Hansard* it is from a policy brief from the London School of Economics Global South Unit Policy Brief No. 2 of 2015, and it is entitled “Comparative Advantages and Challenges of Regional Development Banks: The CAF Experience”, and it is written by Enrique Garcia who was at the time the president of the CAF. I think he just stepped down a few months ago. And he talked about several things that I think are noteworthy in terms of us understanding what we are getting into and what we are dealing with.

So, the first concept I mentioned was that the borrowers are the main shareholders and directors of the bank, and the Minister alluded to one thing that was very critical in transforming the bank into the kind of powerful institution that it is today, and that is the evolution of this regional bank in terms of its growth in intellectual capacity and its ability to carry out research and assist member countries to produce coherent and effective economic and social development

policies.

Now, that is extremely significant because prior to this we have tended to have a monopoly on the production of planning and policy documents coming out of entities primarily controlled by the North Americans, and to some extent the Europeans: the IDB, the World Bank, the IMF, and also the OECD in Europe. So, many of us as economists when we are researching these topics end up referring to these papers and documents generated by those institutions and, as I said, a lot of it had to do with the sensitivity of the people in the CAF who were from the region and had a direct stake in the development of the region.

So, the intellectual capacity was expanded significantly in the late 1990s into the present. So, therefore, they have developed a reputation for producing very excellent studies in terms of infrastructure projects, and they invested a lot of money into furthering regional integration among Latin American countries, and especially in the fields of interconnectivity, bridging across countries like developing highways that cross from one country into the other, and that was a very significant part of their attraction, and that allowed them to expand significantly from the original five members to include countries such as Paraguay, Argentina and even Portugal in their mix.

They operate now—they began operations with a \$100 million in authorized capital and a subscribed capital of US \$25 million. Today, the bank's authorized capital is \$10 billion, while its paid-in capital plus reserves and so on, net worth, in short, amounted to \$6.8 billion. Assets of the institution increased from \$160 million at its beginning to \$25 billion today. So this, we are talking about is a tremendously successful organization.

And, in terms of its ability to grow, it went from accounting for about 5 per

cent of multilateral financing in the 1980s to the region to over 30 per cent currently. So, you could see that this is not a fly-by-night, and this is a well-managed, well-run entity, and it has also become a relevant player in the financing of private sector initiatives, so they do not just lend to countries. So, CAF in terms of its ability to raise funds has also been quite successful.

In the last five years alone CAF has completed 50 bond issues in 10 countries raising more than \$7 billion, and implemented a commercial-paper programme in the neighbourhood of \$25 billion. So, a lot of it had to do with the strength of the organization, the technical capability of the people who run the organization, and non-interference on the part of political entities, regardless of the persuasion of the governments, which is quite interesting because in several of these governments you had various leaders who leant further to the left or some went further to the right, but they maintained a certain hands-off approach to the CAF.

And, finally, in terms of this paper, Sen. Mahabir might be glad to know that in 40 years there has been no default on any obligation to the CAF, zero. So, they have been tremendously successful in making their loans and being paid. So, member countries clearly feel an obligation to pay back their loans on time and to meet all requirements, unlike, as Sen. Mahabir is talking about the case of Guyana, where when we tried cooperation within the Caricom region, we set up something called a multilateral clearing house facility to facilitate trade among Caricom countries. Most of the money was contributed by Trinidad and Tobago and Barbados, so Trinidad and Barbados were the main lenders, about 98 per cent of the funds. Most of it from Trinidad and some from Barbados. Those two countries contributed 98 per cent to the fund, Guyana borrowed about 99 per cent of the

money, and, of course, they could not pay back and the whole facility crashed. That was around the late 1970s or the 1980s.

So, that was our attempt to smoothen out trade within the Caricom region. Now, let me go to the practices that were mentioned in terms of why the CAF is an attractive option to go with. Now, again, let me just for the purpose of *Hansard*, it is a paper called “Shopping for Development: Multilateral Lending, Shareholder Composition and Borrower Preferences”. This is from *World Development* published in 2012. So, it is a few years dated, but I think the information is still relevant.

Now, a couple of speakers before me had referred to the benefits of using the CAF as opposed to the IDB and the World Bank facilities, I think, but I will put some actual details on it for the sake of this House and the listening public at large. When we look at loan approval, and procedures, and times, and from this particular paper they summarized some interesting information in terms of the comparison between the World Bank and the IDB and the CAF—they compared the three multilateral agencies.

Now, approval time was listed for the World Bank as 12 to 16 months—this is for loans we are talking about. Right? The IDB, they listed seven to 10 months; with CAF, they listed three to six months, and it could be as little as one point five months, one and a half months if the funds are urgent. So, you see a clear distinction there. In terms of when you go to CAF versus the IDB or the World Bank, there is also—you have to undergo certain missions, the bank sends their team in terms of examining the project that you seeking financing for. The number of missions under the World Bank is about four—identification, pre-appraisal, appraisal and negotiation—four different phases. The IDB had identification,

appraisal, negotiation; so they had three phases or three missions to the country. The CAF, two: identification and appraisal was done in one mission, and negotiations in the other, and that is it. If you look furthermore at the number of review phases, again the World Bank had four: the concept phase, the quality enhanced phase, the decision, and then it has to go to the board, so four; IDB, also four: eligibility, quality risk, operations and then the board.

On this criteria the CAF came in with three as well: business committee, loan and investment committee and board. The board only oversees large loans, and I will tell you what a large loan is in a minute, or what is a small loan. And under the caveat they pointed out that decisions—meetings can be skipped if the loan is of a low interest, but this is hardly done in the case of the World Bank because there is a risk-averse culture there; and in terms of the IDB, the mission is faster than the World Bank, sometimes half a day for low-risk loans as opposed to thing.

Now, in terms of the CAF, loans below US \$20 million can be approved by the vice-president of operations, not even the president, the vice-president, he has a blank cheque to grant loans up to US \$20 million, which is a significant sum for us, that could be approved very, very quickly without having to go to the board; and above that, loans below \$75 million can be approved by the president. So, the vice-president could approve US \$20 million and below; the president can approve up to US \$75 million without taking the matter to the full board.

So, when you take all things into account, the details of dealing with the CAF seem to be quite attractive and, of course, part of the considerations, especially when you have to face elections and you want to implement your projects is that you do not want to wait two years to get financing for your project,

by that time elections are upon you, and you know what could happen, anything could happen. So, therefore, this from a governmental point of view in terms of getting projects implemented seems to be the sensible option to follow, given what I have just listed in terms of the criteria and the operational aspects of how the CAF operates in relation to the World Bank and the IDB. Okay?

Now, I just want to get to some of the issues raised by a couple of the other Senators before I close because I think I made a strong case as to why the Minister has chosen to do this now, and to go with the CAF in terms of seeking financing for certain projects. Now, Sen. Mahabir also talked about the crisis of 2008/2009. Now, the financial crisis, as we all may know by now, started in 2007 in the US. It really did not affect us until 2009. Okay? So, our main consequences, our main problems with the financial crisis did not really hit home until 2009. 2008 was a bumper year for this country in terms of revenues at the time because oil prices were very good, and there was also a significant contribution to national savings because of the huge budget surpluses at that time.

So, when 2009 came, and we had the full effects of the financial crisis including the Clico matter, we were able to draw down on national savings. That is why there was no need to raid or go into the Heritage and Stabilisation Fund, because there were actual savings at the Central Bank. So, under the Manning administration that is what you would call prudent, not what the UNC did.

So, between 2002 and 2008 there was significant—each of those years had a budget surplus, and when you have a budget surplus it means you have additions to national savings. So, whether you put those savings in the Heritage and Stabilisation Fund, or you put them in accounts at the Central Bank for a rainy day, at the end of the day that is the only way you have national savings, it is when you

run budget surpluses. You cannot have national savings while running deficits, which is what I have been trying to tell the UNC for five, six, almost seven years now. So, stop talking about any savings, you did not have any additions to national savings in your five years and nine months—and 90 days. It is just not true. It makes no sense.

The only way you have additions to national savings is when you run a budget surplus, and during that time the financial crisis hit and we were able to weather the storm, not just because of the national savings that were accumulated between 2002 and 2008, but also the price of oil did not really stay down for that long as is the case now; you did not have the type of long-term collapse in oil prices, and we did not have the matters that the hon. Leader of Government Business pointed out in his contribution, with the drop in production, the drop in prices, and the tax incentive given by the UNC. We did not have a triple whammy to deal with. This is what our Minister is dealing with right now, a serious triple whammy. It is almost a case of dealing with, if anything can go wrong it will, and this is what we walked into when we came into office in 2015.

So, energy prices, in fact, rebounded relatively quickly in the crisis of 2009 going into 2010. In fact, before the UNC came into power there was a projected growth of the economy in 2010 of positive 2 per cent from the Central Bank, and even external entities. And I remember the first budget that Minister Dookeran brought, he called it Turning the Economy Around, and some other thing, but that was about half the title, the rest of it—but that was the main part. And, in fact, he did, he turned the projected 2 per cent positive growth into negative. At the end of 2010 we ended up with negative growth. I used to tease him about it all the time, and say, how you managed to do that?—oil prices rebounding from the low of

2009, you come into power, things looking nice, and when the data comes out you actually went in the wrong direction, you drove the economy into the ground.

Sen. Cummings: He could not restrain his colleagues.

Sen. Dr. L. Henry: Yes, apparently. So, there were no national savings, most of the funds that were put in the Heritage and Stabilisation Fund were put there under the PNM 2002 to 2008, and into 2009, and most of the improvement in the fund since then had to do with valuation changes with earnings from the fund. Yes. Now, as every time this debate comes up, somebody on the UNC bench jumps up and says, but we put money in the Heritage and Stabilisation Fund.

Sen. Ramdeen: It is true.

Sen. Dr. L. Henry: Well, it is a sleight of hand. Yes, because, listen, as I said, no national budget deficit, no savings. So, what happened is that the price of oil was higher than budgeted, so it was a legal requirement that you had to fulfil by putting the money there. It was not because of any prudence, it was a legal requirement.

So, effectively, what you did was borrow money from somewhere and put it in the Heritage and Stabilisation Fund. That is the absolute truth. It was a legal requirement. If you did not have that you would not put anything, and I have the figures here, and in 2014/2015 you did just that, you added nothing to it. So, it was a legal requirement based on the Heritage and Stabilisation Fund Act, that you had to put the money. In fact, I used to have discussions with both Minister Dookeran and Minister Howai about this. In fact, we raised the question as to whether they were actually breaking the law when they hesitated to put money in the fund.

So to come here and hear them boast or try to boast about being prudent is mind-boggling. In fact, I am reminded of a famous talk show personality from

some years back who once described something as insanely absurd.

Hon. Senator: Sprangalang. [*Laughter*]

Sen. Dr. L. Henry: Yes. So, there is—do not beat your chest and talk about being prudent compared to the PNM. We are in a difficult situation, and we have always been the country—the party—to pull the country out of crisis. [*Desk thumping*]

Also—[*Interruption*—yes. In fact, one of you, I cannot remember which one of the Senators, spoke about the increase in the foreign debt component of our external debt of recent, because we borrowed some money from abroad, as is wellknown, and the Minister is quite clear, it is published, we are not hiding anything, we borrowed the money in US dollars. So, of course, your external debt in terms of foreign currency will increase, that is a fact, and no problem with that in terms of we know what it is.

But also, it was the PNM Government mainly between 1991 and 1995 that significantly paid down the foreign debt of the country to where it was not a problem for over 10 years, and into this current period—yes, it was the Patrick Manning administration 1991 to 1995 that paid off a lot of the external debt that we had before, that caused us to go to the IMF and so on in the 1980s.

So, it was that prudence and hard decision of a previous PNM administration that led us into the position that we could have experienced 14 years of consecutive economic growth between 1994 and 1998. [*Desk thumping*] It is all PNM, it is all good, [*Laughter*] and for that matter in a few years from now, if you are honest, which we have serious questions about, you will be singing the praises of the current administration for pulling the country out of this crisis. [*Interruption*] Yes, so you will have to understand that taking hard decisions is something that the

UNC never did. They avoided every hard decision that would set this country right.

So, to come here and hear them talk about fiscal prudence, and do not borrow. Sen. Mark is saying on one hand, do not borrow, do not borrow, but then when he says, do not draw down from the Heritage and Stabilisation Fund either. So you say, “aah”, okay. He accused the Minister of raiding the Heritage and Stabilisation Fund, saying, “Doh touch it”, and then in the same breath he said, “Doh borrow any money, yuh borrowing too much”. So, it is like the fella telling you, go right, go right, go right, and he say, no, I should go left; he say, no you cannot turn there either.

6.30 p.m.

So the problem with the debt, Sen. Shrikissoon, of course, when you find yourself in a difficult situation that is what you have to do. So it is not unexpected that the debt GDP ratio will increase. It is basically direct mathematical formula. The GDP is falling, you borrow money in the hope that you would stimulate the economy, but, of course, these things always have a lag effect. You are not going to borrow money today and see growth next week. There was also, [*Interruption*] you spent huge amounts of money and could not generate economic growth. And my famous line when I was on that side to the Government of the day was, even by accident something positive should have happened. You find a way to squander almost \$400 billion and almost achieved no economic growth in five years. That has to be a world record.

Hon. Senator: That is a cut and paste from Al-Rawi’s speech.

Sen. Dr. L. Henry: No, he got it from me. [*Laughter and desk thumping*]
And like I said, it is all PNM, it is all good. So, yes, do not come here and try to act as though you do not know what you did not accomplish while you were in power.

You created a mess and you were fiscally, extremely irresponsible in terms of running up budget deficits in the face, as has been repeatedly said in this Senate, of high oil prices, everything in your favour and you chose to just spend everything beyond all the revenue. Every time the revenue went up you brought a bigger budget to make sure that you ran a deficit. Like I said, it is unbelievable. And as I said, I sat there and I kept saying, what are you doing? Why do you not save some money? [*Crosstalk*] You did not; no, you saved nothing and do not come back with that line about you put money in the Heritage and Stabilisation Fund, foolishness again, okay, because you really did not add anything to national savings. And like I have kept saying, you could see it in the IMF Report, you do not have to take my word for it, they have it there, right, where they said it is equivalent to borrowing to put money in the Stabilisation Fund so do not boast about it.

Sen. Ameen: Can you tell us which one of the report?

Sen. Dr. L. Henry: It is in many of them. It is in more than one. I am sure even you can find it. So do not come here and pretend to be pompous or pious about fiscal responsibility. You represent the opposite of that and you have no plan to bring this country out of the problems that we face. We know that we have real problems with the falling oil prices and the drop in production and your tax concessions that basically led to this precipitous decline in oil revenue in 2014 to 2015 and 2016, that the Minister and the Leader of Government Business spoke of, that is well known now, that was your doing. You have to take ownership of it and you put the country in a very precarious position that we are grappling with. And with those few words, Mr. Vice-President, I thank you. [*Desk thumping*]

Sen. Khadijah Ameen: [*Desk thumping*] Mr. Vice-President, I thank you for the opportunity to join in this debate and joining after the last speaker, Sen. Dr.

Lester Henry. I am still laughing because I am amused to hear him, a Member of the Government Bench lamenting how much he tried to advise the UNC Government and advise the previous Partnership Government, and my question to him is, I wonder if he could advise the present Government or the present Minister of Finance in the PNM Government. [*Desk thumping*] So if he has any advice, he is on the right side of the Senate to make a difference. And you are right, there is no plan and you still have not shown that, unless you can contribute to Government policy in a meaningful way with all the words of advice then, really, I have to take your contribution as a joke. [*Desk thumping*]

Mr. Vice-President, the Bill before us would provide for the membership of Trinidad and Tobago in the Andean Development Bank and for the raising of loans. Mr. Vice-President, every time this Government comes to the Parliament to pass legislation, they have routinely failed to inform the population of the real rationale, the consequences, the benefits and even the repercussions of their policies, and in this case, it is no different. Instead, what they do is mask it by saying it is best for the population, we need to do this now or else our nation will be in problems and at times they even mask it as a simple agreement to be ratified.

Mr. Vice-President, the Bill before us is not a simple piece of legislation which we must allow the Government to get a free pass for borrowing more money and bringing our country into further debt. This Bill is of critical national importance because when it is passed it will impact upon the lives of every single citizen of our nation and it deals with giving the Government, more specifically, this PNM Government, permission to borrow money on the nation's behalf.

In every matter that comes before a Parliament one should ask, how does this relate to each citizen? The fact is that our taxpayers are the ones who will be

paying back the loans in the future, whether it is taken by this Government or any other Government. It means that our taxpayers will have to forego some level of national benefit in order to ensure that all the public debt which, according to the Central Bank, currently stands, as of December 2016, \$87.4 billion. And that is in no small measure, thanks to the PNM.

So the questions we are forced to ask today as a Parliament are, do we give this Government permission to borrow more money on behalf of citizens? Clause 5 indicates that:

“A copy of a loan agreement, or...any amendment or other instrument or document in relation thereto, shall be laid before Parliament within thirty days of the conclusion of the loan agreement, amendment or any other instrument or document or, if Parliament does not sit within that period, within thirty days after its next sitting.”

Mr. Vice-President, this gives the Parliament, the Opposition and the nation an opportunity to examine, albeit after the fact, what the Government will use this borrowed money for. Will it bring tangible benefits to our citizens? Will it improve the lives of our people? These are pertinent questions given the precedent set by the Government in the past.

The Government has been borrowing but failing to effectively use it to the benefit of the population in a sustainable manner. Almost all of the speakers on the Opposition side and even on the Independent Bench have questioned the returns when it comes to a Government borrowing in terms of what they are spending it on. But the most important question, Mr. Vice-President, is that this Parliament is called upon to examine and have the Government answer if we are to give them the legislative permission to raise loans and that is, how will you repay these loans.

My question is, what steps, as a Government, will be taken to ensure that this nation is on the right track to balance its debt obligations while still providing a proper standard of living to its citizens? Will this follow typical proven PNM mismanagement, as we have seen in past instances, like the former Malcolm Jones and the World GTL scandal, where capital was borrowed, squandered and years after the population is still without a single benefit?

Sen. Cummings: Point of order. Standing Order 42(11).

Mr. Vice-President: I will allow the hon. Senator to continue her speech.
[*Desk thumping*]

Sen. K. Ameen: Thank you very much, Mr. Vice-President. I look forward to the contribution of the Senator. I do not know if that was his contribution, but allow me to continue, Mr. Vice-President.

Mr. Vice-President, that scandal and squandermania is one that this population of Trinidad and Tobago is yet to see benefit from and, in fact, it was the present Attorney General, the PNM Attorney General, who squashed the State's attempt to recover the people's money. [*Desk thumping*]

The essence of this Bill before us is to give the Government permission to borrow from the Andean Development Corporation and Bank. However, like the real world, we must not only examine a country's ability to repay, but we must look at the history of a Government to effectively utilize the money which they borrow.

[MADAM PRESIDENT *in the Chair*]

Let me use the example of Petrotrin's borrowing and loan raising. I want to briefly quote from an article from a former Governor of the Central Bank and it:

“In 2002, Petrotrin's debt was just over TT\$3.25 billion. By 2010,

when the Manning PNM administration and the Malcolm Jones-led Board left office”—the PNM’s—“debt had exploded almost four-fold to around TT\$12...billion.” [*Desk thumping*]

Madam President, these loans taken in the form of bonds were supposed to finance three mega projects, the Gasoline Optimization Programme, the Ultra-Low Sulphur Diesel Programme and the world gas-to-liquids programme, all of which failed under the PNM Government. [*Desk thumping*] It means that moneys borrowed or loans raised, moneys squandered, no project delivered to the people of Trinidad and Tobago and the citizens are left to pay the debt from PNM squandermania. So it is based on this track record of this Government, of squandering money, of not using it to the development and the benefit of the population of Trinidad and Tobago that we are now being ask to give further permission on behalf of the population to take us further into debt.

Madam President, I also want to touch on the timing of this legislation and I think previous speakers, I think it was the Leader of Government Business, mentioned that this facility was available before. Clause 3(1) indicates:

“Subject to this Act, the Government may, in such manner and on such terms and subject to such conditions as may be agreed with the Corporation, borrow from the Corporation’s own resources or from the funds administered by the Corporation, from time to time, such sum or sums as may be required for the purpose of financing or promoting economic and social development in Trinidad and Tobago.”

Madam President, when the time comes to bring to Parliament specific loan arrangements, the Government of course will be expected to give a full explanation, but I expected today that we would have heard some sort of direction,

some sort of development, some sort of policy direction that the Government wanted to take this country in, where they could source funding under this arrangement for promoting economic and social development in Trinidad and Tobago.

Thus far, the speakers on the Government Bench have failed to do that. The timing of this legislation to approve Government to raise loans from the Andean Bank is very interesting. And, yes, one would agree that under the past regime the increase in capital at the Andean Bank was made but the big question should surround the Government's rationale to access it now. Is it because local investors are losing confidence to loan the Government money as seen at the last bond auction? I quote from a newspaper article from Trinidad *Express*, Thursday, February 16, 2017:

“Trinidad & Tobago Govt to table bill in Parliament to borrow U.S. dollars

The Government of Trinidad & Tobago will seek its Parliament's approval to borrow from the Caracas-based Development Bank of Latin America”—or—“(CAF)...T&T Attorney General Faris Al Rawi announced...at a post-Cabinet media briefing.” And this—“announcement”—came—“two days after the results of a local bond auction showed a weakening desire by local investors to lend their Government money.”

And this Government is responsible in a large part to the lack of confidence investors expressed towards Trinidad and Tobago. Let us compare the bond auction in December 2016 where we saw the subscriptions much higher than in the one that was offered in February 2017 where we saw a mere \$400,000—sorry, I

just have the figures there mixed up. But my point there, Madam President, is that in comparing the figures from December 2016 to February 2017 it would reflect that there is less investment and there is less confidence in the economy from our local investors. So it appears that the population may have had some form of confidence issue in this Government's ability to repay and therefore it is imperative that we as a Parliament also evaluate this Government's ability to repay and to hold its debt obligation, before we give any such permission for action which might result in strenuous negative repercussions for the public.

When one looks at the timing of this legislation we must also note the Prime Minister's statement where he committed to ensuring that all public servants are paid their outstanding arrears by the end of March. I want to just refer to a *Trinidad Guardian* article, March 08th, where union leader Watson Duke queried the Prime Minister's back pay claim. And the article says:

“Rowley said the Finance Ministry had been able to arrange a source of funds through borrowing to pay out the outstanding balance.”

So, of course, the question will be asked as to the source of the funds. When one reflects on the agreement reached between the OWTU and Petrotrin, one sees that the wage Bill of the state company has increased by an additional \$80 million annually. So one must ask again, would this loan be used to assist Petrotrin? These are the questions that the Government must answer, whether in this debate or in the public domain, as it must account to the people. Are we going to have more hospitals or more stadia? Are workers going to get their back pay or are we going to pay millions to a lobbyist? The priorities of this Government is under question.

Madam President, earlier in the debate another matter that came up was the Government's ability—in fact, questioning the Government's investment or lack

thereof into revenue generating ventures. Borrowing, whether it is at the Government level, corporate level and individual level, always takes two major things into consideration. If as a private citizen you go to the bank, the bank will question the borrower's ability to repay based on their incoming revenue. The regular man on the street has to present a job letter to the bank. The bank will also look at the existing loans of the borrowing entity, in this case the Government

Sen. Mark referred to the Central Bank of Trinidad and Tobago Report that indicate our nation's public debt-to-GDP ratio which stands at 56.6 per cent, which compared at a rate of 41.2 per cent at the end of 2015. It means, Madam President, that within 17 months this Government has increased the nation's public debt-to-GDP ratio by over 10 per cent. As a matter of fact, this Government has borrowed 21 times more in its first fiscal year compared to the last administration. So when Sen. Dr. Lester Henry wants to advise the UNC, I want him to take this into consideration before he gives any advice. Let me quote the *Trinidad Express* article, July 30, 2016:

“The pace of Government borrowing has surged exponentially, according to Central Bank reports and interviews with academics and bankers.

By the end of its first year in office, Government would have grown the country's debt by \$10.7 billion, 21.4 times more than the previous administration over the comparable period (2010/2011 versus 2015/2016).”

I wonder if he read that. Within the first fiscal year the population saw no sustainable benefits. The population, Madam President, saw no increase in their standard of living.

Madam President: Sen. Ameen, what are you quoting from? I know you

said it is a newspaper article, but who is the author? Is it an editorial that is what I am trying to—for the record.

Sen. K. Ameen: Yes, I indicated that this was a quote from the Trinidad *Express* article of July 30, 2016.

Madam President: An article by whom or is it an editorial?

Sen. K. Ameen: It was an editorial.

Madam President: Thank you.

Sen. K. Ameen: Within the—Madam President, within the first fiscal year of this Government's term in office, the population has seen no sustainable benefits. The population has not seen an increase in the standard of living, in the quality of life and, collectively, the population is being put into a further \$10.7billion in debt. As my colleagues would have mentioned earlier, what you did see is a decrease in that social safety net. We have to question whether the Government's borrowing will influence positively, education. We look at the situation with GATE, we look at the situation with lack of medicine in the hospitals, our social services are down the drain and so the question is for this Government, what was done with that \$10.7billion?

So this Parliament must not give the Government a free pass to simply borrow more money and it must be compared, it must be balanced with the welfare of our citizens rather than working against our future generations.

Madam President, another key component about borrowing is revenue generation, because this determines our country's ability to pay back its loans. If a country is not making enough revenue to cover its loans it means that it would have to cut back on many of the services it offers its nation, and the benefits, in order to meet those obligations. Independent Sen. Shrikissoon very eloquently

commented on this matter and so I would not go into that, but I want to say that I do endorse his point that the Government should not be borrowing to service paying loans in this major way.

Madam President, there are two key components when we analyze our country's revenue. It is no secret that Trinidad and Tobago bases a lot of its income from the energy sector and that accounts for about 34 or 35 per cent of our country's revenue, our GDP. Madam President, earlier mention was made to the Moody's Investors Services downgrading Trinidad and Tobago and I want to agree with my colleague, Sen. Wade Mark, that no Member of the Government, as was done by the Leader of Government Business in the Senate, should be dismissive of an international organization giving a grading like this to our country, which, and I quote:

“...negatively and materially undermine the country's economic and government financial strength at least throughout 2018.”

So the fact is that our energy sector plays a major role in our borrowing as it provides a major stream of revenue needed to repair our loans and all our public debt obligations.

In this regard, Madam President, allow me to touch on the state of the energy sector in this country and how the management of the energy sector will impact on the Government's ability to repay any of the loans accessed through the Andean Development Corporation.

Madam President, there are many who say our energy sector is in crisis. There has been a decrease in oil and natural gas production, we acknowledge that. Clause 3 of the Bill, of course, allows the Government to borrow from the Andean Development Corporation. The Parliament cannot discuss borrowing without

discussing where the revenue will come from to repay its loans. Based on the premise that this country's major stream of revenue from energy, in order to repay loans, it is indeed a troubling aspect when the Central Bank Economic Bulletin reports that the Government's revenue for the first quarter of the 2017 fiscal year plunged by nearly 29 per cent to \$7.98 billion, compared with the \$11.22 billion in the same period in the previous fiscal year, while Trinidad and Tobago's energy revenues declined by \$283.4million primarily on account of low domestic energy sector output according to Economic Bulletin.

7.00 p.m.

So in light of the decreasing energy revenue the Government comes to get permission to take a further loan. But if we continue on this path of decreasing revenue we will reach to the point where all of our revenue goes into loan repayment and that will pose tremendous, if not catastrophic, burdens on the population.

My question comes because I really thought the Minister of Energy and Energy Industries would have brought some of these issues—answered some of these questions in his contribution. What has this Government done? What have they worked on to improve the energy sector, to improve our revenue stream which would be able to withstand the global energy instability and increase our ability to pay these loans? I share the concern of Independent Sen. Shrikissoon. We find ourselves in a position where 56.6 per cent of our GDP is going to repay loans. Madam President, if this Bill is passed, we will see that percentage increase while our GDP continues to decrease. So, will Government be using some of the money borrowed to rehabilitate and ease this crisis which is taking place in the energy sector?

Madam President, I just want to quote a media release by the Energy Chamber:

“Urgent action needed to reverse decline in oil production

Falling”—economic—“production has serious implications for Petrotrin, who are forced to buy more crude on the international markets to keep the Pointe-à-Pierre refinery running near capacity. This in turn has implications for Trinidad and Tobago’s balance of payments as the country needs to allocate more US dollars to the purchase of crude oil...”

Madam President, the PNM, in their manifesto, pledged to this country—they were voted in based on those manifesto promises to:

“Create an environment in which producer companies, both existing and new, become aggressive about seeking new discoveries in oil and gas.

- Facilitate and encourage the growth of locally owned energy sector companies through appropriate fiscal and monetary incentives and concessions.”

We are yet to see those coming from the Government:

- “- Develop appropriate strategies to monetize the discovery of reserves of natural gas found in deep waters, which are classified as expensive gas.

- Create an appropriate fiscal regime and incentives to encourage the production of ‘stranded’ oil and gas, both on land and offshore.”

No new bid rounds for further exploration; no new fiscal. We have seen no new fiscal incentive package to encourage investments. We are yet to see any indication that any new exploration and production will be undertaken in Trinidad and Tobago as we continue to see the Government operate with a lack of plan.

Their manifesto is yet to kick in, in action in this regard.

What is ironic is that while the manifesto indicates that they will accelerate and conclude negotiations of new gas supply contracts to replace long-term contracts that are due to expire, today many firms are suffering from a shortage of natural gas, and recently we have seen Methanol Holdings Limited close two methanol plants with the possibility of third being closed, and so on.

Madam President, I have some more to say on that, but what I really want to touch on is a question to the Government. You have brought this Bill before us. The fact remains that the Government has really done nothing to curtail its natural gas shortage. What we are seeing in terms of the C-can and Juniper projects, is the coming into effect of works of the previous administration. During the last term in Government, Madam President, there was a natural gas master plan which guided the policy decisions of the Government. In March of 2016, the Prime Minister had committed to the Lower House that that master plan would be placed before the House Committee. That was to be a guiding principle to maximize the value accruing to the Government from the exploration of Trinidad and Tobago's gas resources on behalf of the people of this country. Perhaps the Minister of Energy and Energy Industries—I know he is recently back out to work, let me welcome him, but I trust that he will be able to attend to this matter and, perhaps, have that natural gas master plan brought before the Parliament via the House Committee.

Some of the elements of the plan were to ensure that new exploration is undertaken—

Madam President: Sen. Ameen, you have nine more minutes and I want you to tie in what you are saying to the Bill that is before us and try and cover some new ground if you are going to utilize the nine minutes, because a lot of what

you are saying now has been said in some form by previous speakers.

Sen. K. Ameen: Thank you, Madam President. Madam President, some of the policies with regard to the energy sector and the revenue it produced under the People's Partnership, I mentioned before that those are still reaping benefits. Last week, the Prime Minister visited Houston and met with bp. That was mentioned previously in the debate—*[Interruption]*

Madam President: Members, I would really like to hear Sen. Ameen, so those who do not want to hear her, you have the option of leaving the Chamber. Okay? Sen. Ameen, continue.

Sen. K. Ameen: Thank you, Madam President. Madam President, it was mentioned that the Prime Minister visited Houston and he had meetings with bp and Shell, and so on. Following that meeting there was a big announcement that bp was planning to invest US \$5 billion in Trinidad over the next five years. You know, the Government is behaving as though that announcement came out of the meeting that was held, as though it just happened over the course of one meeting. Madam President, that is a continuation of an investment that started in 2012. *[Desk thumping]* The fact is, in 2012 to 2016, bp invested US \$5.5 billion in Trinidad and Tobago.

Madam President: Sen. Ameen, I think that point has already been made by Sen. Ramdeen, so that is why I am asking now, as you utilize your last few minutes, to tie back to the Bill and to raise new matters. But these matters have already been raised. Okay?

Sen. K. Ameen: Thank you, Madam President. Madam President, I was going on a different direction to Sen. Ramdeen with regard to this matter, and the fact is that, what I really hope to do in the few minutes was to mention some of the

initiatives of the previous government that ought to be built upon by the present Government. Madam President, I will move to the NGC/bp negotiation for a new contract which is still under way. This contract is needed for the sanction by bp for the Angelin project. This should have been completed since 2016, last year, and I thought the Minister of Energy and Energy Industries would have given this nation an update on this situation, to justify to the nation how his Government intends to generate revenue to put us in a better economic situation, to repay any loan, whether it is from Andean, according to clause 6 of this Bill, where it comes from the Consolidated Fund, or any other borrowing that this Government plans to undertake. We have not heard from the hon. Minister with regard to this—

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

Sen. K. Ameen: Thank you—with regard to the bp Angelin platform which would have been constructed in La Brea. And, you know, unfortunately, he chose to chastise the former Minister of Energy, a bright young man, and he finds ways to put forward his recommendations in his newspaper column. And I know that it is his first day back on the job, and I trust that he would be able to give these matters urgent consideration. But let me quote from: “BP encouraged by 2014 budget”, a quote from Bob Dudley, the CEO of BP:

“The benefits of these fiscal changes”—

And he was speaking—this is from Trinidad *Express*, October 2013.

“The benefits of these fiscal changes have been evident in the recent...bid rounds, particularly in deepwater, and we can now expect...increased investments in exploration and development as a result of the changes announced last month...”

Changes by the People’s Partnership Government. [*Desk thumping*]

I also want to quote Norman Christie, the CEO of bpTT taken from Ernst & Young commentary on 2014 national budget:

“Over the last three years fiscal changes have provided incentives for oil and gas exploration and development. These incentives have resulted in successful outcomes for the most recent bid rounds and have also resulted in a material increase in upstream activity as evidenced by the number of rigs now operating onshore and offshore (currently 12 versus 1 in 2010).”

That is what the People’s Partnership inherited from the then PNM Government.

Madam President, Trinidad and Tobago has been an associate member of the Andean Corporation since 1994. We became a full member after signing a loan agreement in 2012, so the issue here is not really the membership of Trinidad and Tobago in the Andean Corporation. The real issue is really for the Government—I really thought this was an opportunity for the Government to tell Trinidad and Tobago how it will take us purposefully through the economic challenges that are being faced; how it intends to manage its debt; how it intends to add to revenue-generation and how it plans to govern. But at present, when it comes to borrowing, I do not trust this PNM. I do not trust this Government. Over the last 18 months we have seen no plan for revenue-generation. What we have seen is tax, tax, tax; borrow, borrow, borrow. I wait to hear some constructive policy directions from the Members opposite. Thank you. [*Desk thumping*]

Madam President: Sen. Ramkisson.

Sen. Melissa Ramkisson: Thank you, Madam President. Before starting this debate, I would like to join with the other Senators in welcoming back Sen. The Hon. Franklin Khan to this Chamber. I would also like to join with him in

thanking God for keeping him throughout his trials, as well as congratulating him on wanting to come back to public life, because this is not always an easy one and he is in the Senate so he is an appointed Member. So I want to say to him and his family, congratulations in coming back to serve your nation.

So, Madam President, we are very much deep in the debate on the Bill for the membership of Trinidad and Tobago in the Corporación Andina De Fomento, also known as the Andean Development Corporation which, for the means of this debate, we have been referring to as CAF. And before coming here today, Madam President, a lot of my co-workers approached me and asked me what is this debate really about and they wanted to know—the main question on their mind was, why. Not, they do not want it, but why the need to borrow. And in the cover of the Bill it is to borrow “for the purposes of financing development projects in Trinidad and Tobago and for matters incidental thereto”. And that is really what I would like to focus on in terms of why we would want, or why we are even looking at this at this time for development projects, because we heard a lot from the other Members and for avoiding repetition at this time, we want to look at it in a different angle.

Because of my co-workers I was forced, or directed to look at the debate in the other place and I also heard other Members pose the questions similar to those of my co-workers. And what I could say is that in the hon. Minister’s wrapping up in the other place he directed Members to the budget statement as well as to the budget documents, such as the Public Sector Investment Programme for Trinidad and Tobago. And that is what I, in turn, looked at. And if I may add, Madam President, after reviewing the budget statement then, at that time in 2017 we learnt that there was a collapse in oil and gas prices and we lost \$20billion in annual revenue since 2014, and we were then urged to not continue to spend money that

we do not have. Do you want me to find the page for you, hon. Minister, through you, Madam President?

So we were urged, then, not to continue operating like we used to. And it actually says we cannot continue business as usual. So we do know that it is the practice of different administrations and different governments to borrow, as it may be considered a norm. Because if you go to the Central Bank website, you would see that the Central Government's total debt outstanding for 2010 was \$48 billion; 2011, \$51 billion; 2012, \$63 billion; 2013, \$67 billion; 2014, \$80 billion; 2015, it dropped a little to \$78 billion, and now in 2016 it is \$89 billion. So we have seen an increase and we have seen an increase in our external debt outstanding from our Government. And this is accessible online through our Central Bank website.

So I have not really heard from Members, thus far, really what is the intention of the Government by borrowing these funds at this time, as to what projects, or development projects, they would like to finance at this time. We also learnt from the budget statement documents, different measures in which they would like to have non-energy revenue generating measures, and one of that was broadening the VAT, as well as the Insurance Bill and the gambling Bill. And when I looked at the 2017 revenue document, I saw that under Head 03, which is: "Taxes on Goods and Services", they had a section three which said: "Betting and Entertainment Taxes", and in the estimates for 2015 it was \$13 million and for 2016 it was \$66 million. So this really cannot, at this time, generate the kind of revenue we expect to borrow, because we are looking at borrowing like \$300 million and this is only generating \$66 million.

So it does leave a lot of unanswered questions in the minds of citizens as

well as the minds of many. What is really the intention? We understand, and we have heard that we need to borrow, or we need to finance projects to continue our standard of living, to continue to be a developing nation. Well, Madam President, to what extent? We do not know what generation will be repaying these debts. I hope it is not my generation, as one of the younger Members in the Chamber. So the ones who are before us who are making decisions may not be speaking of their generation, so I am speaking for the future generations, Madam President. What debt are we leaving for them to repay? And how are we guiding them in terms of how they intend to repay such a debt?

Now, Sen. Mark touched on this earlier where he raised the point, with a declining economy, what next? And since we are looking at the Andean Development Corporation, I decided to look at the Andean region and see what they are saying to their countries who are part of their corporation, and I found a very interesting article that was published by the Watson Institute, Brown University, and it is entitled:

“New realities, challenges, and opportunities in the Andean Region of Latin America.”

And the article states:

“Economic Development, Social Equality and Sustainability

In Latin America today there is an exploration of new strategies of economic growth that consider social equality and sustainability as fundamental objectives. Countries must overcome the burden of external debt,”

And they are advising to:

“establish sovereignty over development decisions, create sustainable

institutions for...decision-making...stimulate economic growth, address continuing marginalization and inequality, endure resistance from powerful stakeholders, and ensure basic human security.”

So I thought this was a nice article. They had even more recommendations on how to deal with such crisis. So I went further in and I looked at the countries that are members or founding members, however we would like to look at it, of the Andean Development Corporation, and I looked at their debt-to-GDP ratio to see how they are performing and how they treat with borrowing and financing externally. When I looked at Ecuador, Madam President, they had a 33.1 per cent debt to GDP. Bolivia, 39.7 per cent; Colombia, 38 per cent; Chile had 17 per cent. I hope I wrote that correct. Peru, 23 per cent. I could not find a 2015 rating for Venezuela, but for Trinidad and Tobago we were approximately 50 per cent in 2015. So we are very much over the limit of the countries who are part of this Andean development. And if we are going to be taking their recommendations and learning from them—because this is part of what the Bill says in Article 4—we should really try to understand what they are doing different to us. And do we want to continue our debt ratio—building our debt ratio, really?

So, Madam President, we have heard of the different Acts we have in our legislation that deals with borrowing, so we have, like, Development Loans Act, which is Chap. 71:04; the International Financial Organisations Act, Chap. 70:02; External Loans Act, 71:05, then we also borrow from the Caribbean Development Bank which is Chap 79:05; Privileges and Immunities; the Securities Act; the National Development (Inter-American Development Bank) Loans Act and National Development (International Bank for Reconstruction and Development) Loans Act.

So here, again, we are asking for another piece of legislation to deal with the Andean Development Corporation for the funding of development projects. And we heard in the introduction statement from the hon. Minister of Finance, and the Acting Prime Minister at this time, that this was a bank established in 1970, and there are many benefits to joining this corporation which is outlined in Article 4. I found one of the key items that I had really liked was:

“To carry out studies intended to identify investment opportunities and conduct and prepare the appropriate projects;”

Again, these are recommendations that if we do not take, we will just have more and more reports lying on someone's desk. So we have a lot of recommendations and benefits from joining such corporations and we need to look at how their debt to GDP ratio is really much lower than us, but yet we are going to say, “Okay, we want to borrow more money from you and we are not sure what we are borrowing them for.”

So in clause 3 of this said Bill, in the explanation notes it says:

“Clause 3 would provide for the Government to borrow from the Corporation for the purpose of financing or promoting economic and social development in Trinidad and Tobago.”

And this particular clause, I am a little—I would like some clarification on this clause, Madam President, because if we look at the Public Sector Investment Programme, there is outlined a number of projects for the development of social development as well as your institutions. Because if you look at page 9 and 10 of those—the 2017 Public Sector Investment Programme, Trinidad, which is online for everyone to gain access to, it says:

“The sum of”—\$5—“million has been allocated for projects and

programmes to be executed in the fiscal 2017 comprising”—\$2.4—
 “million...under the Consolidated Fund and”—\$2.6—“million...under the
 IDF.

So, again, we have funds already dedicated for financing these Public Sector
 Investment Programmes, and it actually went on to outline what these funds would
 be financed—so they had funds financed by the general revenue, then we had
 external sources.

So, Madam President, we have noted that a major source of loan financing
 for the Public Sector Investment Programme was from the IDB and the IDF, and:

“...the IDB contributed \$117.2 million to assist in the implementation
 of programmes namely, Global Services Promotion Programme, Seamless
 Education System (SES), Health Services Support Programme (HSSP),
 Flood Alleviation Programme, Citizen Security Programme and
 Neighbourhood Upgrading Programme (NUP).”

Then they went on to say that:

“The US EXIM Bank will continue to fund the Acquisition of Digital
 Communication System at a cost of US \$27.1 million USD.”

Madam President, I hope you are following this live because:

“Projects and programmes executed through the IDF of”—\$2.6—
 “million will be financed...”

—and this, again, is in the budget documents—

“...from general revenue in the amount of”—\$2.3—“million...and
 loans resources...”

And it says, like—for example, the hon. Sen. Khan spoke about the Waste
 Water Network Expansion Programme, which we have here.

“The IDB continues to be the major source of loan financing for major projects and programmes which include the continuation of the Wastewater Network Expansion Programme.”

So simply, we have a lot of programmes, a lot of initiatives, a lot of systems, part of what we have budgeted for. We have the external funds and we have the funds coming in for these projects. I am not seeing the reasoning now, for \$300 million. Is it that—because we heard earlier—because we did not know this before—that the intention is to borrow \$300 million from the Andean Development Corporation. We did not know this before.

We have borrowed from the IDF, we have borrowed from the CDB, we have borrowed from the IDB for the financing of development projects and social development. What is it that we are missing? Is it that we under-budgeted and these projects have now had a variation and that is what we are trying to fund? Or is it that we have new projects coming in line and that is what we would like to fund? This is what we really want to know. Yes, we understand that we need to continue to progress but, again, to what extent do we want to progress at? And administrations need to know their cut-off point on what they would like to develop at this time, especially with falling—or now we start to rise in oil prices. But we are saying that we are in an economic time where we have to be tightening our situation and not operating as norm and not borrowing as always as everybody did before.

Unfortunately, the administration presently does not have that wealth to play with. So that is why we want to know what is the intention. What really is it that we want to borrow? Because we see a financing of capital expenditure 2017 and we have all the different listed sources of finance, the loans, the grants, the

domestic revenue, the external loans. Everything is totalled here for persons to review.

7.30 p.m.

I also heard about we want to be looking at institutional strengthening, and even in this booklet, or this programme, there are different programmes. For example, the planning and project development for the Ministry of Planning and Development has an institutional strengthening project listed here on page 142, and there actually has an estimated of \$1.58 million for that project. That is what I am trying to ask. Is it that we have realized that—yes, we have budgeted for these projects, these social development, these different climbing policies, environmental policies, all these different grants, these technical cooperation facility projects, and now we realize, okay, we want more money to go into these funds.

So, Madam President, we have to assume because we are not getting the information freely, it is not in the public domain what we will be using it for, or what is the intention. I am not exactly sure why it is not in the public domain, but everyone has their own reasoning. But if you go to the Government of the Republic of Trinidad and Tobago website, which is a very user friendly website, there is an article entitled “Over US \$400 million available for the national development of Trinidad and Tobago” which was published on March 10, 2017. And there is the breakdown of the US \$400 million. There was a very interesting part that said:

“The CSP”—which stands for Country Strategy People 2017—2021—“supports a programme of assistance that is designed to help achieve the following development outcomes in Trinidad and Tobago:

- Improved quality of, and access to, education and training; with an allocation of US \$146.2m;”

Again they have:

“• Strengthened social protection; with an allocation of US \$1m;”

They go on to say:

“• Increased productivity, competitiveness and economic diversification; with an allocation of US \$20.4m;

- Improved evidence-based development planning and institutional development; with an allocation of US \$6.1m and;
- Strengthened environmental management supported by safe and resilient infrastructure; with an allocation of US \$25m.”

This is being funded by the CDB and this also deals with development projects and social development. We also saw if you go to the IFC website, we would see there is a project there for the advisory services project and it is still pending approval. So maybe we are not going forward with it because it was approved in April 2015 but is pending a status approval, and this is for US \$767,000.

So, Madam President, we have a lot of different projects. Maybe we are not seeing the value for money as we tend to see a lot of flaws in our public service. Yes, need to invest in strengthening these institutions, but I really believe that that is something we could really do in-house and holding persons accountable for what they are supposed to do. So the big question is: did we max out our external loans limits and we need an alternative source? Simply put, is it that we have reached our borrowing limits and now we are trying to even it out? We have heard the argument of foreign exchange, but we are looking at present revenue and external borrowing which is one of the factors in which we are here to debate, and how the

public service systems are the ones who have to be reviewing these documents. Anyway, these systems continue to fail us and what are we doing differently? Pumping money into them may not be the best solution right now as reformation is needed.

So, Madam President, I did hear Sen. Ameen, who spoke right before me, allude to this point and I really want to ask you, Madam President, do you know if we, Trinidad and Tobago, have any contingencies in place to saddle the billions of dollars in annual debt serving to support loans taken out by state enterprises over the years? [*Desk thumping*] I do not know the answer to that question. I do not know who knows the answer to that question because we only heard recently one of our state enterprises was not putting it on their balance books and they were carrying it forward, and that is why we have a new debt seen for one of our big state enterprises and has now put the Government on an uncomfortable situation. So how much more is like that? And again, we are not putting that into play at our present values. So, Madam President, this is not something to be taken lightly. I know the Senate does not have a vote on this particular corporation because it has passed in the Lower House and who has the vote on money Bills, but we need to pay particular attention when we go out to borrow from foreign or external bodies especially when we do not know our present hidden debts. [*Desk thumping*]

Madam President, my last point in terms of—I looked at the draft 2014 vision plan for T&T. I did start reading it. It is quite a lengthy document which I did not read in its entirety and it did have a nice synopsis of the review of the economy, but they looked at it in terms of 2016's economy. The document said—that is the draft 2030 vision plan for Trinidad and Tobago.

“While the debt service ratio has remained low at around one percent

over the last 10 years, the net public sector debt outstanding has been rising since 2008. In fact, net public sector debt outstanding exceeded total government revenue by \$2 billion in 2009 and the gap has increased to \$22 billion in 2015 and is expected to continue rising... The net public sector debt to GDP ratio increased from 31.5 percent in 2006 to 45.4 percent in 2015, and is expected to reach 51.8 percent in 2016 according to the Central Bank in its March 2016 Economic Bulletin.”

So, Madam President, did you see how low we started? Then from 2008, I do not know if it is because of the oil boom, but we just keep going up and going up in our debts and we are not putting measures to repay such. Again, this will not affect our present generation, but it will affect our future. I know it is hard to say in the future sometimes because we do not live forever, but we have to think of our country, and where we want to see it, and what we want to see for the people of our nation because we cannot tell them why we are putting them in this present situation. Even in the 2030 vision plan, the document went on to compare Trinidad and Tobago to six countries, and they chose those six countries based on the energy sources, the population and one other thing, I think their size, and those were Bahrain, Costa Rica, Estonia, Malaysia, New Zealand and Singapore.

What I also found interesting from our compared countries is that New Zealand had a debt-to-GDP ratio of 25 per cent, Estonia ratio was 10 per cent, and we are comparable to these countries and we are holding a debt-to-GDP ratio of—
[*Interruption*]

PROCEDURAL MOTION

The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon): I apologize for the delay. Madam President, in accordance with Standing

Order 14(5), I beg to move that this Senate continue to sit until the completion of the business at hand and then, of course, including the matters of adjournment after. Thank you.

Question put and agreed to.

**INTERNATIONAL FINANCIAL ORGANISATIONS
 (CORPORACIÓN ANDINA DE FOMENTO) BILL, 2017**

Sen. M. Ramkissoon: Thank you, Madam President. Madam President, my point right before the procedural announcements was that based on our comparable countries our debt ratio is not comparable. We saw New Zealand debt-to-GDP ratio 25 per cent, Estonia ratio 10 per cent, and we have a debt ratio of about 60 per cent. So to say that we are just calmly coming here today to say we just need to join a corporation to give us \$300 million is not something to be very calm about.

So, Madam President, we have learnt of different revenue streams. I am not seeing the revenue streams giving us \$300 million, or even a billion dollars because we saw the *Public Sector Investment Programme* is asking for \$5 billion in projects and we even saw in the *Express*, April 01, 2017, “Govt borrowing US\$40m from the IDB”. This article actually went into why they were going to borrow the \$40 million and I want to say that is very, very commendable, and that was from the Minister of Planning and Development. The reason they wanted to borrow this money from the Inter-American Development Bank was to improve efficiency in the allocation of public resources. The article even went on to say that:

“...the loan will fund a project”—with—“the specific objectives of...:
 ‘(a) strategic allocation of public resources; (b) the control and stewardship of public resources;...(c) information management for decision

making'.”

I did not see this as part of the *Public Sector Investment Programme Trinidad* for 2017 budgeted. Even though when I read it, I did not understand why we could not do this in-house as well, but it was really saying that the Government's strategic strategy was in consistency with the Trinidad Revenue Authority. That is not part of the plan, but it may be a new project. So we are seeing a reallocation different funds, but I did see it in the 2030 draft vision. So is it that we want to join this Corporation to fund the projects in the 2030 draft document? Again, if we know that then we could say, “Okay, this is what we are going to be doing with the money at this time.”

But, Madam President, please understand that—Sen. Ameen said it earlier, when you go to a bank they assess you and they say you are worth then. Like for me, if I go to get a mortgage I could only get a maximum mortgage of 30 years. They would assess your salary; you need to bring your payslip and all these different things; you get people to vouch for you and these things like that. Just like when our country, or a government is going to apply for loans, they need to be mindful of how they intend to pay back this loan. If their non-energy streams is not kicked off yet, please desist on those plans. I know that there is excitement to develop and I am just really not understanding why we want to go with another external source of funding.

Madam President: Sen. Ramkissoon, you have a few more minutes and my advice to you is to either introduce something new because you are kind of restating what you have said before. All right? So continue.

Sen. M. Ramkissoon: Thank you, Madam President. I really was on my last statement, so that is why I was recapping what I had said. And so, basically we just

want to know what is the Government's intention, why an external source, and how we intend to repay this debt.

Madam President, with those few words, I do thank you. [*Desk thumping*]

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

Thank you, Madam President. Let me start by extending and welcoming back the Leader of Government Business in the Senate and my party Chairman, and welcome him back to the Senate. Madam President, thank you for giving me the opportunity to speak on this Bill:

“AN ACT to provide for the membership of Trinidad and Tobago in the... (“the Andean Development Corporation”) and for the raising of loans from the Corporación...by the Government of Trinidad and Tobago for the purposes of financing development projects in Trinidad and Tobago and for matters incidental thereto”

Madam President, today I join my colleagues on this side to give full support for this Bill, which is quite a simple Bill, which will enable us access to funding for the development of our beloved country. Before I go into the—well I do not want to say meat, I had prayers today. I will say the heart of my contribution, I just want to correct some statements that were made on the other side earlier and I will start with Sen. Mark. Sen. Mark said—and I just want to clear it up—that this Government does not have a plan. I think Sen. Ameen also said that. So I just want to clear that up.

This Government has a plan and we had a plan since 2011, and that plan was to rid this country of a Government in 2015 that was just taking us downhill. From 2015 to now, we still have a plan that was to stabilize this country and to bring back some sort of sanity to government, and going forward I could give you the

assurance the plan is to create growth in the economy and to ensure that every citizen of Trinidad and Tobago shares in the wealth that this country affords us. [*Desk thumping*] Madam President, in three short lines our plan is to make sure that the UNC remain there, the PNM remain here and you remain right there.

Sen. Ameen: What about the people of Trinidad and Tobago?

Sen. The Hon. R. Sinanan: All the people of Trinidad. All the people—I said all the people of Trinidad and Tobago.

Sen. Ameen: Do not bring the President in their thing, “nah”.

Madam President: Minister? Thank you, Sen. Ameen, but I can speak for myself. Minister, yes, just be reminded that the Presiding Officer is not in the debate.

Sen. The Hon. R. Sinanan: Yes, sure. Madam President, I recognize once the words “borrow money” or “access funds” are used, it creates some sort of anxiety in the population and I think that is understandable. In my contribution today I am going to show the people of Trinidad and Tobago that the projects and programmes that the Ministry has rolled out in order to fulfil its purpose for borrowing as stated in the Bill, clause 3, and at the end of the day the Ministry of Works and Transport is about doing exactly what is stated in clause 3 of the Bill and if I am just to go to clause 3, just to quote from clause 3:

Borrowing “...for the purpose of financing”—or—“promoting economic and social development in Trinidad and Tobago.”

Just a reminder that the money that we will be accessing must be used for promoting economic and social development in Trinidad and Tobago, and where money is borrowed it must be put to good use.

Madam President, in justifying the borrowing we must invest in

development that we can repay our loans and reap the benefits of our good investments. The Ministry must not just be viewed as a big money spender, but rather as getting value for money spent. And, Madam President, on the contribution by, I think Sen. Shrikissoon, when he spoke about the last Government signing off contracts on the highway the night or before the election, I want to give Sen. Shrikissoon the assurance that this Government will not be doing things like that. When we sign off on contracts we will ensure that the citizens of this country get value for money. [*Desk thumping*] One way to ensure this is by practising proper procurement services, and I want to give the assurance again that at the Ministry of Works and Transport we have already started to implement proper procurement procedures, even though the operationalization of the Bill has not yet taken place.

In my contribution, I would like to highlight the projects for which the Ministry will require funding and the benefits that would be derived from these projects. Madam President, the Ministry of Works and Transport in 2016/2017 earmarked three flagship projects, one of which was the San Fernando to Point Fortin highway. Even Sen. Ramdeen was speaking about nothing is happening in the country. I am sure by the time I am finished the country will contradict Mr. Ramdeen's statement. The San Fernando to Point Fortin highway was a highway plagued with some strange, strange behavioural patterns in terms of the procurement and that highway came to a halt in 2015. We had to go all the way to the courts in England to ensure that this highway started back, and under the leadership of Dr. Keith Christopher Rowley I can announce that a contract is being evaluated now and very soon that highway is going to be restarted without any fanfare, and any bacchanal, and any Government Minister threatening to resign.

The reason why I say that, Madam President, we were able to successfully deal with the unions, we were successfully able to deal with all the stumbling blocks that might have been in the way of the restarting of that highway, and where it was projected by some of the naysayers that we will not be able to restart the highway, this Government is not only start this highway, but complete this highway before 2019. [*Desk thumping*]

The second flagship project that we are embarked upon was the Wallerfield to Manzanilla highway. Sen. Dhanayshar Mahabir said that if we could access funding for that project that would be a great achievement. Sen. Mahabir, I just want to inform you that as we speak the tenders for that highway have been published and we have a lot of interested contractors, all local contractors so far participating in the tender for that highway. What are the benefits of that highway for Trinidad and Tobago? It goes back to clause 3 of the Bill, because what we expect from that highway is that entire eastern sea wall of Trinidad and Tobago will be opened up for economic activities. What you will find happening there is that the infrastructure that has so long been neglected will be finally attended to and the population on that part of Trinidad and Tobago, which is now categorized as the—I think the poorest people in Trinidad and Tobago? Based on the statistics, I think the population on the eastern sea wall will finally get a chance to share in the wealth of Trinidad and Tobago. [*Desk thumping*]

We might be poor, but we are very smart. The wise men came from the east.

Sen. Ameen: What is the—[*Inaudible*]

Sen. The Hon. R. Sinanan: You are not as far east as—[*Interruption*]

Madam President: Sen. Ameen and Minister.

Sen. The Hon. R. Sinanan: Sorry, Madam President. Madam President,

you know they like to distract us, but—[*Interruption*]

Madam President: Sen. Ameen, please?

Sen. The Hon. R. Sinanan: Madam President, the third flagship project was known as the East-West Corridor to Port of Spain transportation project which is well-known as the Curepe Interchange. Even that project which the UNC could not get started is now out for tender and very soon we expect that project as well to be started.

Sen. Dr. Mahabir: Would the Minister give way just on a point of clarification?

Sen. The Hon. R. Sinanan: Sure.

Sen. Dr. Mahabir: Hon. Minister, I have heard about the projects, but I am not aware of whether funding has been secured. Is it that we have multilateral funding; is it that we are using local budgetary resources for funding? Where are the funds coming from for these infrastructure projects?

Sen. The Hon. R. Sinanan: Thank you, Sen. Dhanayshar. Madam President, you will be well aware that the Government secured a bond from the OAS contractor in the Point Fortin to San Fernando highway. That bond is close to \$1 billion and that will be some of the funds used for the San Fernando to Point Fortin highway. The other projects are a combination of funding and this is why you have places like the Andean Development Bank, that you will be sourcing funding now for some of these projects.

One of the advantage of using some of the funding from here is, as you said earlier, the local contractors can participate in this programme. For the first time we have local contractors tendering for the Point Fortin to San Fernando highway [*Desk thumping*] and that is only because the foresight of this Government to tailor

the packages to suit local contractors.

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

Sen. The Hon. R. Sinanan: Sure.

Sen. Dr. Mahabir: Minister, on a point of clarification again, is it that some of the funds identified in this participation in a loan from the Andean Development Bank will be used to finance some of these infrastructural projects which fall under your Ministry?

Sen. The Hon. R. Sinanan: It may be—[*Interruption*]

Sen. Ameen: He does not know as yet.

Sen. The Hon. R. Sinanan: Madam President, it may be, and at this stage some of the funding will be used for these projects.

We also have the Maracas Beach project and I am calling these projects because they all will impact socially on the population, which is in clause 3 of the Bill. I just want to refer back to clause 3 of the Bill which clearly states that money borrowed is “for the purpose of financing and promoting economic and social development in Trinidad and Tobago”. I know the other side might be a little weary talking about all these projects, but it is in keeping with clause 3 of the Bill. The Maracas project, another project that the past Government seemed to be going around in circles. This Government has started back the project and the first package have been awarded, and by the end of August, we should see this project in a state where the people of Trinidad and Tobago will be once again proud of Maracas.

Madam President, under our drainage programme, again, four contracts have been awarded last week where the north-west peninsula will see a whole rehabilitation of the main watercourses in the south-west peninsula. Again, under

our bridges programme 62 bridges have been identified, 12 are under construction, another 12 have been tendered out last week and 12 are in the design stage. With limited funding, this Government is able to achieve all this and the reason we can achieve this is because what we have put in place is proper procurement regulations.

8.00 p.m.

Madam President, under our Highways Division, we have 47 projects happening now. So Sen. Ramdeen, a lot is happening.

Sen. Ramdeen: Thank God we move Hinds. [*Laughter*]

Sen. The Hon. R. Sinanan: No. Under the design stage—and this is where this country is going to see a new dimension to the construction industry. I think the construction industry is going to be very happy very soon. What we have under the design stage is the Port of Spain to Chaguaramas roadway. We have heard so much about the traffic getting into and out of Chaguaramas. Chaguaramas is one of the areas that has a lot of potential for the development of tourism. The design for the Port of Spain to Chaguaramas roadway is under way and this project will definitely bring a lot of social relief—you name it. This project has economic benefit and social benefit to the entire Chaguaramas peninsula.

We have the Diego Martin overpass. This is another project that is in design stage. This overpass is going to allow the people from Diego Martin to be able to access all the way down to Chaguaramas. With all the activities taking place down there, this overpass would bring a lot of relief for the people of Diego Martin. [*Crosstalk*] No, that is not for the boardwalk. Another major project that is being undertaken now by the Ministry of Works and Transport is the Valencia to Toco highway. We have heard a lot of about this project but people seem not to

understand, this is not a highway to Toco. This is a highway to a port in Toco that will bring access and make travelling to Tobago a lot easier.

Again, Madam President, going back to clause 3 of the Bill, “for the purpose of financing or promoting economic and social development in Trinidad and Tobago”. The people of the north coast for too long have been suffering—suffering access and a lack of commercial activities. What this port in Toco is going to do is to allow Tobago and Trinidad to come much closer, especially in terms of trade.

We have this problem with this Super Fast cargo ferry and only today, I got some information on the diesel that is used by the Super Fast and this is just one boat that works from Port of Spain to Tobago. We use almost \$13 million in fuel annually. That is just for one boat. Could you imagine if we operate some cargo—some passenger ferry from Toco to Tobago, how much money will be saved in just the fuel? So that project of the Valencia to Toco highway and also the port in Toco is a major project now being undertaken by the Ministry of Works and Transport.

Madam President, we also have happening is the design for the Moruga upgrade road—another road that will bring a lot of social and economic development to Trinidad and Tobago. This road, as well will be leading to a port and one of the Senators earlier suggested that maybe some of this funding could go in the development of a port. Well, this Government is thinking in that direction. That is why Moruga is going to get, not only a new road but a new port, a new fishing port. [*Desk thumping and crosstalk*]

Madam President: Minister, please. It is getting late so those who are getting a little restless, you can leave the Chamber for a little while. Okay? I am not going to be getting up again to invoke being quiet while someone is contributing. Minister, continue.

Sen. The Hon. R. Sinanan: Thank you, Madam President. I know it is a little bit difficult for them to sit and hear the amount of work that is being done and will be done by this Government, and there are no accusations of kickbacks and bribe. I think that is difficult for them to stomach.

Apart from all these major projects, we have our PURE Programme which is the continuous upgrade of the infrastructure within the island. We have 126 projects going on under the PURE programme as we speak, with another 150 projects waiting to be approved by our Minister of Finance. Now, what that does, once we get the construction sector back up and running in this country, that will stimulate the economy.

The Ministry of Works and Transport has a responsibility to stimulate the economy but we must ensure that the citizens get value for money and that is what is going to be done. [*Desk thumping*] Madam President, I give you the assurance that by the third quarter of 2017, this country will see the construction sector back up to its full capacity and that is not all that the Ministry of Works and Transport is doing.

The Ministry of Works and Transport is not only about spending money, it is about earning revenue and what we intend to do is to ramp up our maritime sector. It is my opinion that this country has not taken full advantage of the maritime sector and what we are doing right now is preparing the framework where we could have more ships coming into the port. Because when you look out at the ocean there now, we see a lot of ships and we have no full control of what is happening with them. We intend to take full control of the maritime industry because we see that as a great foreign exchange earner.

At the Ministry right now, we have a lot of enquiries as to people wanting to

come and do cold stacking and warm stacking and ship to ship bunkering. However, the Government has not been able to take full advantage of that and we intend to ramp that up. That is a direct foreign exchange earner. It is paid for in US dollars and we already have most of the infrastructure in place to start that policy.

Madam President, under the Ministry of Works and Transport, I just want to give the assurance that our public transportation system, the PTSC, we are in the process of upgrading the fleet. That, again, is social development because public transportation is very, very important in the Trinidad and Tobago and we intend to bring PTSC back—right back to the moorings of moving people from one place to another in an effective and efficient manner by upgrading the entire fleet at the PTSC.

Madam President, the Licensing Division, we recently moved to the new license office, and there is a constant drive to upgrade the license office—the service offered to customers at the Licensing Division. I want to announce that the next major project of the Licensing Division is to—the plan is to build the new license office in Arima where land has already been acquired and we are in the process of reviewing the plans to have the license office in Arima relocated to a new modern facility. That is a continuous effort to upgrade all the licensing offices in Trinidad and Tobago and very soon, we shall have the entire system fully computerized and with the support of the staff there to ensure that customers who visit the license office gets a new impression of what the license offices are and how we operate in Trinidad and Tobago.

Madam President, this debate should not be a long debate because this is a simple debate about accessing the funding for which we have deposited money into the bank. I know the Members opposite try to make this into a debate on the

performance of the Government but if you listen to the performance of the Ministry of Works and Transport, you would recognize that the Government does have a plan and very soon that entire plan will be rolled out to this country, and we will be back to full economic activities especially in the construction sector.

Madam President, I have spent most of the time allotted to me discussing the many projects. However, we all know that to whom much is given, much is expected and I assure you and this country that the Government and the Ministry of Works and Transport will live up to and exceed its expectation. I thank you.
[*Desk thumping*]

Sen. Rodger Samuel: I, too, Madam President, want to start by welcoming back hon. Sen. Franklin Khan after his period of illness and his recovery and I pray that he would—his recovery can be sustained even as he continues to serve not only as a Senator but as a Minister of Government, which is no easy task as you have the responsibility that he has.

But, Madam President, the debate before us, the Bill before us, an Act to provide for the membership of Trinidad and Tobago in the Andean Development Corporation and for the raising of loans from the corporation by the Government of Trinidad and Tobago for the purpose of financing development projects in Trinidad and Tobago and for matters incidental thereto is not something that we should take lightly.

As matter of fact, it may be that the Bill needs to be amended to speak about full membership because somewhere along the line in a *Guardian* release, April 15, 2012, we see the signing of an agreement for Trinidad and Tobago to become special members of that corporation and it may be that the title of this Bill needs to give the full idea that this is about full membership and full participation as

opposed to limited or special membership. But that took place under the former Prime Minister Kamla Persad-Bissessar in the 6th Summit of the Americas.

But, as we examine this Bill, one of the things that we must be clear about is the reason for which sums are being borrowed. If we are not clear as to what the sums are being borrowed for, then we could find ourselves in tremendous difficulty. Borrowing money and not spending it for what it was supposed to be used for and we can find ourselves in the same predicament having borrowed money to do certain things, never achieving it but the money has been expended and we can find ourselves in dangerous waters.

The fact that the Government is here asking this Senate to support this particular Bill which allows the Government, through this corporation, to borrow some US \$300 million, would say to all of us that it is one thing to borrow money, it is another thing to be clear and precise as to what it is going to be used for and secondly, how it is going to be repaid. [*Desk thumping*] It is important for us to know that.

As a matter of fact, clause 3 of the Bill says that it:

“...would provide for the Government to borrow...for the purpose of financing or promoting economic and social development in Trinidad and Tobago.”

But, Madam President, when we look at the idea of the promotion of social development or we look at the idea of socio-economic development in any country, we recognize that there are some benchmarks and there are certain things that we must look at. We have to look at the prioritizing of human needs and the growth and the progression of a society. We have got to look at what this governs. The norms and the conventions that it governs when it comes to human interaction. We

have to look at how it focuses on improving the lives of regular citizens because we are talking about development. We have to look at how it affects the poor or how the poor benefits from all of these things. We have got to look to see if such is going to make the society a far better place for everyone, not just for a few.

And Madam President, it is so important for us to look at the indicators that socio-economic development is measured by and measured with. Obviously, GDP, life expectancy, the levels of employment in any particular society, as well as we have to consider quite a number of other things. The personal safety and freedom from fear of the people that live in a particular land and we are living in a time where our freedoms and rights are being affected tremendously under this particular regime and we are at risk when it comes to freedom because, Madam President, when it comes to freedom of fear and freedom of physical harm, our society is plagued with it.

People are very careful how they move, they are very affected by how they move around our society, on the streets of our society. People are concerned with the safety of their lives and their families and their properties and we are living, it is a reality. And while we look at social development and socio-economic development, it has to be taken into consideration how safe people feel in our society and that is not something that we can talk about—[*Interruption*]

Madam President: Sen. Samuel, you need to be a little more specific about the Bill at this stage. You also need to create some new dimensions to this debate. Okay? Now, I have to say that you are sounding very nice but I need you to be a little more focused on the Bill and I really need to remind all Senators about the Standing Order which deals with tedious repetition. And it is now—I am hearing things that I have heard since two o'clock this afternoon. Okay?

Sen. R. Samuel: Madam President, clause 3 of the Bill will provide for the Government to borrowing from the corporation for the purpose of financing and promoting economic and social development in Trinidad and Tobago and I went in—[*Interruption*]

Madam President: Sen. Samuel, by simply re-reading—[*Interruption*] Hold on. By re-reading the clause and putting emphasis on different words, that will not change my ruling and my ruling is that you are now going into tedious repetition and I need you, therefore, to introduce a new element to the debate and to also focus more on the Bill. Okay? And that is my ruling.

Sen. R. Samuel: Madam President, in a *Daily Express* report dated March 05, 2017, the writer is Aleem Khan. It is entitled:

“UWI lecturer: Wake-up call for T&T
 Standard & Poor’s cuts Barbados one notch”

A UWI lecturer is defining the status of Trinidad and Tobago and the fact that part of this publication had to do with the fact that Government was about to bring this Bill to the House and I just wanted to utilize something that was said by the lecturer. Is that all right?

Madam President: Continue please.

Sen. R. Samuel: Good.

“The Government is putting the economy on a sure path to a credit rating agency downgrade that will trickle down to hurt everyone through higher interest rates on loans and credit card payments, University of the West Indies financial economics lecturer Vaalmikki Arjoon said yesterday in an e-mailed response to queries.”

And he went on to talk about the fact that Barbados had been downgraded to

“junk status” but later down in the very said publication, Mr. Arjoon said that:

“When ordinary people connect the dots, they see that credit rating agency downgrades eventually translate to job losses, he said. ‘Future local investment and entrepreneurial activities will be deterred, which in turn will limit employment levels and export diversity, further restricting economic growth’.”

Madam President, that is something that is very essential because we are now stating to our society that we are borrowing money but we are facing certain things that are reality. The reality is that there have been tremendous job losses, there are tremendous social issues in our society that this loan is supposed to now help alleviate, and it is a fact and that is where I was going when I was reading.

As a matter of fact, you know, it is the first time I disagree with Sen. Dhanayshar Mahabir when he felt that, you know, this should not be used to invest in social programmes but I feel that it has been a proven fact that the investment in social development, it is a long-term approach to economic development and growth, and I believe it is necessary in our society to invest in the social development aspect of our society. As a matter of fact, social development, it helps economic growth as we go along.

But, Madam President, part of our loan situation must be also, if we are going to borrow, that we must look at the idea of our food security. Food security is essential to any society that wants to sustain itself. There must be some aspect that is labelled out for the development of our agricultural sector, for the determination of food security because a society or a nation that cannot feed itself will find itself in tremendous difficulty as we go along.

So it is important as we—most people have been clamouring to find out

what is this going to be used for—specifics. That is one of the specifics I would like to see. That part of this goes on to ensuring that in these difficult times, that our import bill for food is significantly reduced and that our food security is driven so that we will ensure that we can feed our society for a period of time and have what is in store as grain for many, many years. It is important for us to see that as part of the project and part of the thing.

And that, as we invest in social—in the social aspect of our development that would bring about long-term economic growth, it will curb a lot of stuff. It will curb the issues of crime; it will curb the issues of poverty and employment, it will curb a lot of stuff if we do—[*Interruption*]—“Yuh wah meh tuh sit down again?”

Madam President: Yes. Sen. Samuel, please have a seat. You are making a very eloquent presentation but it is not focused on the matter at hand. It is an elegant and eloquent presentation but I am asking you, please, to focus on the matter at hand. This is not contrary. I have listened to the presentations. This is not a full budget debate today. Okay? I have allowed—most persons here have gotten leeway to introduce matters but at this stage, it is really you either have to be focused on the Bill and you also have to be aware of tedious repetition. And Sen. Samuel, unfortunately, I have to tell you, I do not want to have to remind you of this, again. Okay? Continue.

Sen. R. Samuel: I take note of what you said.

Madam President: Thank you.

Sen. R. Samuel: Madam President, it is very important for the Government of this country in the process of borrowing to ensure that as we put ourselves into further debt—this will—that there is a comprehensive plan and approach to sustain

the debt. Not just because it says that a lot of stuff will come out of the Consolidated Fund, but to sustain it and to ensure that the generations—and some people have highlighted that—to come would not have a severe burden on their shoulders while we, at this point in time, try to recover economically, while we try to develop, while we try to build, that we do not leave a society, generations to come, with a tremendous burden that they will have to bear for generations.

We support the Bill, Madam President but at the end of the day, we would like to see tremendous accountability and we would like to see a design and a plan as to how these funds will be disseminated and the effectiveness and the impact it will have upon our society and the benefits to our society, economically and socially, Madam President. Thank you. [*Desk thumping*]

Sen. Stephen Creese: Thank you, Madam President. To be quite frank, the problem that I have with this Bill is that it does not directly require the Minister of Finance or whoever is acting on behalf of the State in pursuit of what this Bill allows for, which is the acquisition of borrowings from the Andean bank or the corporation as referred to here, to specifically outline to this Chamber or the other place beforehand what will be the subject matter of the loan.

My concern with that is that we have from time to time in this House, whether by way of the general budget or by specific amendments, we have sanctioned projects ostensibly for the social and economic development of our country. And the question as to whether that redounded to the wider society's benefit, the jury—and thank God it is not judge alone, it is judge and jury—the jury is still out. [*Desk thumping and laughter*] Because while we are still touting the benefits of the Point Lisas initiative, while we are still touting the benefits of Atlantic LNG, while we are boasting of our achievements in the monetization of

gas, we said goodbye to Mittal, we said goodbye to various oil companies before Mittal was even conceptualized. And the debt that we have compiled and I think it now reads at \$89.6 billion and Sen. Melissa Ramkissoon was arguing that that figure is really not the absolute figure.

8.30p.m.

And I think she was hinting that Petrotrin's debt should be added to that because who owns Petrotrin, the State. We are the State. So that, we are about to embark on another increase in the national debt and the scant guidelines that are in this Bill calls into question who is in charge of what and whether, at this juncture we ought to take the risk, because the fund that they were referring to, that people have been accusing governments of not adding to or taking out from, the sum \$5 billion or so. So when one looks at the balance between what we owe and what this proposes for us to owe even more—and as the rhyme used to go: I owe, I owe, I owe, to work I must go. And it would seem that we are committing generations yet, unborn. We are mortgaging their future and the Parliament does not have the ability to regulate this activity in front, as opposed to after the fact, [*Desk thumping*] and I have a problem with that. Enough has to be enough.

At what point is this country going to say to its governments: “Listen, this has to stop”? Because when you come with the proposals you argue that it is going to be for this development and that development. And those of us who are left in the train, those of us who grew up in the deep south in Fyzabad, where “oil pass through like ah dose ah salts”, to quote Michael Manley, the question often arises whether all these financial machinations really redound to the benefit of the mass of people who are summoned to vote ritually every five years, [*Desk thumping*] or it redounds to an elitist group who have replaced the old guard and the old oil

company towns of early 20th Century with the gated communities and the supra elites of the late 20th and early 21st Century, whether all that is here in these few pages is really just clever means, clever rules, by which the elitist ruling class is allowed to maintain its dominance over the rest of us. [*Desk thumping*]

So we give them the power to borrow and they go and borrow and we have to pay back. And there are no consequential in here for abuse of this and I have a problem with a failure to include in any legislation consequences for abuse of any powers that we may temporarily invest in state officials, whether they are of the supra bureaucracy or the political autocracy. It matters not which group they fall. At the end of the day, the hundreds of millions which are unborn and the young kids prancing for the Carnival are going to be caught in this debt trap.

The additional problem I have is that the penchant for super projects, for hitching wagons to a star—I sat in this Chamber and heard a talk of a tourism thrust, Sandals. And I was wonder if they were going to put that Sandals Hotel in the same Tobago that is becoming famous now for all these murders and is making the list, the “do not travel there” list in Britain and the US and Canada. Are these moneys going to go into facilitating the Sandals project? Are these moneys going to go into trying to convince us that Point Lisas was a success story?

The fallout from Mittal, we are just about to begin to calculate that. And yet, in the same debate, we are told that people came here to study how we monetize gas. It cannot be the gas I see they are still flaring at Pointe-a-Pierre.

And in the midst of all this—and that is what I had hoped. Well, there is one economist still to speak. But that is what I had hoped the economists would have explained to us. Excess liquidity is in our system. That is what we have been told, and yet with this excess liquidity we are about to embark on borrowing from

abroad? I would hope, I would even give up some of my time if the Minister of Finance would explain to me how you can rationalize excess liquidity with increased foreign borrowings. [*Desk thumping*] How you can rationalize increased foreign borrowings with a scarcity of ForEx.

There has to be a problem there somewhere. There has to something that somebody is not saying. Scarcity of foreign exchange? The race is on. All over the place in the supermarkets they are soliciting foreign exchange from you. And I sometimes wonder how legal that is. I do not know if you have to have a Cambio licence to trade in US dollars. I leave that for the Minister of Finance and the AG to pursue.

It appears to be that every time there is a public revelation about access to US dollars—I remember there was this gentleman who was an accountant for a prominent politician, as well as the accountant at a grocery, that has now opened a huge complex in the south land and I never heard further as to how that US dollar transaction that we all read in the papers, took place; how it never made its way to the Central Bank enquiry to the police. But we were told before some commission or the other that that was how the US dollar for C3 was sourced.

So I have a problem, if you are telling me in our budget that the acquisition of US dollar is an issue and that we have to structure what we are doing in recognition of that and then we are going after borrowing US dollars and nobody is explaining clearly how we are going to pay that back, how that is going to, up the ante, as it were, earn for us.

It reminds me when I came across in undergraduate economics about leakage and the concept of leakage. And I heard the goodly Minister refer to possible port development to earn foreign exchange and I always wonder,

whenever I see them dredging these harbours so as to develop these ports so that ships could come in and we would earn foreign exchange, whether the candle is costing more than the funeral. Whether the quest for foreign exchange, as this Bill surely belongs on the pathway quest for foreign exchange, whether the accounting for that has really taken place. I think it was Lloyd Best who always used to argue how do we account for the petroleum dollar? How do we account for the US dollar that we go after?

Because all these mega projects, whether it is the proposed one to expand the port so as to win US dollars, whether it is those people who say we can get into the medical service industry and provide medical services across the southern Caribbean, whether it is even the construction industry that they say they are going to revitalize. The core ingredients in all of these things, what is the ForEx factor in all of that? How much of what appears to be development is really deceptive, is really us purchasing input from abroad? How much transfer pricing keeps going on all the time in these arrangements? And at the end of the day, are we really able to account for these projects in a manner that would allow us to say yes, there was a net gain, as opposed to a net foreign exchange loss?

And that while these projects, these mega projects that we like to go after, while they are developing, are we in fact not juxtaposing agricultural developments that cannot compete for labour or for resources, whether human or material with these mega projects? Because if the price of labour on the construction site of any of these projects, unskilled labour is at around \$300/\$350, what is the price of labour at the farm door? Is it \$300 to \$350? So what are we really doing?

And I find in this Bill that ambiguity, that lack of consistency, permeates most of our celebrated developmental efforts. We have systemically destroyed

indigenous agriculture in the name of all these supra projects that always seem to leave us right back that to where we have started time and time again.

Every time I drive down the main road in Fyzabad, its original name is Guapo Main Road because it led to the Guapo oil fields. It used to be a busy route with a bus service. You could get to Point from San Fernando via two buses, Point Fortin NMC and Point Fortin. NMC meant National Milling Company. It passed through Forres Reserve.

Pretty soon Couva/Point Lisas would have a similar story to tell, and Atlantic LNG down at Point, by the time the highway reaches there the contract to supply the eastern seaboard would have evaporated. So tell me, please, these moneys that we are empowering people to borrow, which generation will pay it back? What story are we going to sell?

It would appear to me that we are about to embark on another round of mega projects that history would clearly establish that we wasted another opportunity. Every time our backs are against a wall and we are forced to choose, we choose what I call the short cut.

We are intent, so intent are we on this First World/Third World dichotomy that we always interpret development to mean a proliferation of projects, water front projects, buildings along the seafront like we saw in Miami. These things would have come in another place as a result of the pursuit of certain growth, and as a result of the scarcity of land and so around certain hubs.

Five minutes out of Port of Spain you cannot see a four-storey building except if you go to Chaguanas. So we have no shortage of space. Here we are. So my concern is that when we give people permission to go borrow these moneys is this what we are going to be left with, or are we going to sit down and develop on

strategic options?

The talk of strategic planning has been around here two decades and it is visible everywhere else except in the state sector, really, in terms of what has been achieved. Is this Bill linked to any particular strategic options for this country? It is really just a licence we are giving to the Minister of Finance and the Government in general to add to the stock of debt that we are currently saddled with.

Madam President: Sen. Creese, you have been speaking for close to 20 minutes now, and I think the point that you have made, you have made them and I think it is understood. So, could you move on to another point, please?

Sen. S. Creese: Madam President, to be quite frank, the strategic option that we need to pursue, which is what we really should be debating here, if we are to access funds of this nature where it should be put and I want to argue that one, we could access these funds locally. So that is why I am opposed to the foreign borrowing and, two, it should be linked to meaningful diversification, not continuing along the path that we have been fancying ourselves to be an industrialized country. We have played that mas too long. And I am arguing that it is to a mix of light commercial/light industrial activity and advancement of the agricultural sector that we must turn, and that those funds are available locally.

And I would also like to add to that, that because of the bent in the current budget towards that tourism initiative in Tobago, towards furtherance of Atlantic LNG and gas consumption projects, we are going to lose even more taxes. I think one Minister referred to the fact that the previous regime had foregone certain taxes in order to keep us on a particular path. Well much the same is going to happen with Sandals and much the same is going to happen with any other mega initiative requiring inputs by foreign enterprise, because that is the order of

business that they are on and that this feeds into that syndrome.

And I keep saying that the model of development that is organic to us has to do with the entertainment sector and agriculture. We have to feed ourselves. It is a basic needs strategy. We have to feed ourselves and we have to entertain ourselves. And if we are good at these two things, we would be able to exploit that comparative advantage. And both these two initiatives do not require the kind of monetization and US dollar demand that everything else we have been pursuing does. So we have gone into this need for US dollar cycle and track, and that it is a spiral and it pulls you downward and eventually the “partner” that you have partnered with in the enterprise abandons the ship, having transferred his profits out, whether by transfer pricing or by taxes, which we have foregone, and they leave us holding the bag. The original oil companies did that and then British Petroleum did that and Texaco did that and Amoco did that and now ArcelorMittal did that. Who is next? Who are we going to invite in next to do that? Like we are a stickler for punishment. Repsol next? It is coming like day follows night, and this Bill sets the stage, cuts the track for the “gouti” to pass, and pass it will and leave us holding the bag once again. [*Desk thumping*]

I am saying that there is no need to borrow all this money, that we could develop our comparative advantage in hosting carnivals, hosting calypso entertainment sessions, hosting chutney, the whole range of them. And that we ought to be exporting the carnival city concept and this does not require borrowing money from any Andean Bank. [*Desk thumping*]

In the year that Calypso Rose is recognized in France long before we recognized her, “we still ain get de point”. The point is, where we have the comparative advantage, is there we must run; is there we must build and stop

kidding ourselves that we are in some industrial Juggernaut. “All yuh reach fifth in the world in methanol, what yuh have tuh show fuh it three years later?”

Madam President: Sen. Creese.

Sen. S. Creese: Look, look, where we are just a few years later.

Madam President: Sen. Creese, your points have been made and I will ask you to please use your remaining time to either wrap up or to move on to a new point.

Sen. S. Creese: The other thing I wanted to draw this House’s attention to—the Minister spoke to stimulating the economy, and I respectfully am arguing that the question of stimulation of the economy arises if only we have some new advantage or edge, and what is currently before us does not suggest that. And there is a tendency to confuse activity with growth and they are not one and the same, Madam President. Activity is not growth. And until we are able to discern the difference between the two, we would continue to be confused by bubbles, bangles and bright shiny beads. Because domestically-led growth is what we have to develop a penchant for, and there is nothing in the projects which have been lined up in our national budget to which this is mere appendage. This Bill is mere appendage that suggests that we are on a new and different and vibrant path.

I would also like to raise the question as to the ability to appreciate where we are, in terms of the growth cycle of oil and gas, and to the extent that we think that we are on a growth path and that these moneys sought here could further embellish that gas economy, I have serious doubts.

And I think, ironically, the model which late Prime Minister Patrick Manning had developed with regard to the dissolution and rationalization of Caroni (1975) Limited is a model that we should be teaching our economists, our planners

across the key Ministries.

Because I am arguing that the challenge before us now is not increased borrowings. It is for a conversation between the two Rs of our era. And the two Rs of our era are Prime Minister Rowley and President General Roget and the task before these two fine gentlemen is to rationalize the oil and gas sector. Because the oil and gas sector, if we do not understand it, will continue us in the trap of these borrowings. Because like Caroni (1975) Limited, who could not sustain the path that it was on and had to be continually subsidized by the State, Petrotrin has gotten to that point and will pull us all down the spiral, if the two Rs do not sit and decide: Listen, enough is enough. We have to come up with a plan similar to Caroni (1975) Limited to dissolve that company and create an entity capable of going forward and managing whatever oil and gas resources at our—[*Desk thumping*] otherwise we would be back. We would find some other bank, the Alpine Bank stretching across Europe, some other bank, to borrow from.

Because other than creating new initiatives, dissolving the old ones, agreeing, having a national consensus that “aye”, we need to wrap up Petrotrin, we need to deal with the social and medical benefits that Petrotrin has to carry for thousands of retired workers and recognizing how we are all living longer, the implications for the debt that Petrotrin has to carry means that we would be borrowing for Petrotrin from the Andean Bank too, because they cannot sustain the “welfareism” that is at their door, in the same way it could not be sustained at Caroni (1975) Limited and that is the national debate that we need to engage in, not continued borrowing.

9.00p.m.

We cannot borrow our way out of that Petrotrin trap. It is a debt trap. This is

the first phase in this debt trap that we are now at the doorstep of.

So, Madam President, my contention is unless we want every three months, every time there is a budget review to come and say, “Parliament, let us get a new bank to borrow from”, or “Let us increase the quantum that we entitled the Minister of Finance to borrow”, we cannot spend the next three years, the life of this Government—three and a half years—going down that road. It just does not make any sense.

We have to get the two Rs, Rowley and Rouget, to sit and talk of the future of Petrotrin in a meaningful fashion, recognizing that Petrotrin cannot be sustained.

Thank you, Madam President.

Sen. Daniel Solomon: Thank you, Madam President. I too am pleased to make a contribution, albeit at this late hour. I hope to be as brief as possible and not repeat what others may have said in their contributions. I too would like to take the opportunity to welcome back Sen. The Hon. Franklin Khan, Leader of Government Business in the Senate. I am pleased to see him in health and in full flight today. I wish him and his family all the best.

Madam President, at this hour there is not much left for me to say, so I am going to try to take somewhat of a different approach to this Bill entitled”

“An Act to provide for the membership of Trinidad and Tobago in the Corporación Andina de Fomento “also known as the ‘Andean Development Corporation’) and for the raising of loans from the Corporación Andina de Fomento...by the Government of Trinidad and Tobago for the purposes of financing development projects in Trinidad and Tobago and for matters incidental thereto”

I need to make the point that this Bill and the history behind it is very much

cemented in the People's Partnership initiative and that of our ex-Prime Minister, Mrs. Kamla Persad-Bissessar and, in particular, Dr. Surujrattan Rambachan who was actually instrumental in forging the relationships with our Andean brothers and sisters in trade and foreign relations and loans. That is why we find ourselves here today. [*Desk thumping*] It was a natural Alliance to be formed, and something in which we in Trinidad and Tobago seek to benefit from, but we also need to understand that it required a certain amount of investment. I am pleased to say that the People's Partnership actually found \$2 billion within which to invest and put savings into this Andean bank.

As a result of that, we have gotten this far but we do need—and perhaps to take it from a different angle—is to look at where we are as a full member now of the South American Andean Bank. I was looking at an article about the Andean markets banking sector and a sector outlook for 2017. It is an article published by Bonds & Loans, published on February 20, 2017. It refers to the fact that a number of the banks in the Andes are in fact going through a flurry of infrastructure development programmes, and star among these is Peru's and Columbia:

“An annual forecast by Bloomberg analysts suggest that banks across Latin America will focus on reassessing loan criteria and corporate credit worthiness in the wake of volatile foreign...” [*Interruption*] [*Phone sounds out*]

Madam President: Please, the Senator whose device is going off, please leave the Chamber for 15 minutes. You will return in 15 minutes' time.

Sen. D. Solomon: Much obliged, Madam President. As I was quoting from the article:

“An annual forecast by Bloomberg analysts suggests that banks across

Latin America will focus on reassessing loan criteria and corporate credit worthiness in the wake of a volatile foreign exchange market, inflationary pressures, and slow growth.

In Peru, the problem is the FX rate impacting assets and liabilities. They are trying to address that issue now, but, unfortunately people here are still more inclined to save in dollars.

While both countries”—that is Columbia and Peru—“suffer from currency volatility, Peru’s exposure to foreign liabilities is higher due to its dependence on trade.”

So we see an alliance, and we see a similarity between the Andean banks and our situation here locally in Trinidad and Tobago. Now that we are going to have a director on these banks, it is something we need to be aware of the risks that we face with our own foreign exchange liabilities. I know a number of Senators have already made a contribution in that regard, but we need to bare note.

It says in the article:

“In July 2016 Fitch Ratings lowered its assessment of the Colombian banking system from stable to negative, calling on the country to further strengthen its banking sector. This was followed by a downgrade of a number of Colombian banks, including Corpbanca, Colombian, Banco Colombia, and Banco doe Bogota.

Fitch pointed to three major factors contributing to its bearish outlook, the rising current account deficit, which reached 6.4% of GDP in 2015.”

These are similarities which we need to take into consideration when we are considering our membership of the Andean Bank. It also says that there could be grey clouds ahead, and:

“Achieving these goals needs to be tackled in the context of growing economic and social risks, both local and international.

The Odebrecht scandal poses one of the biggest threats to the banking sector in both countries, major projects were put on hold in order to assess the impact the corruption investigation might have on them.”

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

In that regard, I want to take us to the foreign exchange crisis that we have here in Trinidad and Tobago.

The small man cannot get money out of the banks. He cannot get US dollars to send to his children abroad. He might want to buy something from abroad, he cannot do that. The small businesses are suffering. In fact, you see many small businesses are actually closing because they cannot get foreign exchange. So while our Andean brothers and sisters are also aware of that risk, we in Trinidad and Tobago need to have a clear policy, a clear transparent understanding of how foreign exchange is going to be distributed in Trinidad and Tobago, and one that is equal among all stakeholders, as our ex-Central Bank Governor was fired for actually exposing how the actual foreign exchange was being distributed to a handful of wealthy companies. We do not believe on this side in this sort of hiding behind the clouds, and nobody knows exactly where the foreign exchange is going. Every man for himself, and there seems to be—[*Interruption*]

Sen. Gopee-Scoon: Point of order, Standing Order 46(1).

Mr. Vice-President: I am going to allow the Senator to continue. I will not indicate that there is merit on that point of order.

Sen. D. Solomon: Much obliged, Mr. Vice-President.

We are borrowing in US dollars. As the hon. Minister of Finance and the

Acting Prime Minister has indicated, he intends to make use of that US \$300million facility. If we are going to borrow in US dollars that leads us to the situation of what is our foreign reserve situation and how we are going to repay that loan in US dollars, and where is that money going to come from in US dollars, because of all the projects and promises that have been said by this Government, we have not seen any clear indication of how those US dollars are going to be made. What we have been getting instead is tax, tax, tax, borrow, borrow, borrow. [*Desk thumping*] No foreign exchange available, businesses are closing down; 7 per cent internet tax, diesel prices gone up, gasoline prices gone up and now we are going to get the dreaded property tax enforcement. [*Desk thumping*]

So, Mr. Vice-President, if one could look at it closely, and we are trying to say, okay we are going to borrow \$300million in US, how are we going to repay that? What projects are going to be actually used to create US foreign exchange? We have had the hon. Minister of Works and Transport say there is going to be a highway to Manzanilla, there is going to be a highway to a port in Toco; we do not know where that is, what stage that is at. I, for one, would very much like to know where exactly that port in Toco is going to be, because I have heard several rumours about these reports that EMA is not approving where they intended the port to go.

In any event, here we are 18 months down the line, this Government has done absolutely nothing. Has made no clear plans, has done no transparent accounting of where the foreign exchange is going, how it is going to be distributed, how we are going to earn foreign exchange and get out of this spiral that we find ourselves in. In the meantime, thousands of people are losing their jobs. There is no income coming into many households. The price of goods that were previously

zero-rated are now increased. It is harder to feed your children. The schools are going out of control. There is crime spiralling. Women are being victimized, and all we hear from the Prime Minister is that he is opening another golf tournament.

What about using the infrastructure that we currently have? We have a children's hospital, it is fully equipped and I was pleased to hear the Minister of Health finally admitted very recently that in fact there are CT scanners sitting there unused. They have been saying for months and months that in fact the place is empty and there is no equipment there. We now learn that there is state-of-the-art CT scanner equipment that is sitting there being totally unused. So we hear about a public/private partnership and therefore perhaps this Children's Hospital will eventually be earning some sort of income, whether it be foreign or local income. In the meantime the CT scanners are being unused and patients have nowhere to get CT scanners, and people are literally dying because of that. There is state-of-the-art MRI technology, it is also not being used at the Children's Hospital.

So while we talk and talk and talk, let us see some action from this Government, some implementation from this Government. [*Desk thumping*] Instead we are borrowing money to complete what I would say is a vanity project, the Brian Lara Stadium. What about the aquatic centre? What about the cycle velodrome? These are sport tourism icons that can be used to encourage foreign income, sporting and yet still it is there, it is not being utilized. Again this is a vanity issue. I think that the Government needs to articulate very clearly where in fact their policy is in relation to tourism, sports and diversification of this economy. What, we are going to sit here yet again, 20 years down the line and what happens if oil and gas prices do not rebound? We would find ourselves in the same short pants. We have no way of repaying these huge multimillion dollar loans

in US dollars. We are going to be searching elsewhere for more loans, more loans, more loans. Our children, our grandchildren are just going to end up having to pay their way out of debts that we have created from now. We need to focus on diversification, and this Government is hopeless at it, nothing is happening. [*Desk thumping*]

Mr. Vice-President, if I could quote from today's article in the *Daily Express* by Mr. John Bell, "The Tobago tourism tragedy" is the headline:

"In 2005 Tobago was pretty much the same lovely island that it is today. The difference being that it was welcoming close to 90,000 visitor arrivals annually. Its hotels, guest houses, B&Bs and villas were all recording high occupancies, and enjoying healthy profits.

Twelve years later Tobago cannot even scrape up a 10,000 annual arrivals, and you would be hard pressed to find an international visitor anywhere on the island to talk to. Hotel occupancies today are in the single figure range, and many properties on the verge of closing down."

Mr. Vice-President, this is unacceptable. The tourism Tour Guide Association has been begging to meet the Minister of Tourism. Up to today I do not think she has even had the decency to even meet with them. These are the stakeholders, these are the people with the intellectual knowledge and the Minister can even stay to have one meeting with these stakeholders? That is scant disregard.

I continue from the article. In the meantime:

"TDC's marketing budget has declined from \$60m in 2014/15 to \$29m in 2015/16 and \$19m this year. Not surprisingly this has proved to be almost the last nail in Tobago's tourism coffin.

Contrast this with the annual marketing budgets of other competitive

destinations. According to well-placed tourism sources there, Barbados is projected to spend US \$40m for marketing, Aruba US \$54m, and Puerto Rico \$61m.” [*Desk thumping*]

Instead, we are seeing four and five murders in Tobago already for this year, unprecedented, and that is not even taking into consideration the fact that there is no support whatsoever. We find ourselves in a crisis situation.

The Tobago Chamber of Commerce and, indeed, the Chamber of Commerce here in Trinidad have been commenting on the fact that this *Galicia*, the cargo ferry for Tobago, has just stopped, and it is going to stop prior to the Easter weekend. The jazz festival which invests millions of dollars in, which never has any returns but at the same time now there will be no commerce, there will be no cargo going to Tobago because, in fact, this Government who claimed that they could manage these loans and they could manage this economy, cannot even have a simple ferry service running continuously from Trinidad to Tobago. What is going to happen when that stops? There is going to be no food for the hotels, because once upon a time Tobago was a great food basket, but now there is none. There is going to be no diesel in the tanks. There is going to be no gas. I do not know what you are going to sell the tourists for the Jazz Festival.

I will read from today’s *Guardian* editorial, and this is special:

“More worryingly is that this saga does not seem to be an isolated case of poor planning. The government seems to be lost in a sea of service and maintenance contracts expired or coming up for renewal. The default solution seems to be temporary extensions or no solution at all.”

In fact, we have heard from the hon. Minister of Works and Transport that he is not sure exactly when this new vessel is going to come into play, but that is a

short-term solution. But it was since December that it was very clear this contract would have come to an end, and nothing was put in place to substitute it. So Trinidad and Tobago will actually be severed, and Tobago will be on their own when it comes to cargo.

You also know, and I quote:

The withdrawal of this essential service for business and passengers is compounded by issues with the fast ferries, Express and Spirit, as they operate with limited power and hard dry-dock maintenance plans delayed, leading to more weekly reschedules, breakdowns and last minute changes. Add to this already deplorable situation the fact that the air bridge also faces issues, especially during the peak (and economically vital) times like Easter and you can see why Tobago's people and businesses have every reason to feel betrayed and ignored by the authorities...

To be blunt, this cannot go on.—I could not agree more—The people of T&T, already battered by recession and appalling crime levels, could do with at least some basic decent public services and proper government planning for these services. As far as inter-island transport is concerned—
[Interruption]

Sen. Gopee-Scoon: Point of order, Standing Order 46(1).

Mr. Vice-President: Senator, at this point in time I would have to agree with the point of order given, 46(1), which is relevance. I think you have made your point in terms of the examples that you have been reading out, in relation to that point you are making which speaks to management in regard to the Bill. What I would ask you to do now is get back to the Bill that is in front of us and move on to a new point.

Sen. D. Solomon: Thank you, Mr. Vice-President.

In March 10, 2017 there was an economic bulletin which said that this Government in its first year of office recorded the sharpest economic decline in 33 years. Total debt for that year was \$89.6 billion, \$68,000 per person. And you are telling me that we are now going to go into further borrowing and increase that overall decline and that deficit, and increase the per person debt, which is already extremely high. Mr. Vice-President, all of that, but we need a plan. We need a diversification plan. We need to know how we are making US dollars. We cannot continue just burying our heads in the sand and hoping that as we borrow, borrow, borrow, tax, tax, tax, put pressure on the people of Trinidad and Tobago, that one day the oil and gas prices would rebound, because they may not. We have no diversification plan coming from this Government whatsoever. We have no way of seeing how foreign exchange dollars are going to come into this country, and the people quite frankly are afraid and they are terrified, that they do not know what is happening in this country, because we do not hear anything from this Government of reassurance or concrete guarantees.

With those few words, Mr. Vice-President, I wish to encourage this Government to be communicative, to take the diversification of this country very seriously and an immediate measure. I also want to make the point that we need to know what is happening with the foreign exchange distribution in this country, and it must be done in a fair and equal and transparent way. With those few words, I thank you.

Sen. Nikoli Edwards: Mr. Vice-President, I would like to say first of all thank you for the opportunity to join in this debate. There is great danger in going so late in a debate. You have two options. One, you can either decide to say

nothing or, two, you can decide to say very little. I have chosen to say very little considering that a lot of the points would have gone before.

I would like to start off by putting some context to my short contribution. It would be in respect of looking at once the Government decides to borrow from a bank, any lending facility, it stands in such a position that it must engage the public, far less those who are in positions to hold the Government accountable.

A deficit budget affects every aspect of life in a country, and it has to be seen in more than just dollars and cents. The long-term social impacts should be very concerning to any Minister of Finance or government charged with the responsibility of public spending, or in this case public borrowing. Likewise, a country's decision to borrow money for debt financing or development projects is without doubt an important one.

In Trinidad and Tobago, it is no secret that the current recession that we are facing right now has had adverse effects on the public. You see it in terms of news headlines. You see it in terms of individuals coming forth and expressing how they have lost their jobs and they are in positions where they cannot support their family for whatever reason. Also we are seeing persons, members of the public, citizens who, yes, they have not curtailed their spending, but nonetheless all citizens have a role and a responsibility to play in the decision-making process of a government, especially as I reiterate, when it comes to public spending and national borrowing.

Therefore, one can imagine the significance of the role of those who have been entrusted with the responsibility to hold a government accountable. In this I am alluding to the fact that, as was stated earlier, the Bill provides for the Government to submit to the Parliament after the fact what the loan would have been signed. That loan that would have been signed, what is it all about? I do think

that it is unfair to the Members of this august Chamber to be in such a position where after the fact we are only then informed of this decision in particular, when it comes to borrowing and far less with the citizens of this country.

[MADAM PRESIDENT *in the Chair*]

A vote in support of a government does not mean an entire vote in support of all of the policies of a government presented and anticipated. I would want to repeat that: A vote for a government does not equate to a vote for all the policies of a government presented and anticipated. When that simply means is that as much as the citizens of this country would have voted for the Government, it still has a role and responsibility to go back to the citizens and ask questions, consult, get information and ensure that the decision that the Government is undertaking is in line with the goals and objectives of the citizenry of this country.

So while consultation is time consuming and can result in some cases to no conclusion, it still has its merit. As such, I do feel that citizens in this country feel a bit of disenchantment. They feel a bit cheated in many cases when a government does not come back to them, the same people who put them in power, and this is where you have the Members of Parliament. So therefore decisions of borrowing money must be one that citizens of this country agree with. It cannot be a situation where we are only finding out the morning after that we now have secured a loan to the tune of millions of US dollars. It is unfair to citizens of this country.

What we have now in this country, as I said, is a large percentage of the population feeling a bit disenchanting. The Government has a responsibility to reconnect with citizens to close that gap. We should not have citizens feeling as though they cannot follow a government or follow the decisions of a government, because they are simply unaware of what exactly the plans of the Government are.

We are in a situation, Madam President, where we are no longer looking at the traditional way of entrusting our leaders to make decisions solely on our behalf. We want, as citizens, to be a part of that discussion. We want to be consulted and we want our opinions and thoughts to be considered in any government decision moving forward. [*Desk thumping*]

I just want to say that while citizens in this country have not rioted, we have to pay attention to the rumblings on the ground, because where there is smoke, there is fire. I do want to caution the Government that persons on the ground feel as though a lot of the decisions are not in their favour. Now, I am not saying that the Government does not have the best interest of citizens at heart, but there is a disconnect. I want to urge the Members across to ensure that moving forward, especially with this decision to join this bank and also to access loans in the future, that it is done with the support of the public, of the citizens of Trinidad and Tobago, because what we would have is a runaway situation where a government holds on to all the power and citizens feel disempowered.

With that, I just want to ensure that the position that I hold is communicated, whereas I am in support of this Bill. I truly am in support of it, because I feel as though if it is that we are in a situation, we need to have options at our disposal. We need to have options for financing, to ensure that our public deficit is funded in such a way that, who knows, in the future we can have balanced budget. But at the same time, at this point, citizens need to feel confidence in their government, there needs to be that public trust. It is in decisions such as this that the Government is provided with an opportunity to ensure that public confidence is restored and maintained.

My final point is that yes, I do not have any political allegiance. I do not

hold a party card. I hold a national ID card, and therefore I will never ever wish any government bad or to want to see their collapse, because at the end of the day my sanity is at stake. My taxpaying dollars are at stake. My rights are at stake, and the rights of all other citizens of this country. As such I do want to wish the Government all the success possible, because at the end of the day we have to live in this country and move on with the business of the citizens of this country, and ensure that development takes place.

With those few words, I want to reiterate I do support, however, I want to ensure that the Government understands its responsibility moving forward and does not further disenfranchise citizens in this country or ensure that citizens feel the way that they are feeling now, moving into the future.

Madam President, I thank you.

Sen. Wayne Sturge: Madam President, I believe all or almost everything that could be said has already been said. So I simply wish to take the Senate to two clauses of this Bill, in the hope that when the Minister wraps up we can have some clarification on how two of these clauses work.

Madam President, first of all I would like to refer to clause 5 of this Bill, because I have heard many Senators contribute this evening about how this clause works. They have expressed—I do not know if dread is the word—but certainly some sort of angst about the Parliament only getting involved after the loan agreement is finalized.

9.30p.m.

So the first thing I would like to ask the Minister of Finance when he wraps up is: exactly how does this clause work? Because it reads in essence that:

“A copy of a loan agreement, or of any amendment or other

instrument or document in relation thereto, shall be laid before Parliament within thirty days of the conclusion of the loan agreement, amendment or any other instrument or document or, if Parliament does not sit within that period, within the thirty days after its next sitting.”

Now, I know with some financial institutions, I do not know how this one works, there is usually a time, an interregnum between the conclusion of a loan agreement and the disbursement of funds. So if it is that this, what we view as a transparency clause, operates in a way where the agreements are concluded, but disbursements are not made until it is debated in Parliament, then I am quite certain that would ease the dread or the angst expressed by some of the Senators who contributed today.

So it is my hope—and if that is not the case, I am wondering, unless it is going to be inconsistent with the agreements and the treaties and so on, if there is room to perhaps amend the clause so that we have some sort of guarantee that although the agreement is concluded that, at least, Parliament can have some sort of say in the interim before moneys are dispersed. Otherwise at the end of the day if that is not the case, then this is, as everyone before me has said, this is simply a transparency clause *ex post facto* and I do not know how much sense that makes if the moneys are already disbursed and then we simply get a chance to talk about it at the end of it with no real power to make any sort of contribution or any sort of input. So that is my take on clause 5.

Madam President, with respect to clause 8, clause 8 is a very curious, I dare say, intriguing clause. And I believe one speaker may have alluded to some angst that he may have occasioned with respect to this clause. If I may be permitted to read, it starts out:

“Notwithstanding any law in force in Trinidad and Tobago, any loan agreement and any instrument issued under the powers conferred by section 3 shall be valid and enforceable and shall have full force and effect in accordance with its terms.”

Now, what does this really mean? If we are to look at this literally, it is, in essence, elevating the provisions of this Act and any agreements concluded in pursuance of what is contained in clause 3 above all other legal provisions or all other agreements. It is almost elevated to the point of being a near constitutional right. Because if you are saying that this clause gives pre-eminence to any loan agreement or instrument issued under the powers in section 3 and it has full force and effect notwithstanding any other law or any other instrument, it means everything else is subject to this.

Now, I do not understand how that is going to work in practice, but if I am to use—because there are a number of issues which, when you deal with clauses such as these, there are a number of issues which obviously would arise. How does this impact on principles of retrospectivity as it relates to legal provisions and so on and rights and obligations and so on, and how is this going to work in the context of things that are ultra vires or if there is illegality?

You see, the issue is, the way the clause is worded it seems to suggest that even if something is ultra vires, the agreement or even if something is illegal, and we know in law illegality vitiates a contract. We know in law that if it is ultra vires then the contract may be set aside. But we are seeing a legislative provision saying, even if these issues arise, forget it, forget illegality, forget issues relating to ultra vires, this is still going to be valid. [*Interruption*] And as my learned friend, Sen. Ramdeen is saying, it is discriminatory in one sense, but these are not the types of

legal provisions that we ought to have on our books. [*Desk thumping*]

So, I noticed today that the man responsible for legal drafting from the CPC is here so maybe we might have some light shed on that issue, but I will just say at the outset, that caused me some angst to the point that I had to text someone else to get clarification. And, of course, the obvious issue is, how do you resolve a provision like this if it is inconsistent or contrary to other laws already on the books or laws not yet on the books which may come in future?

You see the thing is, this clause, when it becomes law, may very well fall for interpretation before a court, and there are a number of mechanisms that a court would use when it comes to statutory interpretation. And if this clause as it stands now, enacted now, is in conflict with a later legal provision, one canon of legal or statutory interpretation is, the courts usually would give preference to the laws passed after. So the most recent law would have effect in the face of what this law says, that notwithstanding any other law. So, how are we going to reconcile a law that has this sort of elevated status juxtaposed to the canons of statutory interpretation which say in essence that you give preference to the later law? There are other statutes, sorry, other canons of statutory interpretation which come to mind, because there may be other legal provisions which are specific to certain types of agreements and the courts may seek to use rules like *ejusdem generis* and so on, and one wonders if we are going to land ourselves in a quagmire by putting a provision such as this when it is, in my view, totally unnecessary.

Now, the other part of the Bill, which is as wide as they come, would be subsection (3), which may have given us the impression that this Bill is almost on par with a budget debate, but there are just a few points I wish to raise with respect to issues arising in clause 3(1). Because when we look at 3(1) it seems to be the

sort of clause which has no limit on what the State can do when it borrows moneys from this corporation. Because it says in essence, for promoting economic and social development and so on and that seems to be almost infinite. And the difficulty is, and I am not going to repeat what anyone else has said—like Sen. Henry does—but to put it in context what I am about to say, I am wondering if I can invite you, Madam President, to take a look at an article from the *Independent* of Thursday 30th March, 2017. And it says, the article, styled:

“Plunging price of renewable energy makes end of fossil fuels inevitable...”

And it is making reference to a report. This is important in the context of this debate in this way. The Minister when he moved earlier indicated or said words to the effect that he is going to be making use of this US \$300 million in this fiscal year which expires in six months. And two things come to mind, because he mentioned our foreign exchange situation, he is going to use it to deal with our foreign exchange situation which I will deal with shortly. But if you are going to use it, as he said, with respect to this fiscal year and to paraphrase him, perhaps as budget support or budgetary support, then it tells a very worrisome tale in the context of what I just read which is this article. Because what it shows in essence, unless you have a plan B and that is the point about this article, if what we rely on for foreign exchange, for Government revenue, is fossil fuels and the end of that is inevitable, according to what the experts are saying, then the question is: what is our plan B? And we have not heard plan B.

So, I am hoping when the Minister wraps we can hear, at least, get some sort of insight into what our plan B is. Because the thing is, if as suggested he is going to use it for budgetary support, then it seems as though, what the bankers say, we

are engaging in a practice called kiting, which is you are already in debt and you are borrowing to pay off a debt to give the illusion that your creditworthiness is better than it actually is. So you are actually just shifting debt portfolios, and that cannot be right if we do not have a plan B.

So, I would like to hear what the plan B is and I am hoping, as I said in a previous debate, I believe a year ago, that our plan B would have as part of our diversification drive, sports tourism and ecotourism, medical tourism and so on, but tourism generally. And I say that, again, if our revenues are falling, what? Are we hanging our hats where our hands cannot reach, as my grandmother, Nora, used to say? And it is very troubling. I heard Tarouba from the other side today so I will just touch on it because I do not want to spend too much time on it, but I heard it mentioned in the course of diversification and it being sports tourism. But there are other aspects of sport tourism mentioned a few minutes ago that we ought to focus on, because we are going—they have mentioned Tarouba in the sense of sports tourism as part of social development and perhaps even economic development. But unless I am missing something, cricket, that stadium is a cricket stadium. As I understand it, cricket is a dying sport in this country. One of the biggest teams, Pakistan, is here and we cannot even fill the Oval and I cannot see the Oval giving up the only stream of revenue and allow cricket to go down Tarouba. So I do not know how Tarouba is going to make money for us? That is the first thing. But the second thing—

Sen. Ramdeen: To play golf.

Sen. W. Sturge: Or, to play golf, right.

The second thing is, or before I move off of it, all right. In wrapping up, since they have mentioned sports tourism I am hoping, second thing, if we can hear

from the Minister of Education specifically if that is going to be pursued and if any part of this \$300million is going to go towards finishing what, I think, is a disaster in Tarouba, a disaster which will not make money and would not advance sports tourism in this country.

Now, before I close, I made mention of something earlier and that is the forex situation, because to quote the Minister he said in essence he is going to use it to boost our forex situation. Now, it is obvious that we do have a problem with foreign exchange in this country. I do not need to repeat what everyone else has said, but the disturbing thing is, 46 [*Interruption*]—what?—the disturbing thing is, if we are going to use it, as the Minister has said, to boost our foreign exchange situation, then can we be given an assurance—since we are the ones or the citizens are the ones who are going to be paying this thing back—that the distribution of whatever forex we get would be distributed in a fair, equitable and just manner? And what happened in the past, in the recent past, does not repeat itself, because if we do what we were doing in the recent past which is giving all of our forex to PriceSmart and Courts, to car dealers and so on, then we are virtually spinning top in mud. Because, as Sen. Creese said, that is not productive, that is us buying, trying to satisfy our predilection for foreign goods and so on. It is not earning any revenue and it is basically pouring money into a bottomless pit. And we are spinning top in mud and we are not going to get out of this situation any time soon.

I have a few more issues, but I believe, yes, I do not need to go into any of them in great detail, they have been dealt with. So, Madam Foreperson, members of the jury— [*Crosstalk and laughter*] Madam President, I thank you for the opportunity to join in this debate. [*Desk thumping*]

Sen. Jennifer Raffoul: Thank you, Madam President, for the opportunity to

speaking. As always, it is a pleasure and an honour to be here and to contribute to this debate, and I would also like to thank the fellow Senators who contributed to this. I have been really impressed with the level of debate that was present today and the amount of detail and constructive feedback that was garnered, and I want to thank you all for that. I know it is late and everyone is extremely tired so I would be concise.

The debate today is on the Andean Development Corporation Bank called CAF for short. I worked at the Inter-American Development Bank as a research fellow and as a consultant and I worked in private banking thereafter, so I hope that my experience gives some insight into what exactly CAF is and how it works and the advantages and disadvantages to potentially working with the bank.

As usual, I intend to be extremely concise and technical and collaborative. My contribution will be divided in three parts. First, a short commentary on how the Latin American Development Bank works, CAF. Second, what are the advantages and third, the disadvantages and mitigation strategies that go along with that.

So, first, going into what is CAF and how does it work. It is basically like a cooperative for development. It is owned by the member countries. There are 19 member countries, 11 of those are full member countries, the other eight are members and have voting rights, but are not full members. There are also 14 banks, the Central Bank of Trinidad and Tobago is one of those. So as the hon. Minister of Finance noted earlier, there are A shares, B shares and C shares.

The 11 full member countries are considered A share countries or A member countries. The other eight countries that are also members are C share countries, so Jamaica, Barbados they are C member countries, Trinidad and Tobago was a C

member country and now we are an A member country. The banks are considered B member countries. Everyone has full voting rights. The only countries that have two votes for certain decisions are the full member countries and the only decision that really pertains to is the vote for executive president.

The interesting thing to note about them is that there are no countries that are allowed to vote or be members if they are not borrowing countries. So other institutions will allow other countries that are donors to be part of their membership and this institution does not allow that. Regarding timeline, Trinidad and Tobago specifically, we signed our first agreement in 1994 to become a member. We bought C shares, it was approximately US \$3 million worth. In 2012, we signed an agreement to expand our membership. We paid that in 2014, and then between 2014 to 2016, we signed the other bureaucratic documents that were necessary to become full members.

When we paid in 2014 it was a value of US \$300 million. The interesting thing to note also about CAF is, in terms of the funding allocations for the member countries, what the country purchases is what they are allowed to borrow per year. So, we put up an initial investment of US \$300 million or TT \$2 billion and we are allowed to borrow that value up to TT \$2 billion annually. So it not just a one-time thing, it is annual.

There are three advantages that I see to working with the Latin American Development Bank. The first is the structure and its operations and objectives. Because it works like a cooperative and there is no profit motive, there is a differentiation with how this works compared to a traditional private sector bank. There are interest rates, countries do have to repay the loans for the sake for sustainability, but any profit that is made or any excess revenue that is made goes

into a fund for non-reimbursable technical assistance. What that means in English is just grant financing in the form of technical assistance. So the rates are much more beneficial because of that inherent structure in terms of how the institution works and its objectives.

The second advantage that I can see to us working with this bank is extremely beneficial interest rates. So because there is not that profit motive, rates can be extremely low. We are eligible for a variety of different instruments. We have signed an agreement for a policy-based loan for \$300million. I have recommended before that we make use of it and I reiterate that recommendation here.

The conditions of the loan are always decided by the Government and the intention is for them to be achievable, sustainable and to allow the Government and the country to have sovereignty over its financial decisions. So it is not about the institution imposing loan conditions on a country which is something that the IMF is heavily criticized for over, you know, the years since its inception. So this development financial institution is very different in the sense that it really allows the country and the people to be in charge of its own development objectives.

This particular instrument, the policy-based loan, is for budget support. So it gives a large chunk of money to the country. It is different from other project instruments in a sense of, a project instrument is for a specific project, a road, a highway, infrastructure, school, an education programme and that is linked to project deliverables, outcomes, objectives and achievement indicators. This budget support, this policy-based loan is just a large chunk of money that we can do anything with. The interest rates are also extremely beneficial as noted. The case of the policy-based loan is the six-month LIBOR rate which is currently around 1.42

per cent, plus 2 per cent as the hon. Minister stated earlier, as well as the fact that certain countries, of which we are one, are eligible for 50 per cent, sorry, .50 per cent or 50 bases points reduction in that rate. So the LIBOR rate is now 1.42 plus 2 per cent minus .5 per cent, so it works out at 2.9 per cent which is extremely beneficial compared to private sector instruments.

The third advantage that I see for us working with the CAF institution is, as I noted before, the aspect of it being free from political interference from member countries, from non-member, non-borrowing countries. So, for example, the principle of not allowing countries to be members that are not borrowing countries.

So when I worked at the IDB, I loved it, a great institution, but I always wondered why Israel and Japan and I think, China also were member countries. They were donors, they had voting rights, but they were not borrowers. And I did not see any political interference when I was there, but it can be argued that the possibility exists. Whereas in CAF, that possibility does not exist at all because you cannot have non-member countries, non-borrower countries in the institution and with voting rights.

In terms of the disadvantages, now I am moving on to the third part of my contribution, there are two potential disadvantages or risks that I see. First is in terms of the policy matrix i.e. the loan conditions for any country accessing these policy-based loan instruments, these large chunks of budget support. The conditions are normally, Sen. Shrikissoon alluded to this earlier, that the conditions are not made public and there is little public discourse on what these conditions are. Sen. Shrikissoon was saying that they can be potentially very harsh, which happened with the IMF. This is actually opposite.

Usually these conditions are so lenient that I have seen conditions that might

include things like laying a Bill in Parliament, but not passing it, but laying a Bill or other conditions that might include performing a study on reforming a tax, but not actually reforming the tax. So the conditions are always chosen by the governments, by the country for their own sovereignty, things that are achievable and these are fast disbursing instruments.

As Sen. Dr. Lester Henry said, they can be as short as 1.5 months between design to disbursement. So having conditions that are achievable are beneficial for the country especially when in a state of major deficit. But the risk, the disadvantage, is that if the conditions are too lenient and too easy to achieve, then it almost incentivize countries to know that there is always an injection of cash available if there is weak economic management. In economics, it is called moral hazard. It is the possibility to reward bad management with excess funding.

So that is a risk, but that is, I think, mitigated by the way the structure is designed of the organization itself, in the sense that, when a loan portfolio is designed, the board members have to vote on it. So by virtue of having 19 member countries there is inherently transparency and oversight within the board mechanism, even if not within the country itself, but there is some risk mitigation by virtue of that component of the design.

The second potential disadvantage that I see is procurement systems. CAF is fast disbursing because it does not have the same requirement that the World Bank and the IDB have which is that a borrowing country has to accede to the procurement regulations that they have designed. CAF works with country systems. So in the case of Trinidad and Tobago, and we have a very weak procurement system, it means that there is less oversight when it comes to what we can do domestically with these funds.

Now this is not a weakness of the institution, but a weakness of our own country and what we have the capacity to do in terms of procurement. That said, when it comes to risks and disadvantages, I am not a fearmongerer. I really think that it is important to present mitigating opportunities for risk mitigation and not just the risk itself. So in terms of risk mitigation strategies, what we can do to address that risk is use the non-reimbursable technical assistance i.e. grant funding to work with CAF and other institutions like the UNDP to do procurement training to help support our local capacity when it comes to using project financing.

10.00 p.m.

Now, my conclusion on this Bill is I support CAF and Trinidad and Tobago working with it. Since macro-economic management came up so much in today's debate I want to briefly reiterate the recommendations I made in the December 19th debate we had on foreign exchange and the deficit management, very briefly.

Sen. Creese spoke about the massive liquidity that we have in the private sector in Trinidad, and this contradiction in the fact that we have large liquidity locally available, and yet we are still borrowing externally. The disparity lies in the fact that the liquidity is in the private sector, not in the public sector. So, we have to be creative and thinking outside the box in how to be more strategic in managing our deficit situation.

The third recommendation I have for Trinidad and Tobago in terms of economic sustainability. First, if we are thinking on a short-term level we have to do exactly what we are doing right now, which is crisis management. We do have this US \$300 million available from CAF, we have about five PBLs available from the IDB which we have already signed on to over the last five or six years. They range in value from about US \$150 million to about US \$300 million each, which

in total works out to about US \$1 billion, which is TT \$6.7 billion. So, in total that is \$2 billion from CAF, \$6.7 billion from the IDB, that is TT \$8.7 billion.

Now, that is not all—what is the word I am looking for?—disbursable, my apologies—disbursable within one fiscal year; the CAF one might be; the IDB wants normally it disbursable in tranches of one to three years depending on the instrument. So, in total that is almost TT \$9 billion which is a resource I recommend that we make use of.

So, that is the short term. In terms of medium-term, I think we need to start looking at innovative financial instruments for development, like social impact bonds and PPPs. They take the onus from the public sector away from the implementation role and more towards a regulatory and oversight role. So, partnering with the private sector and NGO sector, and as Sen. Creese said, because we have so much liquidity, social impact bonds are the perfect solution to what we are going through right now.

My last recommendation in terms of macro-economic management is that we look at our indicators for development. GDP is fine, looking at revenue and expenditure, and the balance is fine, but I think we also need to look at sustainable development goals and the other quality of life indicators that we have available to us. So, briefly that is all that I want to say tonight. Thank you all for your attention and for your contributions. Again, thank you, Madam President. I appreciate it and I am here to serve. [*Desk thumping*]

The Acting Prime Minister and Minister of Finance (Hon. Colm Imbert): Thank you, Madam President. Madam President, I want to start by thanking Sen. Raffoul for that illuminating contribution, one of the contributions tonight which really dealt with the matter that we are about.

I want to clear up some misconceptions. In December 2015, I came to the Parliament and we debated three Motions to raise the borrowing limits under three Acts: the Development Loans Act, the External Loans Act, and that Guarantee of Loans Act. That was on December 08, 2015, so that was 16 months ago. So, 16 months ago the Parliament approved an increase in the Government's borrowing limits in a total of some \$50 billion. Just by simple mathematics if one looks at the increase in the net public sector debt from \$76 billion to \$86 billion, it would be mathematically impossible to have maxed out that \$50 billion. That is to deal with the misconception that somehow by accessing funding from the Andean Development Bank we are trying to get around our borrowing limit because we may have maxed out our limit. We still have about \$45 billion available to us from that increase that we got in 2015, because we had about \$5 billion left at the time. So, 5 and 50 is 55, we have increased our debt by 10, so we have \$45 billion available to us that this Senate approved in December 2015, unanimously as far as I can recall.

Dealing with CAF, as Sen. Raffoul said, this loan—and this is based on a press release from the Andean Development Bank dated July 19, 2016, which was a catalyst for a series of misconceptions which were then taken and written about in the newspapers and spoken about by Members of the Opposition, with the myth that we had borrowed US \$300 million from CAF. In July 2016, the Andean Bank issued a release saying they had approved access to financing in the amount of US \$300 million for Trinidad and Tobago, and they stated the purpose: to promote the consolidation process of the country's fiscal accounts, specifically to increase the efficiency of public expenditure and to induce a process to diversify the economy, and to optimize the use of state assets. So, CAF had made it clear that they had

approved access for Trinidad and Tobago to funding in the amount of US \$300 million, and they made that clear in July 2016, and they said what it was for. It is to support our medium-term fiscal consolidation strategy.

Now, fiscal consolidation is a term that describes your effort to bring your accounts into balance. So that our plan is to bring our accounts into balance by the year 2020. I certainly cannot be held responsible, this Government cannot be held responsible by a prediction by the former administration—unrealistic prediction by the former administration—they must have known what the state of the economy was, but they made a wild prediction that they would balance the budget in 2016. This Government certainly cannot be held accountable for that, and we are not associated with that.

We have on the other hand reduced public expenditure from \$63 billion in the last year of the last Government to \$52 billion in 2016. So, we are well along the path of fiscal consolidation which involves increasing revenue and reducing expenditure to bring your accounts into balance. And I have heard some hon. Senators tonight read from newspaper articles, but just because something is written in a newspaper that does not mean that, ipso facto, it is correct. In other words, the very fact of it being in the newspaper does not make it correct, and some of the things that are written in the newspapers are just astonishing, and I heard Sen. Ameen read out from an article in the *Express*, which is just astonishing, where the *Business Express* said that the current administration had borrowed \$10 million in its first year in office, which was 10 times more than the previous administration had borrowed in the previous period in the prior year.

Well, I have here the report of the Central Bank dated July 09, 2015, the *Economic Bulletin*, and table 16 in that document on page 31—this would be the

July *Economic Bulletin* of 2015—indicates that the total public debt in September 2014 was \$97.6 billion, and in June 2015, nine months later, it was \$111.6 billion. Now, when I went to school, Madam President, if you subtract those two you would get an increase in the total public debt between September 2014 and June 2015 of \$14 billion, so that the last administration in a nine-month period increased the public debt by \$14 billion. We increased the public debt by \$10 billion in 12 months. So that a newspaper writer, putting something in the papers, does not make it, ipso facto, that it is correct to make the absurd contention that this Government borrowed 10 times more than the previous Government and this is the kind of thing we have to contend with every day. Because somebody is a lecturer at the University of the West Indies, ipso facto, he is an expert. [*Laughter*] This is what we have to deal with every day. [*Interruption*] No, I am serious, I am not speaking about hon. distinguished senior lecturers like Dr. Henry—he is a lecturer; [*Laughs*] but, you know, sometimes you get these quotations from people at the university, and just because they say it, it is so. I mean, and this is what we have to deal with, and it becomes very difficult to keep correcting them all the time.

Let me now deal with the actual debt, the total public debt in September 2015, the gross, \$115.98 billion, we can round that off to \$116 billion; the total public debt, January 2017 \$118.65 billion, so the increase in the total public debt between September 2015 and January 2017 is \$2.6 billion. Let me repeat that, the total public in September 2015 was \$116 billion under the previous Government and the total public debt now is \$118.6 billion. It has gone up by \$2.6 billion, not by \$26 billion, or by \$30 billion, or these wild numbers that I keep hearing about.

And, if you look at the composition of the debt, central government domestic debt in September 2015 under the last administration was \$70.38 billion;

the central government domestic debt now, under this Government in January 2017, \$67.1 billion. Let me repeat that, the central government domestic debt in September 2015 under the last Government, \$70.38 billion, and the central government domestic debt under this Government after 16 months, \$67.1 billion. It has decreased by \$3.2 billion.

The increase in the debt came from the US \$1 billion bond, which was no secret, everybody knew that a team from the Ministry of Finance and officials from the Central Bank went to the United States in July of 2016, and we successfully borrowed, despite what I am reading in the newspapers about downgrades from Moody's would affect interest rates. I mean, people just say things and there is no factual basis for what they say. We went to the United States, our target was to borrow US \$1 billion, our target interest rate was 4.5 per cent, within two hours and 15 minutes we had offers of US \$3.5 billion. We opened at eight o'clock in the morning, and at quarter past 10 we had offers from large international institutions for US \$3.5 billion at 4.5 per cent.

So we were able to take that \$3.5 billion and to pick institutional investors who we felt would be in the best interest of Trinidad and Tobago, but this is after Moody's had downgraded Trinidad and Tobago to be AA3 in April of 2016. We went to the United States in July of 2016. But, I have to read in the papers that because there was a downgrade, we would not be able to borrow, we would not be able to meet our targets, we would be paying interest rates at 9 and 10 per cent; that is all in somebody's fevered imagination, and this is what we have to deal with in this country every single day.

With respect to the GDP, the Central Statistical Office came to the Ministry of Finance just before the last budget and said they have to recalibrate the national

GDP. I say, why? They say because they got it wrong. I say, what you mean? They said, well, when we were estimating under the UNC we were using rough estimates, but now we have got actual data from the energy sector and we have to reduce the GDP. I checked, I interrogated them, we brought a whole team to make sure that they were following proper procedures and processes, and eventually we were satisfied, all right, recalibrate the GDP. So, the GDP went from \$175 billion in one day to \$145 billion the next day, because the Central Statistical Office had made a mistake. They had overestimated the GDP under the UNC.

Now, when you decrease the figure below the line, then obviously your ratio is going to go up, so our debt-to-GDP ratio automatically went up instantly, because the GDP figure went down. So, the debt remained the same, and the denominator went down, so the debt to GDP went up. It has nothing to do with borrowing, reckless borrowing, or wild spending, or anything like that. It is a fact of life, you have to deal with it. This is what the Central Statistical Office told us. We could have been political and tell them change the figures—I am not insinuating in any way that under the UNC they fudged the figures—but, I mean, it was a bit strange to go from \$175 billion one day and they next day your GDP is all of sudden mysteriously \$145 billion. But we take that, because we are serious people, and this country has serious problems, and it needs serious people and a serious Government to deal with it. [*Desk thumping*] Not people who come “to kicks” inside of here.

And Sen. Sturge—Sen. Sturge gets up and gives us a contribution bereft of preparation, and speaks about a clause in the Bill that is upsetting him, and this is the clause that deals with, notwithstanding any law the agreements entered into would prevail. They upset about that. And what upset me is that we have on our

statute books—and Sen. Sturge is a lawyer, and that is what upset me—we have a law called the National Development (Inter-American Development Bank) Loans Act. That Act, Chap. 71:07, was passed in December 1967, 50 years ago. Fifty years ago, the IDB Development Bank Loans Act has survived and endured in this country for 50 years—throughout the Panday administration of 1995 to 2001, throughout the Robinson administration of 1986 to 1991, throughout the Kamla Persad-Bissessar administration from 2010 to 2015, this law which has been on our books for 50 years has endured and survived all those Governments as well as successive PNM Governments. And what is in this IDB Act?

Let me just deal with a particular point in this Act. Section 3 of the IDB Loans Act, which none of them queried when they were in Government, and they borrowed. They borrowed from the IDB under this legislation. This legislation that nobody ever queried, subject to this Act the Government of Trinidad and Tobago may in such manner and on such terms and subject to such conditions and be agreed with the bank, borrow or guarantee the borrowing of from the bank's own resources, or from funds administered by the bank from time to time, such sum or sums as may be required for the purposes of financing or promoting economic and social development in Trinidad and Tobago. And let me now read our clause: what does our clause say:

“Subject to this Act, the Government may, in such manner and on such terms and subject to such conditions as may be agreed with the Corporation, borrow from the Corporation’s own resources or from the funds administered by the Corporation, from time to time, such sum or sums as may be required for the purpose of financing or promoting economic and social development in Trinidad and Tobago.”

So this, Sen. Mahabir, there is nothing sinister about this, this is a carbon copy of the framework established under the Inter-American Development Bank Act, and CAF is very similar to the Inter-American Development Bank in terms of its aims and objectives. So, there is nothing sinister about it. And to deal with the mumbling of Sen. Sturge, in the IDB Act—you see, Sen. Sturge came here without preparation. Section 6:

“Notwithstanding any law in force in Trinidad and Tobago any loan or guarantee agreement and any instrument issued under the powers conferred by section 5 shall be valid and enforceable and shall have full force and effect in accordance with its terms.”

That section has been on our law books for 50 years. So, let me now read our clause:

“Notwithstanding any law in force in Trinidad and Tobago, any loan agreement and any instrument issued under the powers conferred by section 3 shall be valid and enforceable and shall have full force and effect in accordance with its terms.”

—a carbon copy.

And, Madam President, what is so regrettable about this is that this clause, it flows from another clause, and the clause is clause 3 which refers to the terms, the interest rate, the tenure, the various conditions attached to the law. That is all it is. So that what this means is that unlike a Government of other countries, we “cyar” pass a law in the morning, or if we do we will have a “lil” problem to say that we are not repaying the loan. That is what it means, because what this is doing is enshrining the fact that your word, your bond, is sacred.

So what this is doing is if the Government of the Republic of Trinidad and

Tobago, just like the IDB, just like the CDB, just like the IFC Loans Act, if the Government of the Republic of Trinidad and Tobago borrows money from a multilateral institution and agrees to repay that money in six months instalments at an interest rate of 3.5 per cent over a period of 12 years with a moratorium of five years, we cannot just get up in the morning and pass a law and say, we are making that loan agreement null and void. This is standard financing legislation. I am just amazed that hon. Members opposite would—this is not a mountain out of a mole hill. I do not even know how to describe the hyperbole of Sen. Sturge. I just do not know how to describe it, [*Laughter*] and as I said, completely unprepared, completely unprepared.

Sen. Sturge: Saved by the Constitution.

Hon. C. Imbert: All right, go ahead, you challenge it. Go ahead and challenge it in the—go ahead, challenge it in the court, no problem. That is fine, go right ahead. Just like the Sangre Grande Corporation, challenge that too. [*Laughter*] [*Interruption*] That judicial review period, the three months passed long time. That gone long time.

Now, Madam President, I was very interested in statements about the heritage fund, and the hon. Minister Khan had made the point—Sen. Khan had made the point that many countries with sovereign wealth funds have dipped into their wealth fund because of the collapse of commodity prices, and a very interesting comment here, this is an article, February 28, 2017, it is very current, it is called Norway Wealth Fund yields \$53 billion in 2016, and it is a very interesting comment here from the Finance Minister of Norway:

“...Finance Minister Siv Jensen dismissed criticism of the withdrawals”—from Norway’s sovereign fund—“saying that the

administration is using the fund as was intended noting that withdrawals remain below the fund's annual return target of 4%.”

Same identical situation to Trinidad and Tobago, we earned US \$350 million and we withdrew US \$250 million, less than the income in the fund, exactly what has happened in Norway, but what was interesting was the comment, and this is a lady by the way, this is Mrs. Siv Jensen:

“Now that we are in an extraordinary situation, hit by the biggest oil price shock in 30 years”—and this is what I found so intriguing—“it would be crazy”—in these circumstances—“if we didn't have an expansionary fiscal policy.”

And that is the point, you are hit by an oil shock, you have a sovereign wealth fund, what is the purpose of a sovereign wealth fund?—to deal with a shock to the economic system so that you can continue to keep people in jobs, you can continue to employ people, you can continue to try and grow and develop your economy.

Now, coming to the biggest misconception I have heard tonight, this legislation is not going to increase our public debt. We have already as a Parliament approved the increase in the debt ceiling for Trinidad and Tobago in the amount of \$50 billion. We did that 16 months ago. So, the Government of Trinidad and Tobago has been empowered by this Parliament for one more than one year to borrow up to an additional \$50 billion. We could borrow from the Inter-American Development Bank, we can borrow from the Caribbean Development Bank, we can borrow from the commercial banking sector, we can borrow from institutional investors in the United States, as we did in July 2016. And all this is doing is to recognize—and I am now speaking to you Sen. Creese—all we are doing today is

to recognize that the former Government took \$2 billion of Trinidad and Tobago money and put it into the Andean Development Bank, \$2 billion, and it would be irresponsible of us as a country, already contributed US \$300 million, 323 as a matter of fact, TT \$2 billion, we put that into this institution and leave it there, and say let us not access funding for it.

So, what happened to our \$2 billion, it just gone? So, I was a bit surprised when I heard Sen. Creese say that we should not be looking to borrow from another bank, or make arrangements with another bank to borrow money. What are we going to do with our \$2 billion? It already gone. It gone into the bank. You might as well access it. This is not something new, you know, this is not something we have dreamt up—we get up this morning and we say, all right, for example, there are approaches to me to join Asian Infrastructure Bank. I tell them no. I told them we have done enough. You know, we are members of the Inter-American Development Bank, we are members of the Caribbean Development Bank, the last Government pumped \$2 billion of taxpayers into the Andean Development Bank. So, we have enough. *[Interruption]* Yes, enough is enough, I completely agree. But I am not going to waste \$2 billion of Trinidad and Tobago taxpayers' money, put into a development bank and just leave it there. I am not doing that.

So, I apologize Sen. Creese, if I am being a bit vociferous, but I cannot agree with your premise that having spent all that money, all that Trinidad and Tobago taxpayers' money we cannot just decide we are not going to bother with the Andean Development Bank again, that does not make any sense. At least it does not make any sense to me, with all due respect Senator.

So, I want to make it clear that this what we are doing today does not increase the public debt of Trinidad and Tobago. When I came to this Parliament

for the 2017 budget, I made it crystal clear that we have a deficit budget, and we will continue to have budget deficits until we pull ourselves out of the situation that we are in, and we are doing a lot about it. The other side is quarrelling because they do not like what we are doing, because it now appears to them that they might be in Opposition for a long time, [*Laughter*] because those meetings with bp and Shell and Exxon and EOG, those are very, very serious meetings.

10.30p.m.

The meetings that are taking place between Trinidad and Tobago and Venezuela are very, very, serious meetings. There is already an agreement signed by Shell, PDVSA and the National Gas Corporation for the construction of a pipeline from the Dragon field to the platform, the BG now Shell platform that is just north of Trinidad. There is a platform already existing, it is just 15 kilometers. There is already an agreement to construct a pipeline straight to that platform which ties into the network of pipelines all over Trinidad and Tobago, going down to Point Lisas and all the way down to Point Fortin. When that Dragon field is in operation, which we expect to be so in 2019, we are going to be getting access up to one billion standard cubic feet of natural gas per day which is going to clear out the current deficit that we have in terms of natural gas and give us more than we require.

When you add Juniper, you add Angelin, you add TROC, which is the compression project—Juniper and TROC coming on stream this year to boost our natural gas production, Angelin a few years down the road together with Dragon field, we would bring our natural gas production up to, in excess of 4 billion standard cubic feet per day and that is the current demand in Trinidad and Tobago at this time. We are currently running a deficit of about 700 million standard cubic

feet.

So with all of these initiatives that the current administration is doing to ensure our energy security, to ensure our natural gas supply for the next 20 years, that is how we are going to earn the foreign exchange. I heard the questions from answering it. So as we increase the supply of the natural gas feedstock to our methanol, ammonia, urea and derivatives plants, to plants like the Atlantic LNG Plant, like the Mitsubishi Massy Plant that is under construction right now, as we increase the supply of natural gas and provide the feedstock that they require, so that they could earn the necessary foreign exchange, convert that foreign exchange in Trinidad and Tobago and replenish our reserves, that is how we are going to pay back any loan that we may borrow from the Andean Development Bank.

Remember, Madam President, we have lost almost \$3 billion a year in foreign income. Our revenues from petroleum in 2014 were 19 billion Trinidad and Tobago dollars, in excess of US \$3 billion or close to US \$3 billion. Our revenues from petroleum last year was US \$100 million. That is a reduction in US inflows into Trinidad and Tobago of US \$2.9 billion. The reason for that is, the tax incentives given by previous administration where there is now an accelerated capital allowance write-off, where oil and gas companies can now write-off 100 per cent of their expenditure in the first year—so they are doing it—so when they write that off against their income, they do not pay petroleum profits tax so that we get no tax revenue from the oil and gas companies but that is coming to an end at the end of 2017. Those incentives were designed to run from 2014 to 2017. Those are coming to an end so that we begin to move into a situation, we start to get revenue from taxation from the oil and gas companies, we increase the supply of natural gas and all of these companies they only earn foreign exchange, they do not

earn TT dollars, the earn US dollars.

So if we could recover most of that US \$2.9 billion income stream into this country, we will easily be able to pay off a loan of US \$300 million or whatever it is over a period of 10 years. The loan payments on this might be just over \$30million a year, 30 million, but we have lost \$2.9 billion in terms of US, in terms of natural gas curtailments, in terms of reductions in oil production.

You heard Sen. Khan talk about his plan to increase the production at Petrotrin, significant. We have a plan to increase oil production by 20,000 barrels a day in the Trinmar areas of Petrotrin and we will be working with the Oilfields Workers' Trade Union, Sen. Creese, we will, because that is the largest oil asset that Trinidad and Tobago is sitting on. It is the easiest asset, the easiest set of oil reserves available to this country to monetize at this time, the Trinmar reserves, and we will have to work with the employees and workers of Petrotrin. We all have to work together to monetize those assets and increase the production up to the 75,000 barrels that we want to get out of it. But it is not a fantasy, it is happening.

Our oil production has stabilized, our oil production went down to 65,000 barrels a day, and it is now back up to 75,000 barrels a day. We have managed to stabilize it and our oil production is going back up and it will continue to go back up, because that is the only way we can stabilize our economy. So together with increased oil production and increased natural gas supply, we will be able to get the stream of US dollars necessary to deal with any foreign loan. And a foreign loan helps us in the short term and I thought I had made that clear in my introduction, but obviously I was not clear, so let me clarify.

You get US \$300 million now, of course, you have to pay it back, but you

only have to pay back \$30 million to \$35 million a year and as your income stream, as your flow of US dollars increases then you get the wherewithal to replace those US dollars that you have to pay back but you get \$300million now. So for the next three or four years you are in a net position, a net increase position and the money that we took out of the Stabilisation Fund is in US dollars. So when you take the US \$251 million from the Stabilisation Fund, any money we may borrow from the Andean Development Bank, say \$300 million, that is US \$551 million. That is a significant amount of money that could then be used, injected into the system to assist with our foreign exchange problems that we have now. But I want to clear up this methodology that by voting for this Bill that you are somehow increasing the country's debt. You are not. [*Crosstalk*] Sure.

Sen. Mark: There is an area that is of concern to me and I would like you to clarify it. I know that CL Financial owes us close to \$20billion. I wanted to ask you, as the Minister of Finance, what time frame do you anticipate for those moneys to be returned to the people of Trinidad and Tobago and how would that impact on the debt-to-GDP ratio and whether for instance the country would not be in a better financial position when we reclaim the \$20 billion that we have loaned to CL Financial. It is an area that is causing me some worry and I thought that you would be in a position to probably guide me and clarify on that particular matter.

Hon. C. Imbert: I am tempted to ask you to put that in writing as a question and I do not want to be ruled out of order by the President. I do not want to go into irrelevancies. All I want to say—I will come to your point if I am allowed to—Madam President, is that I just want to clear up that this Bill, all this Bill does is gives us the ability to access another source of financing. We can get the same money from the Inter-American Development Bank, we can get the same money

from the Caribbean Development Bank and the other point I want to make is that and the only reason we are going ahead with this is because we have US \$300million inside of there. We want to get back some of it. We cannot just leave it there.

But the point I want to make as well, I heard hon. Senators talked about loans being reported in the papers. Those are not drawdowns, those are lending programmes over the next three to four years, in some cases, over the next five years. The one with the Caribbean Development Bank was a lending framework from now until 2021, some of the arrangements you have heard with the IDB are over the next three to four years. We have not borrowed one cent of that money yet. When you are a member of these institutions you have to propose to them a borrowing programme which is then discussed by the board, by the other member countries that are members of those institutions and they would approve a borrowing programme for a particular country, in this case the CDB has approved a borrowing programme of US \$40million over the next four to five years, we may not borrow that money. We may find it is more beneficial to us to borrow from the Andean Development Bank, for example, or from the Inter-American Development Bank or from the commercial banks or locally and we do quite a lot of borrowing locally Sen. Creese, we do not put all our eggs in one basket, we do a lot of borrowing in the local commercial sector.

Sen. Mark just to wrap up now, we have already recovered \$7 billion from Colonial Life and we have used that for budgetary support in the last two fiscals. We will continue to do whatever we can to unlock the remaining, these things are tied up in quite complicated corporate structures, for example, Republic Bank, Colonial Life owns part of Republic Bank. Clico Investment Bank owns another

part of it. Another section is in the Clico Investment Fund, then CL Financial owns part of Republic Bank. So you have to unravel these corporate structures for something like Republic Bank, for example. Angostura is the same thing. Colonial Life owns about 32 per cent of Angostura. CL World Brands owns another 30 odd per cent and Colonial Life owns 40 per cent of CL World Brands. So if you take the 40 of the 30, plus the 30, you might find Colonial Life owns, maybe, 45 per cent more or less. These are rough figures of Angostura. Angostura is something that we would like to dispose of to get back our money. So these are all in the works over the next 18 months or so. But there are complex corporate structures which we have to unravel. It is not an easy thing, you cannot just go down on the corner and put up a sign and say, “aye” I want to sell 50 per cent of Republic Bank, “it doh work so”. But yes that will assist us tremendously—[*Interruption*]

Madam President: Acting Prime Minister, you have five minutes.

Hon. C. Imbert: Sure, I am almost finished. Thank you, Madam President. That will assist us tremendously Sen. Mark in dealing with our deficit situation and we are working assiduously on it and we are trying our best to try and recover those funds, repayment of past lending as quickly as we can.

So to complete my presentation, I just want to make it clear that this Bill is simply to allow us to access a loan from CAF. It is not to borrow anything from CAF. It is not a loan arrangement. It is simply to become a full member of this institution. So it is an option available for the Government. And Sen. Raffoul was very clear on what the—there are advantages and there are disadvantages.

One of the main advantages with this bank as opposed to the Andean Development Bank is the speed. If you go through the same system with the Inter-American Development Bank it can take a long time, it can take years to get

money from the IDB. But from the Andean Development Bank you can get money in a month or two or three months if you really do your work properly. So that is one of the advantages of the Andean Development Bank is how quickly they disburse funds to you, the flexibility they give to member countries and the fact that they allow to use your own procurement systems. We are reforming our procurement system, we have a Public Procurement Act and we have well advanced in the implementation of that legislation. So have no fear Sen. Raffoul that before the end of this year we will have a legalize system of procurement within our public law system that we really did not have before except for the Central Tenders Board which was limited in its application.

So I thank all members for their contributions. I hope I have clarified all of the issues that I was able to. I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

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

Question put and agreed to.

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

Bill accordingly read the third time and passed.

ADJOURNMENT

Motion made: That the Senate do now adjourn to a date to be fixed. [*Sen. The Hon. P. Gopee-Scoon*]

Madam President: Hon. Senators, before I put the question on the adjournment, leave has been granted for two matters to be raised on the Motion for

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the Adjournment of the Senate. Sen. Mark, you have 10 minutes.

**Government and Public Sector Trade Unions Relations
(Deterioration of)**

Sen. Wade Mark: Yes, thank you very much. [*Desk thumping*] Madam President, relations between Government and the public sector trade unions have deteriorated enormously over the past few months.

Madam President, a root of confrontation and combat has regrettably been chosen over dialogue and mutual respect. Government's behaviour has been deeply deplorable to say the least. Madam President, the country has witnessed increased instances of mass dismissals, both at the state sector and the private sector. For example, you have had the closure of the Human Resource Services Company Limited, 35 workers gone home; you have had the closure of Caroni Green, over 100 workers have gone home; you have had the closure of TDC, over 120 workers have gone home and there are many instances where workers have been retrenched, have been sent home with no severance payments. Madam President, this leads as you know to higher unemployment levels, less purchasing power and a deepening of the recession that this country's economy is currently experiencing.

Madam President, when we go to the private sector it is a similar story, where you have five or less persons being retrenched. There is no obligation on the law to report those workers to the Minister of Labour and Small Enterprise Development or to the Ministry of Labour and Small Enterprise Development. So we have had Royal Bank retrenching people, NGC retrenching people and Methanol sending home over 100 workers.

We have had the Ministry of Social Development and Family Services

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closing down about three or four important units, retrenching about over 100 workers. But, Madam President, what is even more alarming is this, recognition in this country has now become an endangered species. Madam President, would you believe that in Trinidad and Tobago in 2017 there are three trade unions that have gained recognition status and they have all been taken to the High Court by the employers for judicial review. Three unions: The Banking, Insurance and General Workers Union, they got recognition after five years for the Royal Bank of Canada workers. That bank has taken the union to court for judicial review. The Oilfields Workers' Trade Union recently got recognition for Desalcott workers. The same company Desalcott has taken the Oilfields Workers' Trade Union to—not the Oilfields Workers' Trade Union, the Recognition Board to the High Court for review. Then the Public Services Association, the hon. Minister's former trade union, they have now been querying and action has been taken to deny the PSA the right to be recognized as the union representing the Civil Aviation Authority workers on the grounds of essential services.

So, Madam President, recognition issues is the real problem in this instance. Then you also have the right to picket where teachers are being questioned by the authorities as it relates to picketing in this country, I am talking about peaceful picketing which is a right that workers enjoy in this country. So what we have taking place is a conspiracy of events coming together and contributing to a deterioration in the industrial relations in our country. [*Desk thumping*]

Then, what is even more alarming and significant is that this Government gave the impression to the nation that they were pro-union, pro-workers. You know what the situation is? They have been taking action without any consultation

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with the trade union. [*Desk thumping*] Madam President, so much so that the trade union movement I understand has taken a decision suspend their participation at the national Tripartite Advisory Council, [*Desk thumping*] as a mark of protest given the behaviour of the present administration.

You know what is even more alarming and I want the hon. Minister of Labour and Small Enterprise Development who is going to respond to tell this country why this Government that signed a Memorandum of Understanding or agreement with the join trade union movement. Why is it that not a single worker has been placed on a state board? Why not a single worker? [*Desk thumping*] Under the People's Partnership the workers were represented on state boards. The only workers who are represented right now are workers under the law, the National Insurance Board, Cipriani Labour College, the Recognition Board. Outside of that, not a state board, no Petrotrin, no NGC, no NP and this Government boasted that they are for workers.

Madam President, these are matters that are of concern to the working people because there has been an orchestrated and persistent assault on the working class [*Desk thumping*] by this Government since they came into office. And what is even worse is that in the given worsened economic conditions in our country today, we have a situation where wages and salaries are almost stagnant in the country and deteriorating and, Madam President, you know that we have a situation where income inequality is worsening in this country. The Gini co-efficient is close to about 43 per cent in this country and the higher the better. The lower your Gini co-efficient is the more equal you are in the income distribution. The higher is the worst.

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So, Madam President, this is a situation that I wish to bring to the attention of your good self and the honourable Senate and to get from the hon. Minister how the Government intends to treat with this situation in our country that seems to be deteriorating rapidly. The Government needs to take action and needs to take action urgently to bring about some stability and sanity in the industrial relations climate. I thank you very much, Madam President. [*Desk thumping*]

The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus): Madam President, I wish to thank you for the opportunity to respond to this important Motion raised by Sen. Wade Mark. It affords me the space to share on the reality, the reality of things, the truth of the matter so that any misconceptions that have been sown in the minds of the people of Trinidad and Tobago can be dispelled.

Madam President, to qualify our industrial relations climate as being deteriorating is indeed rather misleading. What we have here in Trinidad and Tobago is a healthy system where trade unions and employers are free to engage in voluntary collective bargaining without the interference of the State. They are free to express their views, they are free to protest, and they are free to engage in dialogue in an atmosphere of camaraderie and compromise and also to express their dissatisfaction with any decisions made. For the first time in the history of our country, Madam President, we have seen concerted efforts aimed at meaningful dialogue on policy, legislative and other issues affecting the welfare of the people of Trinidad and Tobago.

Madam President, given the financial and economic realities with which we are confronted as a people, it is quite normal that hard decisions have to be taken

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by the Government. It is also quite normal that Government, trade unions and employers, the key proponents of a healthy industrial relations system will not always see eye to eye on many varied issues. However, the Government of Trinidad and Tobago has established a strong basis to enable dialogue, consensus building and decision making. I trust, Madam President, that we will appreciate the value of our social dialogue mechanism.

11.00p.m.

Madam President, let us look at commitment to good industrial relations practices and the interest of workers. In the official Policy Framework of the Government of Trinidad and Tobago the commitment to fostering proper industrial relations practices is quite clear. We are committed to reviewing and modernizing the labour legislative framework, recognizing that it is the linchpin of an effective industrial relations system, and we have been delivering in that regard.

We are committed to dialogue, regular consultation and interaction with the labour movement on all areas of policy, projects and programmes affecting the rights and interests of workers and labour, generally, and we have been delivering in that regard. We are committed to produce a clear framework of rights and responsibilities in the workplace, and we are delivering on that, Madam President. We are also committed to facilitating tripartite engagement between Government, labour and the employer to foster and develop a peaceful, competitive and productive industrial relations climate, and we are delivering on that.

And I want to comment on the point my friend, Sen. Wade Mark, made when he indicated in a manner that labour has withdrawn totally from the National Tripartite Advisory Council. That also is misleading. I was present at the meeting.

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Labour's statement to the meeting was that until the Minister of Tourism met with the Communication Workers Union, labour is withdrawing its participation—suspending its participation.

And, Madam President, as I speak, the Minister of Tourism has met with the Communication Workers Union. There are issues that are being sorted out with the intervention of a third party and that is not abnormal. So that I have absolutely no doubt that whatever happened before, we can bridge that gap. The National Tripartite Advisory Council and labour's position—it is like a marriage. In any marriage you have differences of opinion but the important thing is that both parties sit and dialogue to reach an agreement, an amicable settlement, and I have no doubt that will happen.

Madam President, let us look at labour legislation. On the legislative front, you would recall, Madam President, that the previous administration had adopted a very high-handed approach to labour legislation. I am quite sure my friend, Sen. Wade Mark, cannot display selective memory on that issue. This was blatantly demonstrated when the former administration, and my predecessor, insulted the working class by taking to Parliament an Industrial Relations (Amdt.) Bill on May Day, 2015. Everyone knows how important May Day is to the working class of this country. And that Bill, there was absolutely no consultation, no discussion. And we must recall the protest by the labour movement on this action. As a matter of fact, it was the single most important union that brought both labour and employers together in many, many, many years, Madam President.

Our approach, Madam President, has been diametrically opposed to the other side. The Ministry of Labour and Small Enterprise Development has some 22

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pieces of labour legislation under its purview, the reform of each being of great importance. These pieces of legislation, as my friend is well aware, are outdated. For five year, his government did absolutely nothing to review the labour legislation in this country. We have identified 10 pieces of labour legislation as legislative priorities of the Ministry and as part of this Government's agenda.

Permit me, Madam President, a moment to note that the legislative priorities include: the Industrial Relations Act, Chap. 88:01; the Retrenchment and Severance Benefits Act, Chap. 88:13; the Workmen's Compensation Act, Chap. 88:05; the Occupational Safety and Health Act, Chap. 88:08; the Cipriani College of Labour and Co-operative Studies Act, Chap. 39:51; the Friendly Societies Act, Chap. 32:50; the Co-operative Societies Act, Chap. 81:03; legislation in respect of the private security sector; legislation aimed at the prevention and elimination of child labour; and legislation outlining basic terms and conditions of work. Madam President, these legislative priorities are key to this administration fulfilling our responsibility for the prescription and protection of the rights and duties of workers and employers. It is projected that by 2020, the said pieces of legislation will be revised.

Madam President, in keeping with the priorities identified with our labour legislative agenda, the Ministry of Labour has undertaken 10 much anticipated and genuine national tripartite stakeholder consultations over the course of 15 days, beginning in January 2016, with the Co-operative Societies Act, then moving to consultations in respect of the Industrial Relations Act; the Retrenchment and Severance Benefits Act; the basic terms and conditions of work; the Friendly Societies Act, and the Cipriani College of Labour and Co-operative Studies Act.

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And quite recently, on the 21st and 22nd of March, there was another consultation on the Occupational Safety and Health Act, Chap. 88:08.

Madam President, let me repeat. In 15 months, the Ministry of Labour and Small Enterprise Development has held 10 consultations on labour administration over the course of 15 days and we are dedicated to meeting and even surpassing this record. Draft policies for the amendment of the Industrial Relations Act and the Retrenchment and Severance Benefits Act are presently before the Cabinet of Trinidad and Tobago.

Madam President: Minister, your time is up. Sen. Ameen. [*Desk thumping*]

People's Issue Resolution Unit

(Disbanding of)

Sen. Khadijah Ameen: Madam President, I want to thank you for granting leave for me to raise this matter with the Minister and also to thank the Minister of Social Development and Family Services for coming to the Senate to respond to this Motion. And it really deals with the failure of the Government to provide the public with good reasons for disbanding the people's issue resolution centre and the poverty reduction unit of the Ministry of Social Development and Family Services. And we must take into account the positive impact of the work done by those two units towards social service delivery.

Madam President, the people's issue resolution unit included the poverty reduction unit as well as a telecentre. I just want to first touch on the role of the poverty reduction unit. This unit dealt with, really, weaning people off the dependency on grants: welfare grants and other so-called handouts and it really made the programmes into hand-ups, where persons could access small business

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grants, could be trained in cottage industry and small business management and then over a course of time, after being a recipient or a client of the Ministry, be in a stronger financial position, a more independent position, so that they would no longer be dependent on the Government and they would have that financial independence to carry on, on their own. This is an element that I think is very critical for the Ministry of Social Development and Family Services where recipients of grants should be able to access this.

Madam President, let me move to the telecentre that provided training in basic computer literacy for members of the public. This training would be done and a certificate would be provided, and this training took place in many of the various regional offices, if I may use that term, because the People's Partnership Government had an overarching drive that really was decentralization and bringing government closer to people. So that this training was accessible. It also provided Internet services.

Madam President, let me mention that within the 17 sustainable development goals adopted by the United Nations in September and which were, in fact, accepted unanimously by this House as it was the first private Motion brought by Sen. Wade Mark, digital and ICT, and more particularly affordable access to Internet is a key component.

With the advancement in technology, many Government Ministries have been making their services available online and this has progressed over successive governments and the Internet services at these telecentres provided the opportunity for many persons to access Internet and to access services by applying online even where they did not have Internet. Madam President, I remember doing my GATE

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application when I did my Master's through a telecentre office in Tunapuna because of the time frame and the deadline. And that is something I think we should continue.

Madam President, my great concern has to do with the role that this centre played in two things: one, acting as an ombudsman with ombudsman functions, in that there are many times people have challenges; they have queries with regard to their grants that they receive; their applications; sometimes there are delays; there are bureaucracies and issues have to be resolved, and this unit dealt with those matters to make the Ministry more efficient, particularly when you deal with people who have other social issues and other distresses in their lives that they are dealing with. And when they come to the Ministry, the bureaucracy adds further frustration and that unit would help resolve those issues and bring conclusion.

And the final matter which I think is of great significance is that this unit was designed to collect data on the impact of various programmes run by the Ministry, and that feedback is very important to design future policy, to adjust present policy and to inform the Cabinet and the political arm. And, Madam President, when it comes to accountability, it is very important, I think, for us to assess the impact and the effectiveness of social programmes and I trust that the Minister, in her reply, will be able to share with us what are the Government's plans to perform this very critical function, because we cannot decide to send home persons, or to totally disband a unit based on which Government it came into being under, or if the people—they have any political affiliation or any such thing.

There must be a scientific method based on the impact these programmes have on the clients, on the public, on the citizens. We must be in a position, as a

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Government, regardless of the political party, to show the benefit for funding that is provided by the State, where we are giving, whether it is food grant, welfare grant, the baby grant, which I understand has been stopped. We must be able to continue these programmes or stop these programmes based on their impact versus their cost. So how does the Ministry intend to collect this data or have that research done to inform Government of future policy with regard to this Ministry of Social Development and Family Services?

The second item that I would really appreciate the Minister specifically answering is to let us know how many people have been sent home, or their contract expired, or whatever term you want to use for it. The fact is that they have been fired. They are no longer with jobs. I have heard varying numbers, so I would appreciate from the Minister if you can give us the number of persons who have been left without a job because of the disbanding of this people's issue resolution centre, the poverty reduction unit and the telecentre, and if the Government has any plans to absorb those persons within the Ministry, given their experience in working in these programmes.

Many of them have been working on the field, for example, and they are very familiar with the traits and the subcultures in the parts that they have been assigned to. I think it would be of great value to include them in, perhaps, as you realign. Because every government, when there is a different Government in office, has the prerogative to change the programmes, and that is all well and good. What I want to hear is how you can keep these people, use their experience to offer better services for the Ministry of Social Development and Family Services. Thank you. [*Desk thumping*]

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Sen. Ameen

Madam President: The Minister of Social Development and Family Services. [*Desk thumping*]

The Minister of Social Development and Family Services (Hon. Cherrie-Ann Crichlow-Cockburn): Thank you, Madam President, for the opportunity to respond to this very important Motion. There has been neither a People Resolution Centre nor a division called Poverty Reduction Unit within the Ministry of Social Development and Family Services during the tenure of this current Government. There is, however, a Main People's Issue Resolution Coordinating Unit, or MPIRCU, and there was a National Poverty Reduction and Eradication Programme Coordinating Unit and a Poverty Reduction and Eradication Policy and Research Unit.

Madam President, the MPIRCU was established in 2010 to provide secretariat support services and coordinating functions to the inter-ministerial People Issues Resolution Committee. PIRCUs were also established at the regional offices to resolve issues under the ambit of the Ministry of Social Development and Family Services. This inter-ministerial committee was primarily required to coordinate activities among all social sector Ministries and to provide recommendations for the continuous improvement of services offered by Ministries to the former Cabinet.

Madam President, PIRCUs were also supposed to have been establishment in all social sector Ministries and most of the Ministries did, in fact, establish these units. However, the inter-ministerial committee ceased to function during the tenure of the previous Government. What this meant was that there was now no need for the MPIRCU within the Ministry of Social Development and Family

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Services to provide secretariat services because the committee was non-functional. So what happened was that the MPIRCU focus shifted. It shifted to assisting victims of disasters, to assist them in assessing the Ministry's benefits, in conducting outreach programmes and assisting clients to resolve issues internally.

By 2015, the MPIRCU had clearly departed from its mandate. And it was also determined, because of all that had happened, that the PIRCUs in the regional offices also had insufficient work. When we would have done an assessment in 2016, it was determined in regional offices where there were four officers, they were serving on average two persons per day. Madam President, given our economic situation, we could not have continued with a situation like that.

The hon. Sen. Ameen made reference to the telecentres. What has happened, we have had discussions with NALIS and we have made arrangements whereby the very service, whereby the access to the Internet, it is provided by NALIS. So what the Ministry of Social Development and Family Services is doing is working closely with NALIS. We will provide them with computers that we may have and members of the public can still access Internet services. In the rural areas where there is not that access, we are going to continue to have telecentres so the citizens of Trinidad and Tobago will continue to have access to Internet service.

Madam President, the MPIRCU and Poverty Reduction and Eradication Policy and Research Unit were established in July 2013. They were established for a fixed period of three years. And those units were responsible for developing and implementing a national poverty reduction strategy. They were also required to provide current data on poverty at the community, the national and the municipal levels. They were also supposed to foster an integrated approach to poverty

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reduction through partnerships and collaboration with regional, social and human development councils, and in so doing they were supposed to have reconstituted and operationalized 14 of these councils.

Madam President, as I indicated before, they were established for three years. So, clearly, the intent of the previous administration was for this programme to be operational for three years. There was, therefore, no need for this current Government to disband the unit. What happened was that the unit—the approval for its existence expired in December 2016. So this administration did not disband the unit. The life of the unit ceased.

Nonetheless, Madam President, this Government recognizes that poverty reduction and eradication is critical. It is one of the sustainable developmental goals and it is also the major aim of this Government's social sector policy. So upon the expiration of the programmes we would have done an in-depth assessment of the programmes to determine whether they were in alignment with this Government's policy and what their performance and effectiveness was like.

Madam President, one: we found that although those units were established, Cabinet never granted approval for the human resource requirements for those programmes. So what we had was a situation where persons employed on those programmes were on short-term contracts. In addition, the programmes to this date have not developed a national poverty reduction strategy. They had failed to collect and have available current data on poverty. They never reconstituted or operationalized any of the regional councils and the end result of all of that was that there was not a reduction in poverty. As a matter of fact, poverty increased substantially.

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Madam President, so while those two poverty units would have assisted members of the public; they would have assisted some vulnerable and some poor persons by providing them with loans and grants and training, when you look at it holistically, we cannot conclude that those units would have had a positive impact on the social sector because, one, they would have failed to achieve their objectives and they totally failed to achieve their mandate.

The Ministry of Social Development and Family Services, in order to ensure value for money—and the Poverty Reduction and Eradication Programmes are in keeping with its social sector policies could not therefore, in good conscience, recommend the continuation of those two units as constituted by the previous Cabinet. Notwithstanding, Madam President, the Ministry is committed to ensuring that the needs of the poor, the disadvantaged and the indigent remain top priority through improved targeting and continuous improvement of the programmes and services.

To this end, the Ministry is reviewing its operations and, where necessary, we are restructuring our programmes to ensure value for money and alignment with this Government's policy. Notwithstanding, the current review and restructuring exercise, all of the services on offer by the Ministry continue to be delivered to the individuals and families who are in need of such services.

Madam President: Minister, you have one more minute.

Hon. C. Crichlow-Cockburn: Okay. The poverty research function continues to be performed by the Social Investigations Division which is the core research unit within the Ministry. The delivery of the products and services to treat with poverty reduction alleviation, including the loans and the grants, continue to

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be provided and the customer service function under the MPIRCU continues to be provided to victims of disaster and we are conducting outreach programmes in all 41 constituencies before the end of this year.

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

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 11.25p.m.