



REPUBLIC OF TRINIDAD AND TOBAGO

Debates of the House of Representatives

4th Session – 10th Parliament (Rep.) – Volume 21 – Number 10

**OFFICIAL REPORT
(HANSARD)**

THE HONOURABLE WADE MARK
SPEAKER

THE HONOURABLE NELA KHAN
DEPUTY SPEAKER

Friday 22nd November, 2013

CLERK OF THE HOUSE: JACQUI SAMPSON-MEIGUEL

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*Leave of Absence**Friday, November 22, 2013***HOUSE OF REPRESENTATIVES***Friday, November 22, 2013*

The House met at 1.30 p.m.

PRAYERS[MR. SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Mr. Speaker: Hon. Members, I have received the following communication: the hon. Carolyn Seepersad-Bachan, Member of Parliament for San Fernando West, is currently out of the country and has asked to be excused from sittings of the House during the period November 16—23, 2013; hon. Dr. Lincoln Douglas, Member of Parliament for Lopinot/Bon Air West, is also currently out of the country and has asked to be excused from sittings of the House during the period November 20—28, 2013; hon. Stacy Roopnarine, Member of Parliament for Oropouche West, is out of the country and has asked to be excused from today's sitting of the House; hon. Dr. Keith Rowley, Member of Parliament for Diego Martin West, is out of the country and has asked to be excused from sittings of the House during the period November 22 to December 01, 2013; Mrs. Nela Khan, Member of Parliament for Princes Town, is out of the country and has asked to be excused from the sittings of the House during the period November 20—27, 2013; hon. Dr. Delmon Baker, Member of Parliament for Tobago West, is out of the country and has asked to be excused from the sittings of the House during the period November 22—29, 2013; and Dr. Amery Browne, Member of Parliament for Diego Martin Central, has asked to be excused from today's sitting of the House.

The leave which the Members seek is granted.

JOINT SELECT COMMITTEE**(APPOINTMENT OF MEMBERS)**

Mr. Speaker: Hon. Members, I have received the following communication from the President of the Senate, Sen. The Hon. Timothy Hamel-Smith, which reads as follows:

“November 20, 2013

Honourable Wade Mark, MP

Speaker of the House

Office of the Speaker of the House of Representatives

Level 2, Tower D

The Port of Spain

International Waterfront Centre

1A Wrightson Road

PORT OF SPAIN

Dear Honourable Speaker,

Re: Establishment of a Joint Select Committee to consider and report on the Insurance (No. 2) Bill, 2013

I wish to advise that at a sitting held on Tuesday, November 19, 2013, the Senate agreed to the following:

“...that a Bill entitled, ‘An Act to repeal and replace the Insurance Act, Chap. 84:01; to reform the law relating to insurance companies; to regulate insurance businesses and privately administered pension fund plans and for other related purposes’, be referred to a Joint Select Committee comprising of six (6) Members of the Senate and six (6) Members of the House of Representatives and that this Committee be empowered”—to do the following:

- (i) to discuss the general merits of the Bill along with its details
- (ii) to adopt as part of its work, the work of the Committee previously appointed in the 3rd Session; and
- (iii) be mandated to report by January 31st, 2014.

The Senate further agreed, that should the House of Representatives concur, that the following Senators be appointed to the committee:

Mr. Larry Howai

Dr. Bhoendradatt Tewarie

Mr. Vasant Bharath

Mrs. Helen Drayton

Mr. Subhas Ramkhelawan

Mr. Faris Al-Rawi

Joint Select Committee

Friday, November 22, 2013

Accordingly, I respectfully request that you convey this decision of the Senate to the House of Representatives.

Respectfully

Timothy Hamel-Smith

President of the Senate”

PAPER LAID

Report of the Auditor General of the Republic of Trinidad and Tobago on the Statement of recovery of expenses of the Ministry of Energy and Energy Affairs for the year ended December 31, 2012. [*The Minister of Finance and the Economy (Sen. The Hon. Larry Howai)*]

To be referred to the Public Accounts Committee.

**JOINT SELECT COMMITTEE REPORTS
(Presentation)**

Ministries, Statutory Authorities and State Enterprises (Group 1)

National Insurance Appeals Tribunal

The Minister of Land and Marine Resources (Hon. Jairam Seemungal):

Mr. Speaker, I have the honour to present the following report:

The Seventh Report of the Joint Select Committee established to inquire into and report to Parliament on Ministries (Group 1), and on Statutory Authorities and State Enterprises on the Administration and Operations of the National Insurance Appeals Tribunal.

Ministries, Statutory Authorities and State Enterprises (Group 2)

Trinidad and Tobago Police Service

Mr. Fitzgerald Jeffrey (La Brea): Mr. Speaker, I wish to present the following report:

The Fourteenth Report of the Joint Select Committee appointed to inquire into and report on Government Ministries, Statutory Authorities and State Enterprises (Group 2), on the Administration and Operations of the Trinidad and Tobago Police Service (with specific focus on efforts of maintaining law and order).

ORAL ANSWERS TO QUESTIONS

**Point Fortin Highway
(Details of costs)**

- 5. Miss Marlene Mc Donald** (*Port of Spain South*) on behalf of Dr. Keith Rowley (*Diego Martin West*) asked the hon. Minister of Finance and the Economy:

With respect to the Point Fortin Highway currently under construction, could the Minister state:

- a) The total budgeted cost for construction by the contractor – OAS;
- b) The total budgeted cost for land acquisition;
- c) The total budgeted cost for all other expenses;
- d) How much money has been paid to OAS to date with respect to the original project cost?
- e) How much has been paid to OAS to date with respect to claims, variations, delays, etc.;
- f) What is the quantum of known outstanding claims in favour of the contractor - OAS as at June 15, 2013;
- g) The total amount of money paid for land acquisition and the amount of land acquired for those payments as at June 15, 2013?

The Minister of Works and Infrastructure (Hon. Dr. Surujrattan Rambachan): Thank you, Mr. Speaker. Mr. Speaker, with respect to question No. 5, which relates to the Point Fortin Highway currently under construction, part (a) of the question asked for the total budgeted cost for construction by the contractor—OAS.

The budgeted cost for construction consists of the contract value of TT \$5,214 million, contingencies of TT \$556.9 million and an escalation cap of TT \$315 million, that is a total of TT \$6,120.9 million.

Part (b), the total budgeted cost for land acquisition; total budgeted cost is TT \$700 million.

Part (c), the total budgeted cost for all other expenses; total of all other expenses is TT \$681.9 million disaggregated as follows:

Construction Oversight Services TT \$393.9 million

| | |
|--------------------------|--------------------|
| Community Outreach | TT \$100.0 million |
| Custom and Import Duties | TT \$5.0 million |
| Management Fees | TT \$183.0 million |
| Total | TT \$681.9 million |

Part (d), how much money has been paid to OAS to date with respect to the original project cost?

Mr. Speaker, the total sum paid to OAS as at November 20, 2013 is TT \$1,941.8 million. This sum includes an advance payment of US \$135,869,375 (TT \$877,879,205.75).

Part (e), how much has been paid to OAS to date with respect to claims, variations, delays, et cetera. Variation payments made to OAS to date equal US \$1,318,126.14 (TT \$8,516,676.62). These payments are accounted for under construction contingencies within the project budget.

Part (f), what is the quantum of known outstanding claims in favour of the contractor—OAS, and the question asked as at June 15, 2013.

Mr. Speaker, there were no claims outstanding in favour of OAS as at June 15, 2013. It is anticipated, however, that some costs will be incurred as the project proceeds, for example as a result of non-availability of site for various reasons. These claims will be met after assessment and negotiation with the contractor. It is anticipated that any payments for claims will be met from the existing project budget.

Finally, part (g), the total amount of money paid for land acquisition and the amount of land acquired for those payments as at June 15, 2013?

Mr. Speaker, in answering this question, let me note that there were 83 properties. The properties would be land and building or land. It could be a commercial building, it could be a business property or what have you. Eighty-three such properties had been acquired as at June 30, 2013, at a cost of TT \$146,650,956.95. The amount of land acquired was one million—this is just the land on which these properties rested or properties acquired—1,908,793.7 square metres. Thank you, Mr. Speaker. [*Desk thumping*]

Mr. Imbert: Supplemental. Firstly, could the Minister clarify that he really means square metres—1.9 million square metres—that is 20 million square feet?

Are you aware of that? [*Dr. Rambachan nods head*] Okay. Could the Minister state the percentage completion of the project as of today?

Hon. Dr. S. Rambachan: Mr. Speaker, the project is well advanced. As you know, the Golconda to Debe segment of the project was successfully completed and opened by the hon. Prime Minister. People are using it and it has cut the time down—[*Desk thumping*]*—*from Golconda to Debe if they had to pass through the old route going through Palmiste, it has cut the time down now to just three minutes from Golconda to Debe.

1.45p.m.

Work is proceeding on the Golconda Interchange and on the Debe Interchange. In addition to that, Mr. Speaker, [*Crosstalk*] work has started from the Point Fortin—[*Interruption*]

Mr. Imbert: Mr. Speaker, I asked for the percentage completion. [*Crosstalk*]

Hon. Dr. S. Rambachan:—from the Point Fortin end of the highway. Very—[*Interruption*]

Mr. Speaker: Members, I would like to hear, and I am sure the Hansard reporters would like to record, what the Minister is saying. So I appeal to both sides to allow the hon. Member and Minister to complete his response without any interruptions or interjections. And I am hearing it from both sides.

Hon. Minister, could you continue, please.

Hon. Dr. S. Rambachan: Thank you, Mr. Speaker. I would just repeat what I said.

Mr. Sharma: Start over.

Hon. Dr. S. Rambachan: The highway from Golconda to Debe, 4.5 kilometres, double-lane highway, four lanes, [*Desk thumping*] two going one way, two going the other way, have been completed. The interchange at Golconda is in progress where the bridge is being built to connect that new highway to the existing highway. The Debe Interchange is also being constructed at this time.

Mr. Speaker, as you know, since the beginning of the project, it was the aim of the Government to start the project from both ends and we have successfully started the project now from Dunlop Roundabout to No. 8 Road. [*Desk thumping*] Mr. Speaker, that is 2.5 kilometres of roadway which will be finished before the end of next year and that will be connected to the existing roadway so that users can use that piece of road.

Mr. Speaker, you will be very happy to know that the section from St. Mary's, which is in Oropouche, to Mon Desir Interchange, will also be completed before the end of next year. In fact, part of that highway has already put on the tack coat, as you call it, and will be about to be paved very soon—January/February—which will provide another 4 kilometres of highway.

Hon. Member: Performance! [*Desk thumping*]

Hon. Dr. S. Rambachan: Mr. Speaker, the Mon Desir Interchange is under construction now. The underpass and overpass at Berridge Trace is under construction. The way that we are proceeding, at least 50 per cent of the drivable portion of the highway will be completed before the end of next year, but that does not mean to say only 50 per cent will be completed.

When you take into consideration that a number of bridges on different sections of the highway would also have been built during this intervening period, the percentage will be much higher. A lot of design work has already been completed on all those sections. And, Mr. Speaker, I am very happy to note that in the completion of all of these works, thus far, 93 per cent of the labour has come from local sources and local contractors [*Desk thumping*] and only 7 per cent has been foreign labour, and a number of new local contractors are also coming on the scene. At the moment, just about 30 per cent of the work on the highway has been completed. [*Desk thumping*]

Mr. Imbert: Additional supplemental, Mr. Speaker. Whose idea was it to include a contingency of \$556 million and an escalation fund of \$315 million, which is a total of \$871 million in costs not associated with the tender price of OAS? [*Interruption*] Not at all.

Hon. Dr. S. Rambachan: Mr. Speaker, the Member of Parliament, a former Minister of Works and Infrastructure, and himself a contractor, would always understand that you do not go into contracts without planning for contingencies because you are working into the future, not into the past, and the \$350 million cap is a protection for the Government in that the price escalation on materials cannot go above that. So that this is meant to protect the interest of Trinidad and Tobago and we are well doing that, Mr. Speaker. [*Desk thumping*]

Mr. Speaker: The hon. Member for Point Fortin.

Mrs. Gopee-Scoon: Thank you, Mr. Speaker—[*Interruption*]

Mr. Imbert: Mr. Speaker—Sorry.

Mrs. Gopee-Scoon: Could the Minister—and this is relative to part (b)—[*Interruption*]

Mr. Speaker: No, you were seated, so I recognize the Member for Point Fortin.

Mrs. Gopee-Scoon: Could the Minister—and this is relative to part (b)—confirm whether the acquisition exercise has been completed for those affected persons from the Point Fortin constituency?

Mr. Sharma: Just deal with part (b).

Hon. Dr. S. Rambachan: Mr. Speaker, acquisitions are going on all along the highway. In fact, as we estimated, there are about 700 acquisitions to be done. What has been done is that there is a process which we are using—private treaty negotiations—and we are using this system of acquisition in order to ensure that people are not forcibly made to surrender their lands.

In other words, in the process of private treaty negotiation, the individuals will have a valuator of their choice and that person will do their valuation, and NIDCO has a valuator who will also do a valuation from the point of view of NIDCO, and then they sit at the table in the presence of the person, if the person so wishes, and they arrive at an amicable settlement. In this way, we feel that we would satisfy those who are affected and everyone will be happy.

Mr. Speaker, I am also happy to announce that 44 of the persons whose land or property has been acquired have already received their letters to begin to construct on lands at Petit Morne where over 200 lots have been prepared, fully serviced: water, lights, electricity, what have you, for them to rebuild. This is where their lots have been—properties acquired. Also at Picton, another 44 lots have been developed there for the community of squatters who want to, again, be relocated into one location.

So, Mr. Speaker, things are progressing very nicely—very quietly, but very nicely—and it seems that it is not to the liking of the Members opposite because they felt that this Government would not have been able to proceed and to complete this highway with the speed that we are going, and very successfully at that.

Mr. Speaker: The hon. Member for Point Fortin, again.

Mrs. Gopee-Scoon: Mr. Speaker, I just want to simply ask him: have those persons—affected persons—from the Point Fortin constituency—has the exercise been completed relative to them, the Point Fortin constituency?

Hon. Dr. S. Rambachan: Mr. Speaker, on the segment of the highway that is being built between Dunlop and Lot No. 8, that is what—green fields—and there are just a couple of properties and those are being negotiated, and most, in fact,

have been negotiated. There is one property in which the owner did not want just compensation. Instead, he wanted basic compensation plus an HDC house, and that is in the offing for the particular person.

In fact, just for the benefit of the Point Fortin Member, in that area between Dunlop and La Brea, we have capped 37 wells—37 wells—[*Desk thumping*] in order to facilitate that project. We are building four major box culverts on a bridge in the further segment that will be 200 metres long—about 660 feet—in order to cross over the gas lines, thus reducing the cost it would be if we had to remove all those gas lines.

So the designs are well in the interest of saving money, and that is why we are saying that this project will remain within the budget that we have allocated as a Government. [*Desk thumping*]

Mr. Speaker: I shall allow one final question. There are many questions on the Order Paper. I recognize the Member for Diego Martin North/East.

Mr. Imbert: Thank you, Mr. Speaker. Mr. Speaker, could the Minister state, in the context of a lump-sum fixed price design/build contract, why did the Government add an additional \$556 million for a contingency—I repeat—in a design/build lump-sum contract?

Mr. Speaker: The hon. Minister. I think you had responded, but if you want to repeat it.

Hon. Dr. S. Rambachan: Yes, Mr. Speaker, and as I said again—[*Interruption*]

Mr. Imbert: He has not responded.

Mr. Speaker: All right.

Hon. Dr. S. Rambachan:—if the Member of Parliament wants a debate on that, maybe we can debate that at another time.

Mr. Imbert: “Yuh doh have an answer.”

Mr. Speaker: All right. No, we are moving on now. Let us deal with the next question—question No. 6.

Cabinet Meetings

(Details of)

6. **Miss Marlene Mc Donald** (*Port of Spain South*) on behalf of Dr. Keith Rowley (*Diego Martin West*) asked the hon. Prime Minister:

Could the Prime Minister:

- a) Indicate the number of meetings of the Cabinet of Trinidad and Tobago that were not chaired by the Prime Minister while she was in the country?
- b) Indicate all instances when meetings were held at any other place than the Cabinet office and where and when were these held?

The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal): [*Desk thumping*] Mr. Speaker, the response to question No. 6, part (a): between the period June 04, 2010 to September 12, 2013, there have been 166 meetings of the Cabinet, of which the Prime Minister has chaired 156 meetings or 94 per cent of those meetings. [*Desk thumping*]

Part (b), Mr. Speaker, Members would note that there are three facilities for the hosting of Cabinet meetings, one at the Office of the Prime Minister, St. Clair, a Cabinet room at the Diplomatic Centre, St. Ann's and a Cabinet room and facility at the new Tower D, Parliament facilities.

Mr. Speaker, with that in mind, for the period under review, 2010—2013, we have had 52 meetings at the Diplomatic Centre, St. Ann's; on 11 occasions, meetings took place at the Parliament, Red House; on seven occasions at the Cabinet room in the Parliament building, Tower D.

Mr. Speaker, on seven occasions the Cabinet met in Tobago. Of those seven occasions, five meetings were held at the Coco Reef Resort and Spa, Crown Point, Tobago. [*Interruption*] In 2010, a meeting was held at the Coco Reef Resort on September 02; in 2011, three meetings were held at the Coco Reef Resort on May 19, June 09, which was reconvened on June 10, and December 15.

In 2012, two meetings were held at the Coco Reef Resort: on July 12, reconvened on July 13. On one occasion, a Cabinet meeting was held at Rovanel's Resort, Store Bay, Tobago. This was on December 09, 2010. On one occasion, a Cabinet meeting was held at the Magdalena Grand Beach Resort, Lowlands, Tobago. This was on May 31, 2012. On one occasion a Cabinet meeting—a special Cabinet meeting—was held at the Prime Minister's Philippine residence in 2011.

Thank you very much. [*Desk thumping*]

**Children's Hospital, Central Trinidad
(Details of)**

7. **Miss Marlene Mc Donald** (*Port of Spain South*) on behalf of Dr. Keith Rowley (*Diego Martin West*) asked the hon. Minister of Health:

With respect to the construction of the Children's Hospital in Central Trinidad:

- a) Is the Minister aware of any natural disaster threat which may be associated with the chosen location for the construction of this facility?
- b) Has the Government sought and/or obtained any advice as to the seismic profile and any attendant threats associated with the location?
- c) If the answer to part b) is in the affirmative, which consultant and/or agency provided the advice and what was the advice?
- d) Could the Minister indicate who is responsible for determining and signing off on the design criteria which guide the construction of this facility?

Mr. Speaker: The Hon. Minister of Health.

The Minister of Health (Hon. Dr. Fuad Khan): Thank you very much. The first part of the question as asked, if any natural disaster or threat can be associated with the chosen construct location for the construction of the children's hospital in Central Trinidad: the Minister of Health is aware that any natural disaster can be associated with any facility, construction in Trinidad and Tobago. However, when locating and designing any facility it is mandatory that consideration be given to all threats and risks associated with natural disasters, such as hurricanes and earthquakes.

With respect to the Couva children's hospital, the state agency charged with executing this project, the Urban Development Corporation of Trinidad and Tobago Limited, ensured that the requisite due diligence of a comprehensive geotechnical investigation and a report dated September 30, 2012, was done for this site.

The architect, HKS Engineering, then designed the Couva children's hospital, taking fully on board the findings of the geotechnical investigation, hence mitigating such threats and risks.

The answer to question (b): has the Government sought and/or obtained any advice as to the seismic profile and any attendant threats associated with the location? The answer is yes. UDeCott sought and obtained advice from geotechnical and engineering seismology professionals and consultants in the evaluation of the suitability of the site in respect of its attendant seismic and geotechnical hazards.

Part (c): The company which did the geotechnical investigation and provided this advice was Earth Investigation Systems Limited (EISL). Their advice indicated that the identified seismic and geotechnical hazards posed no untoward threat that could not be addressed by exercising due diligence and adherence to appropriate building codes and standards as currently mandated by the Ministry of Works and Infrastructure's design engineering branch.

Part (d): The Ministry of Works and Infrastructure's infrastructural construction division, which is the design/engineering branch, is responsible for the determining and signing off on the design criteria which guide the construction of this facility.

Mr. Speaker: The hon. Member for St. Joseph.

Mr. Deyalsingh: Supplemental, Mr. Speaker. Could the hon. Minister say if this location was the preferred or first choice location?

Mr. Sharma: Brilliant question.

Hon. Dr. F. Khan: This location was the preferred location for the Couva children's hospital.

Mr. Speaker: Next question. The hon. Member for Point Fortin.

Coronation Park Regional Sporting Facility

13. Mrs. Paula Gopee-Scoon (*Point Fortin*) asked the hon. Minister of Sport:

- A. Could the Minister state whether the refurbishment/upgrade of the Coronation Park Regional Sporting Facility is still being considered?
- B. If the answer to (A) is in the affirmative, could the Minister state:
 - i. the likely start date;
 - ii. the scope of the project;
 - iii. the budgeted cost of the project;
 - iv. when the project is likely to commence; and
 - v. the estimated completion date?

Mr. Speaker: The hon. Minister of Sport.

The Minister of Sport (Hon. Anil Roberts): [*Desk thumping*] Thank you, Mr. Speaker. The answer to question part A, yes. Part B, not possible. There are too many variabilities along the extensive process to ensure transparency,

accountability and value for money which is the hallmark of the Ministry of Sport and Sports Company of Trinidad and Tobago under this People's Partnership Government.

Part (ii): This is to be determined by a qualified independent consultant in collaboration with all stakeholders, thus, parts (iii), (iv) and (v) are not applicable.

Mr. Speaker: Hon. Member for Point Fortin.

Mrs. Gopee-Scoon: Thank you. Supplementary question to the hon. Minister of Sport: do you realize that in 2011, you gave a commitment to this House that this project will, in fact, begin in 2014? This is a project that had been approved by the previous administration for \$30 million. Are you aware that you gave a commitment in 2011 to begin this project under phase two of several projects in your Ministry?

2.00 p.m.

Mr. Speaker: Hon. Minister of Sport.

Hon. A. Roberts: Thank you, Mr. Speaker. Yes, I am aware and phase 1 is not yet complete, so phase 2 has not begun. So, this Government will take every measure to ensure that not only Coronation Park in Point Fortin, but 472 other recreation grounds across Trinidad and Tobago [*Desk thumping*] get rehabilitated due to the neglect of the People's National Movement over the last eight years, from 2002—2012, where the Sports Company of Trinidad and Tobago under the then PNM, with an Executive Director and a CEO, spent \$400 million and only completed seven recreation grounds.

Mr. Cadiz: Oooh!

Hon. A. Roberts: So this Government shall ensure—as we can say right now, the aquatic centre, the cycling velodrome have reached 28 per cent completion, heading towards December 2014 completion date. The tennis centre is moving fast ahead. Four regional centres have begun across Trinidad and Tobago, and another five to begin in the next two weeks. Thirty-two pavilions have been constructed, all for less than that \$400 million that was wasted under the People's National Movement.

Thank you, Mr. Speaker.

Mr. Speaker: The hon. Member for Laventille East/Morvant.

Miss Cox: Supplemental, Mr. Speaker, for the Member for D'Abadie/O'Meara. You mentioned 72 grounds, is Morvant Recreation Ground one of those grounds being refurbished?

Hon. A. Roberts: Mr. Speaker, I would love to answer every single question, but I know that the Member for Laventille East/Morvant, as lovely as she looks, could file a question and I will answer everything that she would like.

Miss Cox: You say 72 grounds.

Miss Mc Donald: Supplemental, please.

Mr. Speaker: Yes. The hon. Member for Port of Spain South.

Miss Mc Donald: Yes, to the Minister of Sport. Can you tell me whether in the 72 grounds—I have been indeed asking for quite some time—whether the St. Paul Street grounds has been completed, please?

Mr. Speaker: Hon. Minister of Sport.

Hon. A. Roberts: Thank you, Mr. Speaker. The hon. Chief Whip will know that she too can file a question and I will be glad to answer any and all questions to the best of my ability, unlike the former PNM who left 128 unanswered questions in their previous regime. [*Desk thumping*]

Mr. Speaker: The hon. Member for Point Fortin.

La Fortune/Lake View Housing Project (Details of)

14. Mrs. Paula Gopee-Scoon (*Point Fortin*) asked the hon. Minister of Housing and Urban Development:

With respect to the La Fortune/Lake View Housing Project, could the Minister state:

- a) what percentage of work has been completed to date;
- b) how many housing units are now completed; and
- c) when these units will be distributed?

The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal): Thank you very much. Mr. Speaker, question No. 14, part (a)—53.5 per cent. Part (b)—units are forecast to be completed as follows based on the contractors submitted programme:

Phase 3, 98 units by December 20, 2013; phase 2, 57 units by April 30, 2014; phase 3, 75 units by May 15, 2014; phase 4, 120 units by May 24, 2014.

In relation to part (a), Mr. Speaker, please note that one of the critical problems associated with this housing estate, as with others as well, is that the site

was designed without consideration for a wastewater treatment plant. That type of work had to be done post-May 2010. It is now being undertaken and we expect that the wastewater treatment plant will be completed by September 09, 2014. [*Desk thumping*]

Mr. Speaker: The hon. Member for Point Fortin.

Mrs. Gopee-Scoon: Thank you. I think you have identified just over 100 units to be completed in three phases. I do not know if I got your statement correct.

Mr. Speaker: Just ask a question, please.

Mrs. Gopee-Scoon: I have to preface it. So therefore, when will the other units, that is, amounting to the 400 in total be completed?

Mr. Sharma: Soon!

Mrs. Gopee-Scoon: Four hundred plus as a matter of fact.

Mr. Sharma: Soon! Soon!

Mr. Speaker: The hon. Minister of Housing and Urban Development.

Hon. Dr. R. Moonilal: As I indicated, Mr. Speaker, we expect to complete this project, 422 units, by mid-2015.

Mr. Speaker: The hon. Member for Point Fortin. Do you have another supplemental or are you going to the next question?

Mrs. Gopee-Scoon: have another supplemental.

Mr. Speaker: All right. Proceed.

Mrs. Gopee-Scoon: Could the hon. Minister advise whether or not those recommendations made by me regarding fire victims and the severely ill will in fact be considered?

Mr. Speaker: That is not part of this question here. You want to ask another supplemental?

Mrs. Gopee-Scoon: This is with regard to the houses for distribution in the first phase.

Mr. Speaker: If the Minister is so desirous, he can answer. Minister?

Hon. Dr. R. Moonilal: Thank you, Mr. Speaker. The HDC policy is to consider, and where units are available, provide units for persons under emergency conditions, fire victims and victims of other types of disasters.

**Southern Gardens, Point Fortin
(Unoccupied Housing Units)**

15. Mrs. Paula Gopee-Scoon (*Point Fortin*) asked the hon. Minister of Housing and Urban Development:

With respect to Southern Gardens in Point Fortin, could the Minister state:

- a) how many housing units remain unoccupied;
- b) what is the reason for delay in distributing these; and
- c) when will these be distributed?

The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal): Thank you very much, Mr. Speaker. Question No. 15, part (a). As at November 19, 2013, settlements and community relations, allocations and distribution, as well as asset and trust records, confirmed that there are a total of 10 housing units which are unoccupied.

Part (b), there is no delay in the distribution of these units.

Part (c), as at November 19, 2013, allocations and distributions records show that of the 10 units that are unoccupied, six units have been allocated. These six units will be handed over to the beneficiaries upon completion of remedial works. The remaining four units are for sale and are available to citizens, who having been approved for housing, indicate their interest in securing these properties and qualify financially for purchase.

STATEMENTS BY MINISTERS

Mr. Speaker: The hon. Minister of Education.

**CXC Regional Awards to
Trinidad and Tobago Students**

The Minister of Education (Hon. Dr. Tim Gopeesingh): Thank you, Mr. Speaker. Today I consider it a privilege and an honour to inform this esteemed House of the outstanding achievements of Trinidad and Tobago's students in the May/June 2013 regional examinations of the Caribbean Examination Council.

In recognition of their superior performance in the Caribbean Advanced Proficiency Examination (CAPE) and Caribbean Secondary Education Certificate (CSEC) examinations, several of our students will receive regional top awards from the CXC at a ceremony to be held in Guyana on Thursday, December 05, 2013.

Mr. Speaker, since 1988 the Caribbean Examination Council has honoured candidates for outstanding performances in the CSEC examinations. The awards

are presented for the most outstanding candidate overall and the outstanding in humanities, sciences, business education, technical and vocational education; best short story; best visual arts two-dimensional and best visual arts three-dimensional.

In June 2006, with the advent of CAPE, CXC introduced awards for outstanding performances in the CAPE examinations. These awards are for the most outstanding candidates overall and for outstanding performance in business education, information and communication technology, environmental science, humanities, mathematics, modern languages, natural sciences and technical studies. The most outstanding candidate overall receives the Dennis Irvine Award. These awards are based on criteria developed by the Caribbean Examination Council.

This year, Mr. Speaker, it is with great pride that I indicate that eight students from Trinidad and Tobago captured awards for outstanding performances in the CAPE examinations as follows:

- Shelemiah Peterkin of St. Joseph's Convent, St. Joseph, receives the award for the most outstanding in business study with Grade I in eight units [*Desk thumping*]; accounting Units I and II, Caribbean studies, communication studies, economics Units I, management of business Units I and II.
- Stephen Prince of Hillview College gets the award for information and communication technology [*Desk thumping*] with Grade I in 10 Units—applied mathematics Units I and II, Caribbean studies, communication studies, computer science Units I and II, physics Units I and II, pure mathematics Units I and II.
- Ronan Narine of North Eastern College—that is a government school, government managed—takes the environmental science award [*Desk thumping*] with Grade I in eight units—biology Units I and II, Caribbean studies, communication studies, environmental studies Units I and II, and geography Units I and II.
- Maryam Archie of St. Joseph's Convent, San Fernando, cops the award—that is the CXC Caribbean award—for mathematics. Maryam received Grade 1 [*Desk thumping*] in 10 units—applied mathematics Units I and II, chemistry Units I and II, Caribbean studies, communication studies, physics Units I and II, and pure mathematics Units I and II.

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- Elise Francis of St. Joseph's Convent, San Fernando, again, win the award for technical studies with Grade I in eight units—[*Desk thumping*] art and design Unit I, Caribbean studies, communication studies, chemistry Unit II, physics Units I and II, pure mathematics Units I and II, and Grade II in art and design Unit II and chemistry Unit I.

Mr. Speaker, two students received the award in Modern Languages: Brendan Hatch of Fatima College and Zakiyah Ali of St. Joseph's Convent, Port of Spain. [*Desk thumping*]

- Brendan received Grade I in eight units—Caribbean studies, communication studies, chemistry Units I and II, French Units I and II, and Spanish Units I and II.
- Zakiyah achieved Grade I in eight units—Caribbean studies, communication studies; French Units I and II, geography Units I and II, and Spanish Units I and II.
- Jean-Luc Duval of St. Mary's College [*Desk thumping*] obtained the natural science award with Grade I in nine units—biology Units I and II, Caribbean studies, communication studies, chemistry Units I and II, Units I and II, and pure mathematics Unit I.

Mr. Speaker, it should be noted that students from Trinidad and Tobago have and continue to receive these prestigious CAPE awards. They received in the past.

In 2010, our students won five of the top nine awards including the Dennis Irvine Award, the symbol of academic excellence in the region.

Mr. De Coteau: Good, good, good!

Hon. Dr. T. Gopeesingh: This award was won by a student of Presentation College, San Fernando. In 2011 and 2012, our students received eight of the nine top regional awards inclusive of the Dennis Irvine Award which was won by students from Presentation College, San Fernando, 2011, and St. Joseph's Convent, St. Joseph, 2012. This year, as I mentioned, Mr. Speaker, we have received eight of the top regional awards again.

Hon Member: Wow! [*Desk thumping*]

Hon. Dr. T. Gopeesingh: Mr. Speaker, at present 92 public and private secondary school students write the CAPE examinations—out of the 134—and this Government is moving swiftly to ensure that all 134 schools do commence examinations in CAPE within the relatively short period of time. These schools at the moment comprise 42 government writing CAPE, 38 government-assisted

which are the 18 denominational boards, and 12 private secondary schools. Mr. Speaker, students registered for 24 subjects in seven subject groupings: sciences, mathematics, humanities, business, technology, technical studies—which we are placing a tremendous emphasis on—and also the “STEM” areas in education: science technology, engineering and mathematics.

Mr. Speaker, our students have consistently demonstrated excellent performance under CAPE. In 2013, 93 per cent of the subject entries from the students obtained passing Grades I to V in Unit I, compared to 93 per cent in 2012, 92.8 per cent in 2011 and 88 per cent in 2010. There has been incremental performance achievement by the students in both CAPE Units I and II.

In CAPE Unit 2, 92.3 per cent obtained Grades 1 to V passes compared to 91.6 per cent in 2012, 93.3 per cent in 2011 and 88 per cent in 2010. So we have moved from 88 per cent now to close to 94 per cent of the students passing Grades I to V at the CAPE examination.

In fact, Mr. Speaker, I have some results here for pass rates in CAPE I. In biology—that is in the sciences—biology, chemistry, physics, environmental science—95.5 per cent, chemistry 89.1, physics 96.3, and environmental science, 98.4. So in that category of sciences, 94.8 per cent of the students passed with Grades I to V, and approximately 65 per cent passed with Grades I to III.

In the mathematics category, we have pure mathematics 83.8 per cent, applied mathematics, 96.9 and the category average is 90.4. Also good passes in humanities, business—what I want to state is about technology.

2.15 p.m.

Information technology in computer science and electronic technology: 91.9 per cent of the students have passed with Grades I to V. [*Desk thumping*] We are paying tremendous emphasis on that, Mr. Speaker, as we are transforming our education system to meet the world of work, which my hon. colleague, Minister Fazal Karim, has been working assiduously to ensure that the workforce is prepared for the world of work.

Mr. Speaker, over the years, the Government of the Republic of Trinidad and Tobago has recognized and rewarded our students for excellence in academic performance at the advanced level, starting with the Cambridge General Certificate of Examination and now the CAPE. This year, the People’s Partnership Government has awarded 428 scholarships comprising 71 open and 357 additional scholarships based on the results of the CAPE at an estimated annual

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cost of approximately \$58 million.

Scholarships were awarded in 10 subject groups which included business, environmental science, languages, mathematics, modern studies, humanities, natural science, technical studies, technological studies, general studies and visual and performing arts. Additionally, two students—one from Presentation College, Chaguanas and the other from St. Joseph's Convent, St. Joseph—were awarded the prestigious President's Medal, as we announced recently, for overall outstanding performance in the mathematics/natural science/environmental studies category and the business/languages/modern studies/technical, technological, general studies/visual and performing arts category, respectively.

Mr. Speaker, it is to be noted that the number of scholarships awarded on the basis of CAPE has increased steadily under the People's Partnership administration over the last three years and five months. Three hundred and twenty-nine scholarships were awarded in 2010; 354, an increase of 25, were given in 2011; 372 in 2012 and now 428 in 2013. These scholarships were distributed across the different school types. So, in the four years, we had the opportunity of giving scholarships to students, we gave 1,483 scholarships [*Desk thumping*] over the four periods that we had the opportunity to do so.

Mr. Sharma: Well done! Well done!

Hon. Dr. T. Gopeesingh: One thousand, four hundred and eighty-three scholarships. [*Desk thumping*]

Mr. Speaker, one out of every eight students approximately now writing CAPE receives a scholarship—[*Interruption*]

Hon. Member: Wow! [*Desk thumping*]

Hon. Dr. T. Gopeesingh:—from this Government. [*Desk thumping*] Approximately one out of every eight.

Mr. Speaker, we are proud to say that the government schools now are catching up with the government-assisted schools in terms of the performance. In 2010, 25 government-assisted received scholarships and 12 government; 2011, 26 government-assisted, which are the denominational-run schools where, you know, they get the best 20 per cent at the top, but the government schools are now catching up. Twelve of the government schools in 2012 received scholarships. [*Desk thumping*] In 2013, another 11 received scholarships and government-assisted received 27 of the scholarships they received at that, and even two of the private schools received open scholarships.

So, Mr. Speaker, the People's Partnership Government led by the hon. Prime Minister, Mrs. Kamla Persad-Bissessar, whose vision for education transcends almost everything else that when she speaks, she speaks about education; we can see education moving across all institutions now and with improved performance and increased capabilities and competencies by our students.

Mr. Speaker, at the level of the CSEC—CSEC now, two students from Trinidad and Tobago received the regional top awards for outstanding performance in 2013. Nathaniel Adiah of Presentation College, Chaguanas and Aimee De Montbrun of Holy Name Convent in PortofSpain are the winners respectively in the CSEC area.

It is important to indicate as well that the SEA results, we have had outstanding achievements improving over the last three years. Within the last three years, we have moved the performance of the SEA students from students getting greater than 50 per cent from 58 per cent now to 72 per cent of the students getting greater than 50 per cent. Fourteen per cent of the students in about 2009, 2010, were getting less than 30 per cent. Now we have reduced that significantly to only 6 per cent. We still have a long way to go but we are working there.

Mr. Speaker, according to the world benchmarking on the programme for international reading and literary studies, our Standard 3 students now who are benchmarked internationally with about 45 different countries, we have shown an improvement of at least 35 points in our literacy programmes and achievements. So students now in Form 3 have advanced by at least six points in their capacity and capability in literacy work. Because of the new primary school curriculum which we have completed and the advent of the continuous assessment component, we have improved language arts by 10 per cent and creative writing has increased by 12 per cent as well; has improved in performance.

So, Mr. Speaker, in recognition of the outstanding achievements, CXC will present all of the students that we mentioned with awards at a ceremony to be held on Thursday, December 05, 2013 at the National Cultural Centre in Georgetown, Guyana. Awardees will receive monetary prizes, plaques and books as part of the prize package. It was the work of the hon. Prime Minister, again, when she indicated that every student placing in the first 200 in the SEA examination would receive a \$1,000 gift certificate organized by the Unit Trust Corporation. We have given the students in 2009, 2010, 2011 and 2012, in the first 200, gift vouchers of \$1,000 for each one of these students last year, and this year, hopefully, in January, we will do so for the students in 2013.

So, Mr. Speaker, on behalf of the Government and on behalf of the Ministry of Education, I take this opportunity to congratulate all our students who have demonstrated excellence in both the CAPE and the CSEC in 2013, and in fact, all of the students who continue to do very well in our education system, and to encourage all our students who will be writing in the future to continue to strive for such excellence. Mr. Speaker, I thank you. [*Desk thumping*]

Ministry of Community Development, Culture and Gender Affairs
Findings Re: Scholarships Awarded

The Attorney General (Sen. The Hon. Anand Ramlogan SC): Thank you very much, Mr. Speaker. By Cabinet Minute No. 421 dated March 14, 2002, the previous administration took a decision to establish a Community Development Scholarship Programme. The programme of scholarships focused on providing financial assistance to facilitate training and study in traditional and non-traditional areas. There was no public announcement of this significant decision of the Cabinet. It was significant because, of course, there was already in existence scholarships, as we just heard from the hon. Minister of Education, that were state-sponsored, and with those scholarships which are merit based, you have national scholarships, additional scholarships and indeed open scholarships. The provision of financial assistance under this programme was disguised as bursaries or scholarships provided by the state using public funds, and this would have obviously been a matter of grave public importance and public interest because there are needy students who would want to apply for these scholarships.

In the absence of any public announcement, this matter came to light by virtue of certain revelations, and when it came to light, as you then were a Senator, Sen. Wade Mark, posed questions in the Parliament concerning the disbursement of these funds. At the time, the question posed related to whether financial assistance was in fact being provided by the Government, and if so, on what basis that financial assistance was being given; what was the criteria by which these bursaries or scholarships were being provided and who were the beneficiaries, what was the amount.

In response, the present Member of Parliament for Port of Spain South and the then Minister with responsibility indicated that the beneficiaries and the amounts they received were private and personal information and to disclose how much money they were given as financial assistance would be unreasonable disclosure of their personal information, and as such contrary to section 30(1) of the Freedom of Information Act, and hence no details were given. This, of course,

came as a complete surprise to the national population because the names of scholarship winners were routinely published in the newspapers as we are accustomed to seeing, and of course, the value of the scholarships, and where they would be taken up, what degrees they would read and so forth.

Subsequent information in fact showed that the magnitude of the fund was more than twice as originally thought by the then Sen. Wade Mark who had raised the matter in the Senate as a matter of public importance via questions on the Order Paper. Indeed, on December 03, 2009, Mr. Devant Maharaj, now Minister in this administration, lodged a complaint with the Equal Opportunity Commission. That complaint alleged gross unfairness and discrimination in the disbursement of funds and in the award of scholarships under the previous administration through the Community Development Scholarship Programme.

Mr. Speaker, the Equal Opportunity Commission investigated this matter and they provided their report and that report, and I quote, concluded:

“...the entire process for awarding”—scholarships—“was not conducted fairly, legitimately and/or with the intention of allowing all eligible persons an equal opportunity to access financial assistance for education from public funds.”

The commission, therefore, in light of that indictment and in light of that damning finding, recommended that and I quote:

“...a forensic audit be conducted by the appropriate authority in relation to the disbursements of funds to persons.”

Mr. Speaker, the hon. Prime Minister, the Member for Siparia, on October 17, 2011, raised this matter in the House in the context to show the extent of political discrimination in the administration of this fund. In fact, when one analyzed the recipients, it was shown that the majority of recipients came from constituencies that were controlled by the former administration, and indeed, there was gross discrimination both in terms of demographics, even in terms of gender and of course, in terms of the racial distribution—93 per cent were non-Indians.

The corrupt management of this secret scholarship slush fund was so bad that the former Prime Minister recommended a Grenadian national and had the temerity to write a note to the then Minister of culture and community development, Joan Yuille-Williams to say handle this quietly and give the scholarship.

Mr. Sharma: “What ah shame!”

Hon. Member: Quietly?

Sen. The Hon. A. Ramlogan SC: Mr. Speaker, pursuant to the recommendation made by the Equal Opportunity Commission, Cabinet appointed a team to conduct a forensic audit into the award of these scholarships by the former Ministry of Community Development, Culture and Gender Affairs for the period 2003—2007. The team that was selected was PricewaterhouseCoopers, and it was engaged to identify the underlying reasons for this programme, determine whether it was in keeping with best international practice bearing in mind the requirements for transparency and accountability in government departments; determine how the programme was administered, whether it was advertised, the application procedure, the evaluation process and criteria, the approval and issuance of disbursements to the successful recipients, and to see whether there were any checks and balances in place; identify how the applicants gained knowledge and access to this scholarship programme, and to evaluate whether it was in fact open to all nationals of Trinidad and Tobago, and they all had an equal opportunity to apply to access this funding.

2.30 p.m.

Mr. Speaker, the methodology of PricewaterhouseCoopers in conducting this forensic audit was based on a thorough examination of the records received from the Ministry of Community Development, Culture and Gender Affairs, the Comptroller of Accounts at the Treasury Division, of the Office of the Prime Minister, the investigation conducted by the Equal Opportunity Commission, the Cabinet records, programme administrators, overseas missions, reports to the selection committee, responses to questions from the Integrity Commission and Parliament Opposition, by the former Ministers and the public officers.

Interviews were conducted by employees of the Ministry with responsibility for the administration of this programme, including the former permanent secretary, the former administrators of the programme and, of course, the former internal auditor. Mr. Speaker, today I present the findings of that forensic audit.

1. The Community Development Scholarship Programme was not administered in a manner customary for programmes of this nature to ensure that the programme was open to all nationals.

So the first finding is that the programme was not open to all nationals. It was not advertised, there was no transparency and therefore, as a consequence of that,

there could be no equality of opportunity for citizens to apply. If you do not know that something exists, you cannot access it by submitting an application.

2. The processes which led to the award of scholarships were not based on an objective, measurable and unambiguous criteria.
3. The following were identified as irregularities and anomalies with the documents presented and the decision to award compared to the guidelines cited by the selection committee:
 - a. Two hundred and twenty-five persons with no application on file received funding in excess of \$10 million in aggregate over the period.

The exact figure is \$10,997,552. That is just 225 persons, without any application on file, close to \$11 million is disbursed.

- b. Twelve hundred and ninety-five applications on files submitted, which is 68 per cent of all the applications, contained no documentation whatsoever to provide any evidence of financial need or socio-economic circumstances such as a means test questionnaire or otherwise.

In other words, the whole justification, the socio-economic justification, and a relevant consideration which would have obviously been that you are in need of financial assistance to pursue your studies, that was nowhere to be found in 68 per cent of the cases because there was no means test, no financial information submitted so that the “raison d’être” and justification advanced by the Cabinet—
[*Interruption*]

Mrs. Gopee-Scoon: “Raison d’être”? Raison d’être.

Sen. The Hon. A. Ramlogan SC:—simply did not exist.

Hon. Member: Free-for-all.

Sen. The Hon. A. Ramlogan SC: It was a virtual free-for-all.

- c. Four hundred and twenty of the applicants that provided no evidence of financial need in their applications received funding amounting to \$20,180,034, in aggregate.

Mr. Indarsingh: Check out the contents. That is the bottom line.

Sen. The Hon. A. Ramlogan SC: That is 420 applicants, who provided no evidence whatsoever of financial need, getting over \$20 million to pursue their studies. The irony eh, the irony is that those who were in need got less than those who had no need.

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Mr. Speaker, the Cabinet, through Cabinet Minute 421 of 2002 dated March 14, stipulated that recipients were entitled—this is the former administration. They said that persons who received this funding must enter into an agreement with the Government to serve in their respective communities for a designated period. Mr. Speaker, that is the norm, the Minister of Education will tell us that when scholarships are granted, you are bonded to serve the State. Taxpayers are financing your education, you are bonded to serve the State. So therefore, it was a requirement that you would, in fact, enter into a similar agreement so that you will serve in your community and give back to the country. No such agreement was entered into.

5. The application process was unstructured, inefficient and did not facilitate a timely review and objective and transparent evaluation. Applicants' submissions were primarily in the form of typed and even handwritten letters to the Minister, as no standard application form or specific list of required documents existed.

So, not only citizens did not know about this scholarship, slush fund, but to apply for it, you could just hand write a letter and send it to the Minister and you will get moneys, and \$20 million-plus is disbursed for 420 persons. No. 6—
[*Interruption*]

Dr. Khan: Who was the Minister?

Sen. The Hon. A. Ramlogan SC:

6. Scholarship disbursements exceeded the amounts allocated by the Ministry of Finance for this programme.

So that even though the Ministry of Finance gave an allocated amount to finance this programme, they exceeded it to the tune of \$19,797,066. Over \$19 million, close to \$20 million in excess of what the Ministry of Finance vote provided for it.

Mr. Indarsingh: Scandalous!

Sen. The Hon. A. Ramlogan SC: Mr. Speaker, that is why the then Sen. Wade Mark raised this matter in the Parliament and now, in retrospect, one can understand why people were so reluctant to provide the answers.

7. Twenty-two persons who received an aggregate funding of over \$100,000 had no application whatsoever.

And these are the findings of PricewaterhouseCoopers.

8. Ministry employees collected cheques on behalf of recipients and beneficiaries.

“Ministry employees collecting it.”

9. The authority for approving awards rested solely with the Minister.

In other words, nothing went to the Cabinet to be approved. It was the Minister who was in sole control.

Mr. Speaker, the legal position and the legal implications and ramifications and the legal consequences of these findings are matters that the Government must take on board. Based on the findings of the PricewaterhouseCoopers forensic report, it is clear that sufficient evidence exists against the former Minister to warrant charges for misconduct and misbehaviour in public office and conspiracy to defraud. Counsel has advised that the administrators of the fund should also be investigated for these offences of misconduct and misbehaviour in public office and conspiracy to defraud. Counsel has further recommended that investigations be done into questionable payments where employees of the Ministry collected cheques on behalf of certain recipients. There appears to be a clear breach of section 24 of the Integrity in Public Life Act with regard to the disbursement of funds to even relatives of those who served on the selections committee.

In this regard, a recommendation has been made that a complaint be made to the Integrity Commission.

Hon. Member: “No skull”.

Sen. The Hon. A. Ramlogan SC: Mr. Speaker, section 24 of the Integrity in Public Life Act provides that a person in public life—

“...shall ensure that he performs his functions and administers the public resources for which he is responsible in an effective and efficient manner and shall—”

in so doing—

“...be fair and impartial in exercising his public duty;

(b) afford no undue preferential treatment to any group or individual;”

Subsection (3)—

“No person to whom this Part applies shall be a party to or shall undertake any project or activity involving the use of public funds in disregard of the Financial Orders or other Regulations applicable to such funds.”

Mr. Speaker, it is clear that there is a prima facie case of a breach of the Integrity in Public Life Act, to wit, section 24, and of course serious grounds for suspicion regarding the commission of the criminal offence of misbehaviour and misconduct in public office have been raised.

The preamble to the Constitution of Trinidad and Tobago, which is the supreme law of this land, Mr. Speaker, asserts that the people of Trinidad and Tobago have respect for the principles of social justice and believe in the operation of the economic system which should result in the material resources of the community being distributed so as to subserve the common good. Indeed, it provides that there should be, and I quote, the:

“...opportunity for advancement on the basis of recognition of merit, ability and integrity;”

—Merit, ability and integrity. There can be no opportunity for recognizing merit, ability and integrity if there is no equality of access to opportunities provided for by the State, and the failure to advertise the secret scholarship slush fund which was disbursed to friends, family and supporters, in the manner that it was, amounts to a fracture and the infliction of great harm on the constitutional provisions of this country.

Mr. Speaker, section 4 of our Constitution provides that:

“there...shall continue to exist, without discrimination by reason of race, origin, colour, religion or sex, the following fundamental...rights and freedoms...”

And section 4(d) of the Constitution provides that there shall be:

“...equality of treatment from”—a—“public authority in the exercise of”—its—“functions;”

We are all equal before the law. We have the equal right to protection from the law, but no man or woman must be above the law. [*Desk thumping*]

It is in those circumstances, having regard to the findings of the PricewaterhouseCoopers report, there is clear evidence that taxpayers’ moneys were used in a secretive manner to fund this secret scholarship programme and the evidence shows that many of the beneficiaries were directly affiliated and linked to the former administration and the PNM in a way that is scandalous, vulgar and outrageous.

Mr. Speaker, the disbursement of these funds had a distinct political complexion and undercurrent. The ulterior political motive was clear. Indeed, some of the recipients of those so-called scholarships are today appointed recently as aldermen, councillors—[*Interruption*]

Hon. Member: What?

Sen. The Hon. A. Ramlogan SC:—and some of them even serve in the media. Mr. Speaker, it is in those circumstances that the Cabinet took a decision to lay the forensic report, prepared by Pricewaterhouse, in this honourable Parliament so that it can be made available for public inspection and so that the Parliament can take note of the serious findings of that report. [*Desk thumping*]

The Cabinet has also decided and mandated that the findings of this report must be referred to the Integrity Commission and the Commissioner of Police for an immediate investigation. I thank you very much. [*Desk thumping*]

JUDGES SALARIES AND PENSIONS (AMDT.) BILL, 2013

Bill to amend the Judges Salaries and Pensions Act, Chap. 6:02 [*The Attorney General*]; read the first time.

Mr. Speaker: The hon. Leader of the House, Minister of Housing and Urban Development.

JOINT SELECT COMMITTEE (APPOINTMENT TO)

The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal): Mr. Speaker, I beg to move the following Motion:

Be it resolved that this House agree to the establishment of a Joint Select Committee to consider and report on the following Bill ‘An Act to repeal and replace the Insurance Act, Chap. 84:01; to reform the law relating to insurance companies; to regulate insurance businesses and privately administered pension fund plans and for other related purposes’, and that this Committee be empowered:

- (i) to discuss the general merits of the Bill along with its details
- (ii) to adopt as part of its work, the work of the Committee previously appointed in the 3rd Session; and
- (iii) be mandated to report by January 31st, 2014; and

And Be it further resolved that this House appoint the following six Members to serve with an equal number from the Senate:

Mr. Jairam Seemungal, MP

Dr. Delmon Baker, MP

Mrs. Carolyn Seepersad-Bachan, MP

Mr. Stephen Cadiz, MP

Mr. Colm Imbert, MP

Miss Marlene Mc Donald, MP

Question put and agreed to.

Mr. Speaker: The hon. Minister of Finance and the Economy.

EXCISE DUTY (COMPRESSED NATURAL GAS) ORDER, 2013

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):

Mr. Speaker, I beg to move the following Motion:

Whereas it is provided by section 13(2) of the Excise (General Provisions) Act, Chap. 78:50 that the Minister may by Order impose any new excise duty or increase any excise duty and from the date of publication of the Order in the *Gazette* and until the expiry thereof the duties specified in the Order shall be payable in lieu of the duties payable prior thereto; and

Whereas it is provided by the said subsection, that every Order issued under that subsection shall, after four days and within twenty-one days from the date of its first publication, be submitted to the Senate and the House of Representatives and the Senate and the House of Representatives may by Resolution confirm, and or revoke such Order, and upon publication of the Resolution of the Senate and the House of Representatives in the *Gazette*, the Resolution shall have effect and the Order shall then expire; and

Whereas the Excise Duty (Compressed Natural Gas) Order, 2013, was made under section 13(2) of the Excise (General Provisions) Act, and first published in the *Gazette* on the 8th day of October, 2013; and

Whereas it is expedient to confirm the said Order:

Be it resolved that the Excise Duty (Compressed Natural Gas) Order, 2013 be confirmed.

2.45 p.m.

Mr. Speaker, the Order provides for the full reduction in the excise. Members would have seen the Order dated September 30, 2013, which indicated that the excise duty on compressed natural gas will be reduced to 0.000 and that the Excise Duty Order, 2008 is revoked. What is the context for this adjustment? The context is the Government's overall strategy for moving away from the consumption of subsidized gasoline and encouraging the uptake of natural gas.

It is part of Government's overall approach to ensuring that we see a reduction in the fuel subsidy rationalization of the price XNGC. Currently there are different prices between NP and the other wholesaler and retailer of natural gas and it will also see a reduction in the retail price of CNG from TT \$1.07 to \$1 per litre of gasoline equivalent or LGE. The \$1.07 reduction comprises, of course, the 5 cent reduction in the excise, as well as a reduction in the retailers' margin that is available to the various retailers of natural gas at the moment. So, what we are doing, Mr. Speaker, is we are seeking to introduce a rationalization of pricing and a rationalization of the allocation of various margins among the different constituency groups that are involved in the retail of CNG. The reduction in this duty is intended to make the price of CNG, as I said, attractive and the reduction will result in an actual reduction in income for the Government of approximately \$300,000.

The 2012 consumption of CNG was estimated at about \$3.1 million LGE or litres of gasoline equivalent. Over the first two years of phase I of what we call phase I of the implementation of our new programme for the implementation and widespread use and adoption of compressed natural gas; we expect to see the actual utilization continue to grow. It is estimated that when phase I is completed we will see an overall reduction to Government as a result of the price change that we have introduced of \$7.3 million or \$7.29 million but, as a consequence of the reduction in the utilization of subsidized gasoline, we expect that the savings to the Government will be approximately \$321 million. Overall, Mr. Speaker, what we intend to see here or what we are intending to accomplish is an increased uptake in the use of CNG, which we expect to be small, initially, as we start the process, but which we expect will continue to increase over the different phases of our roll-out of this programme.

Just as some background, Mr. Speaker, you may be aware that during the course of the last budget speech we indicated that there will be an overall approach, over the next five years, to gradually convert approximately 100,000

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vehicles to CNG and as a consequence of that, as we go through that phase, we will see a gradual removal of the fuel subsidy. The intention here is to start this process and we are actually starting with the fleet of PTSC buses. Members may have seen that the Government has indicated an interest in acquiring approximately 100 new CNG buses and gradually converting the existing fleet of about 300 buses to CNG. [*Desk thumping*]

You may also have seen, in the vicinity of Sea Lots, work going on by the NGC for the construction of a new filling station on the compound of the PTSC in that area, with a view to accommodating the provision of compressed natural gas initially for buses, but eventually to pick up also the maxi-taxis that come into that general area.

The intention, Mr. Speaker, is to build a new gas station there, which will be dispensing CNG. We expect that that gas station will be in place by September of next year, September 2014. However, we will be putting in place a temporary facility comprising a compressor and two fuelling pumps which will allow the filling of approximately 60 buses on an overnight basis, using that temporary facility until we get to the more permanent facility, which we expect to complete, as I said, by September of next year. That process will allow us, from early next year, when the first set of buses come in, to start using these compressed natural gas buses throughout Trinidad and Tobago. The annual savings per bus will be approximately \$18,000 per annum. We expect that eventually, over time, as we complete the full conversion of the entire fleet, that the savings will be in the region of about \$77 million per annum.

Mr. Speaker, the plan is starting to roll out for us to move gradually to the adoption of CNG. This will result in a lower carbon footprint for Trinidad and Tobago. You know that Trinidad and Tobago has one of the highest per capita carbon footprints in the world, simply because we have a very aggressive, very dynamic, very proactive energy sector and because of that, of course, the associated production of greenhouse gases tends to be larger for a small population such as ours. It, therefore, results in a very high per capita carbon footprint. So this will start the process of reducing the—[*Interruption*] but I do not need to give way now. I mean, you could respond once I am finished. [*Interruption*] You want to ask a question? Okay, go ahead. Let me let him ask his question.

Mr. Imbert: Mr. Speaker, I thank the Minister for giving way. I am not sure if I heard the Minister correctly. This measure will reduce the price of CNG itself,

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and if so, what would be the new price of CNG? I also heard the Minister speak about a reduced margin for dealers. What is the current margin and what would be the new margin?

Sen. The Hon. L. Howai: Okay, the reduction will be to \$1 from \$1.07 and the overall margin will be reduced by 2 cents.

Mr. Imbert: From?

Sen. The Hon. L. Howai: No, I do not have that number here. I think it is from 17 cents to 15 cents. Yeah, I think so. I am subject to correction on that but I think that was the number.

What we will be doing, Mr. Speaker, is over time, we will introduce the overall reductions that we are seeking to do and we will actually come up with an entirely new schedule of reallocation of the margins as we go along. As we said that, over time we expect to see this movement that we are making with CNG to result in savings—in the subsidy that Government provides—of approximately \$321 million.

At the end of the entire implementation of the programme, we are hopeful that at the end of that five-year period, we will see a full reduction of \$3.45 billion, in terms of the subsidy that Government produces on an annual basis and this subsidy can then be utilized for a number of other areas of government business and a number of areas of providing services to the population of Trinidad and Tobago. It is expected that this particular level of savings will continue to increase as we go forward, depending on what happens with the price of gasoline or the potential savings and depending on what happens with the number of vehicles and the volume of vehicles that are on the roads.

So what is happening is that, in order to ensure that this also is effected properly the government—to get to this point where we will be utilizing CNG fully at the high point we expect to be utilizing about 4.7 billion cubic feet of natural gas valued at about \$30 million, which will be used in the entire CNG operation by the time we get to the end of year five. This natural gas, we expect to be allocated out of our royalty gas, which is allocated to government. So the intention is to use the gas that is allocated to Government and to put ourselves in a position where we can have a very significant reduction in the utilization of the gas.

So, overall, Mr. Speaker, the intention here is to reduce the price of CNG to a normalized level and that is being introduced in the context of the overall Government strategy to move the population into CNG rather than the utilization

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of gasoline and the gradual removal of the subsidy subsequent to that, so that the Government can get the funding which it needs for all of the programmes that it is utilizing. We will provide the gas for doing so from the royalty gas that we produce and which we receive on an annual basis.

As I said, we are starting with the PTSC buses first and we expect to do that from early next year, from January of next year, and then gradually expand that fleet out to the entire 400 buses, approximately, which PTSC will have. It will also redound to the benefit—we have, I am told, approximately 4,500 CNG vehicles in operation in Trinidad and Tobago today. So it will redound to the benefit of those persons, that they will have the use of the compressed natural gas at a cheaper price than they currently enjoy.

So overall, Mr. Speaker, I just want to say that the intention is part of our overall strategy and we look forward to the programme continuing to be rolled out in a way that is to the benefit of all the people of Trinidad and Tobago, Mr. Speaker, I beg to move.

3.00p.m.

Question proposed.

Mr. Speaker: The hon. Member for Diego Martin North/East. [*Desk thumping and crosstalk*]

Mr. Colm Imbert (*Diego Martin North/East*): All in the fullness of time. Brief statement. Thank you, Mr. Speaker. I will start this response by reading from the Budget Statement 2011, which was delivered on September 08, 2010, by the Member of Parliament for Tunapuna. On page 28 of that budget statement, the then Minister of Finance said the following:

“Measures to support alternative energy use: Compressed natural gas.”—Mr. Speaker—“To ensure that the Compressed Natural Gas Programme gains momentum and achieves its objectives, the Government proposes the following:

- i. To grant wear and tear allowances on 130 per cent of the cost incurred in the acquisition of plant, machinery and equipment... for the construction of the conversion centre;
- ii. Grant wear and tear allowances on 130 per cent on the cost of kits and cylinders utilized in the conversion of vehicles of fleet operators;
- iii. Removal of customs import duty on both the CNG conversion kits and the CNG cylinders required to convert vehicles from gasoline to CNG;

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- iv. A tax credit of 25 per cent to individuals on a cost of CNG kits and cylinders...a maximum of \$10,000;
- v. Motor vehicle tax reduced to zero for a period of five years on imports and factory outfitted private and commercial CNG motor vehicles no older than two years;
- vi. Zero rating on VAT on imports for a period of five years for factory outfitted private and commercial CNG motor vehicles no older than two years.”

That was in 2010; new Government.

Now, I shall go to the Budget Statement 2012, delivered on October 10, 2011. I think by the same gentleman. *[Interruption]* 2011, “I eh reach you yet.” *[Interruption]* On page 14 of that statement, the then Minister of Finance referred to the utilization of compressed natural gas in the transportation sector. And on page 16, under the heading CNG Infrastructure:

“Mr. Speaker”—as if 2011 and 2010 have never happened. “...the Government will embark on an ambitious programme for expanding the use of compressed natural gas as an alternative vehicular fuel. This is part of our overall strategy to reduce the use of petroleum products and so reduce the size of the fuel subsidy.”

Just stick a pin. This was on *[Mr. Imbert looks through pages]* October 10, 2011, two years ago. I think the Minister seems to have—the current Minister seems to have cut and paste from the budget statement of 2012. I thought I heard similar words.

“...to reduce the use of petroleum products and so reduce the size of the fuel subsidy. We are also implementing special measures to encourage the construction of multi-fuel stations to dispense gasoline, diesel and natural gas. Already, seven new sites have been approved for the construction of such stations.

This is in addition to the existing nine CNG stations that are in operation. Applications for stand-alone CNG retail stations...are being reviewed.

Mr. Speaker, in order to encourage the use of CNG, Government is exploring the conversion of the PTSC fleet”—sounds like a cut and paste, eh—“to use the CNG and certainly, with respect to new purchases of buses”—this is what the Minister said two years ago—“to insist that this facility be put into place.”

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This is your Government Minister, two years ago, talking about converting the PTSC fleet and buying new buses that are capable of using—[*Interruption*]

Hon. Howai: We were going slowly.

Mr. C. Imbert: Slowly is right. [*Interruption*] “Yeah, I eh finish yet.” You stay there. You have other problems. [*Laughter*]

“...and certainly, with respect to new purchases of buses to insist that this facility be put into place. Interest has been expressed by private enterprises to explore this conversion.

...NIDCO and the Port Authority are being encouraged to convert existing vessels to use CNG...”—...two years ago. [*Laughter*] “Ah tink de ferry still running on diesel as far as I know.”—“This programme would not only have an impact on the fuel subsidy but would also be environmentally-friendly and cost effective. During this year”—and this is 2011, Mr. Speaker—“the Ministry of Energy will embark on a communication plan to explain the benefits of such a programme to the citizens of Trinidad and Tobago.”

The Minister went on to say:

“...we shall adjust the fees with respect to licences, in respect of servicing, and marketing and consumer...of compressed natural gas.”

And went on to talk about:

“...tax allowance of 50 per cent of the expenditure incurred in the purchase of retail dispensing of compressed and liquefied natural gas up to a maximum of \$2million per station...”

A reduction in import duty by 50 per cent on vehicles which are manufactured to use of natural gas...”

Hold on a second, Mr. Speaker, “leh me go back to de 2010 statement”. I believe that the 2010 statement, the Minister said:

“Motor vehicle tax reduced to zero...”

Zero rating on VAT...

Removal of customs import duty...”

Come back in 2011 now:

“A reduction in import duty by 50 per cent on vehicles which are manufactured to use natural gas, and have an engine capacity smaller than

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2300 cc. This reduction in duty will cover the period from January 01, 2011 to December 31, 2015.

With effect from January 01, 2012 a wear and tear allowance of 130 per cent of expenditure incurred on the acquisition of plant, machinery and equipment...”

In 2010, he said:

“To grant wear and tear allowance on 130 per cent of the cost incurred in the acquisition in plant, machinery and equipment...”

Word for word, one year later, still trying to grant a wear and tear allowance, Mr. Speaker. So that was the 2012 budget speech, delivered October 10, 2011.

Now the—I am not sure if they had changed Ministers by then. Did they? October 01, 2012? Not sure, Minister?

Miss Mc Donald: He was there, “nah”.

Mr. C. Imbert: You came in 2012 or 2013?

Miss Mc Donald: “Nah”, he was there.

Dr. Gopeesingh: Twelve.

Mr. C. Imbert: Twelve? That was you, right? So the new Minister comes in, forgets everything the old Minister said, and in his budget statement of 2013, delivered on October 01, 2012, he says:

“Mr. Speaker, the transition by motorists and fleet owners to CNG usage has been constrained by a number of factors, including an inadequate refuelling experience, the requirement for frequent refuelling and...the substantial disincentive from the fuel subsidies.”

“Mr. Speaker,”—this is the new one—“we have developed a comprehensive business plan which will invest 1.5 billion in converting gasoline vehicles to compressed natural gas as an alternative transportation fuel.”

This is what he said in 2012:

“Initially, we envisage a five-year conversion period during which multi-fuel stations would be constructed and pipeline infrastructure...would be installed. This business...model is based on a target group of approximately 90,000 vehicles, covering diesel, maxi-taxis, gasoline...private high-mileage gasoline vehicles.

Mr. Speaker, the full transition to CNG would only take place in the context of the removal of the fuel subsidies...”

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It goes on and he increases the price of premium gas to \$5.75 per litre. And then announces the appointment of a ministerial team; that was a year ago. Let us go to the 2013 budget speech by the same Minister, September 09, 2013 a couple months ago. Conversion to CNG:

“Mr. Speaker”—now, he forgot what he said one year before, because what he said one year before is:

“Mr. Speaker, we have developed a comprehensive business plan which will invest 1.5 billion in converting gasoline vehicles to compressed natural gas...based on a target group of...90,000 vehicles...”

Forget that. One year later, Mr. Speaker:

“...the National Gas Company”—is—“to undertake a phased investment over a five-year period at a cost of \$2...billion through the establishment of a new company.”

“Price gone up, but not ah” single vehicle converted to CNG during the period:

“Phase 1 would involve an expenditure of \$500 million over a two-year period which will result in the construction of 22 new CNG stations and for the conversion of 17,500 vehicles. Phase 2 would involve an expenditure of \$1.57 billion with the construction of the remaining stations and the continuing conversion of vehicles.”

And so on, and so on, and then he goes on to say in respect of CNG:

“I propose to replace the existing incentives of tax credit”—to—“a simple tax allowance of 100 per cent on the cost of converting motor vehicles of either individuals or companies...to a maximum...of \$40,000...This measure will come into effect on January 01, 2014.”

The simple point, Mr. Speaker, is that the construction to 22 CNG stations was first announced by this Government in September of 2010. The target of 90,000 or 100,000 vehicles that would be converted to CNG by 2015 was first announced by the Government in September 2010.

Now, the Minister comes to us today in November 2013, three years later and tells us about a target group of 100,000 vehicles. “Is de same group?”

Hon. Howai: Seventeen, five and—[*Inaudible*]

Mr. C. Imbert: “De” same 100,000 that your—Mr. Speaker, through you, that his predecessor spoke about in 2010 and 2011? And you spoke about in 2012?

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Hon. Member: “It happening.”

Mr. C. Imbert: Yes, “yeah it happening, uh-huh.” [*Crosstalk*]

Miss Mc Donald: “Everything happening.”

Mr. C. Imbert: So, Mr. Speaker, three years have elapsed, “dey eh build one ah de 22 stations. Dey eh convert ah single vehicle in three years,” and he comes today—[*Interruption*]

Hon. Howai: Four thousand five hundred vehicles.

Mr. C. Imbert: No, that was there before.

Mr. Deyalsingh: That was there before.

Mr. C. Imbert: That was there before.

Mr. Deyalsingh: That was there before.

Mr. C. Imbert: CNG, Mr. Speaker. [*Crosstalk*] I have heard about CNG since the 1980s. [*Crosstalk and interruption*]

Hon. Member: “You was de minister.” [*Continuous crosstalk*]

Mr. C. Imbert: Mr. Speaker, you know, you have to ask yourself, why is this Government investing \$500 million in—Mr. Speaker, would you calm down the usual suspects on that side, the Member for D’Adabie/O’Meara, et al?

Mr. Roberts: What is “dat”?

Miss Mc Donald: Fifteen more minutes.

Mr. Speaker: Please! Please, Members, allow the Member to speak.

Mr. C. Imbert: “Dey cyar help it.” When they are confronted with evidence of their gross incompetence, gross incompetence, three years talking about a billion-dollar investment in the construction of CNG stations, and a conversion of 90,000 vehicles, and you have built no stations and converted no vehicles, why should we take the Minister seriously now? [*Crosstalk*]

You are reducing the cost of CNG from \$1.07 to \$1 by 7 per cent. Why should we take this Government seriously, Mr. Speaker? They have been talking and talking and talking about CNG and all the wonderful things that CNG will do and it will reduce or—I heard the Minister today make a very interesting statement, that when they are finished—“buh dey eh even start, but when dey finish,” the fuel subsidy will disappear. That is what he said. [*Crosstalk*] No, no, he said when “dey” finish in the year 2029.

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3.15 p.m.

Now, Mr. Speaker, let me go to the records. On June 23, 2011, the Cabinet-appointed—well, the Cabinet had appointed a task force. I forgive the Minister for not being aware of this fact because he was not there and I guess he does not have time to go backwards and read the foolishness that was uttered by his Government.

Hon. Howai: You must move forward.

Mr. C. Imbert: He has no intention of looking back to see the foolishness that was uttered by representatives of this Government.

Mrs. Mc Intosh: What the Attorney General said?

Mr. C. Imbert: Let me read what the Cabinet-appointed natural gas task force had to say in June 2011. It is an article in the *Guardian*, June 23, 2011.

Mr. Roberts: Who were the members?

Mr. C. Imbert:

“The Cabinet-appointed Natural Gas Vehicles Task Force...wants to convert 20 per cent or 100,000 of the estimated 500,000 vehicles on T&T’s roads to CNG in the next five years.”

So this would mean by June 2012, June 2013 and so on.

“‘We’re aggressively going after this,’ said Raymond Franco, a member of the task force, which the Government launched in October 2010.”

Just to make it clear to you, hon. Member, that this was your Government.

“He outlined the task force’s conversion phase-in plan for different types of vehicles. ‘As far as...maxis go, we’re looking at, by 2015, if we add about 2,000 a month’—that is what they were saying in 2011, you know—“and we want to convert all the maxis to compressed natural gas...in five years’ time. As far as the diesel taxis are concerned, we expect they will go up by 10 per cent, 20 per cent, 40 per cent, year by year. If you have 15,000 gasoline taxis—”

Mr. Roberts: Franco?

Mr. C. Imbert: Some gentleman called Raymond Franco.

Mr. Roberts: He is a Member of Parliament.

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Mr. C. Imbert:—

“then we have 20,000 vehicles by year one, 50,000 vehicles by year two, 80,000, 90,000, then 100,000.”

So if the Cabinet-appointed Natural Gas Vehicles Task Force had achieved its objectives, then by year two, which would have been June of this year, 50,000 vehicles in Trinidad and Tobago would have been converted to natural gas.

“We’re looking at about 15 per cent of private cars...”

and he goes on and on and on. The state-owned national gas corporation issued a tender in May 2011 requesting responses for proposals for the provision of 175 CNG vehicles for four years. It goes on, 125 pick-ups, 40 sedans—that must be the 100 vehicles that the Minister was talking about. NGC bought 100 CNG vehicles. That must be what he is talking about. Those are the only vehicles that are running on CNG that have come in over the last three years.

Miss Ramdial: Not true!

Mr. C. Imbert: He goes on. The natural gas task force talks about they want no more than 10 per cent loss in power switching from gasoline to CNG and so on and so on.

He says, in order for people to want to switch to CNG, there must be more filling stations. The Government has approved seven multipurpose stations. This is quite in June 2011, a spokesman of the Government, a member of the Natural Gas Vehicle Task Force, talking about seven multipurpose stations. *[Interruption]* What was done.

For 20,000 vehicles, we will need about 16 new stations and he goes on to speak about all the different things the Government was going to do to ensure this mass conversion of vehicles in Trinidad and Tobago from gasoline to natural gas.

Let me fast-forward now to this year, June 27, 2013, two years after the Cabinet had appointed this task force to convert 100,000 vehicles and converted none. Let us go now to June 27, 2013 and here we have the Minister of Energy and Energy Affairs speaking, and he says:

“Cabinet...approved a \$500 million Compressed Natural Gas...project to be undertaken by the...(NGC).

The investment was announced yesterday by Minister of Energy Kevin Ramnarine at the post-Cabinet press briefing at the Office of the Prime Minister, St. Clair.

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He said that the five-year-long project will be done in two phases, with a two-year-long phase...being directed towards vehicular conversions...”

Funny, this then found its way into the budget address three months later, almost word for word.

Ramnarine:

“...acknowledged that previous tax breaks and incentives by the People’s Partnership had fallen flat, adding that only one per cent of vehicles used CNG.”

Then he goes on—for two years, no conversions or minimal conversions. He goes on to say that they are going:

“...to use...\$500 million to convert 17,500 vehicles to CNG.”

They are taking \$500 million of taxpayers’ money to convert 5 per cent of the vehicular—

Hon. Howai: It is also to build the 25 stations.

Mr. C. Imbert: It does not matter. You are going to spend \$500 million, half a billion dollars of taxpayers’ money to convert 17,000 vehicles to CNG.
[*Crosstalk*]

Mr. Speaker: Member for Diego Martin North/East. May I ask hon. Members who are yet to speak and those who have already spoken to kindly take notes. You cannot be interrupting a speaker.

Mr. Roberts: True!

Mr. Speaker: I want to refer Members to Standing Order 35, if Members have forgotten. You can interrupt on two grounds: a point of order or elucidation. Other than that, maintain your silence! Continue, hon. Member!

Mr. C. Imbert: Thank you, Mr. Speaker. I know the Government does not want to hear the truth. I know they have problems with that, but the fact of the matter is, Mr. Speaker, when you read what the Government is saying; when you read what they are talking about—let us go to this.

Mr. Roberts: But you lookin’

Mr. C. Imbert: “Yeah, yeah, yeah, yeah!”

Mr. Speaker: Please, Member.

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Mr. C. Imbert: Mr. Speaker, the Minister of Energy and Energy Affairs is quoted now in the *Guardian*, June 28, 2013, speaking about the conversion of 17,500 vehicles from gasoline and diesel to natural gas. If you do the math, divide \$500 million by 17,500 vehicles and see what this is going to cost taxpayers of this country. See what this is going to cost taxpayers of this country.

Hon. Howai: Mr. Speaker, could I just clarify the point? I think the Member is—[*Crosstalk*]

Mr. C. Imbert: Mr. Speaker, the Minister can respond.

Hon. Howai: Mr. Speaker, if I may.

Mr. C. Imbert: He moved the Motion. He can respond.

Mr. Speaker: Please, Member for D'Abadie/O'Meara, please. [*Interruption*] Member, please!

Hon. Minister of Finance and the Economy, you can only rise if the Member gives way. If he does not give way, take notes and in your response you will clarify, but you cannot stand while he is on his legs. Please. You can seek clarification and if the Member is willing to give way, then I shall call on you to rise. If he does not give way, you cannot rise at this time. Take notes and when he is through and you are winding up, you will then be able to respond. Is the hon. Member for Diego Martin North/East willing to give way to the hon. Minister?

Hon. Members: Nooo!!

Hon. Members: Aaaaw!

Mr. Speaker: He is not willing. Continue, hon. Member for Diego Martin North/East.

Mr. C. Imbert: I do not know why they “getting” so jumpy, Mr. Speaker. [*Interruption*] Mr. Speaker, please.

Mrs. Mc Intosh: What is wrong with you all?

Mr. Speaker: Please, allow the Member to speak in silence. Continue, hon. Member.

Mr. C. Imbert: Thank you, Mr. Speaker. “Í doh know why dey getting so jumpy.” You know, Mr. Speaker, when I hear this kind of thing, it gives credence to the statements made by then Opposition Senator Terrence Deyalsingh when he spoke in the Senate in July 2013 and raised concerns about this \$500 million compressed CNG project. To quote the then Senator, “it wreaks of corruption”.

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When I realize how jumpy Members—it wrecks of corruption. When I realize how jumpy hon. Members opposite are getting—[*Interruption*] “Dey jumpy” because the cost of a CNG kit is about \$30,000. I will give way for you to correct me on that.

Hon. Senators: No, no, no, no!

Mr. C. Imbert: You cannot. The cost of a CNG conversion is approximately \$30,000—

Hon. Senator: So?

Mr. C. Imbert:—and when you multiply 30 by 17, what do you get? You get 510. So if you multiply \$30,000 being the cost of conversion of one vehicle by 17,500 vehicles, you get \$510 million.

Why are hon. Members being so jumpy opposite? The fact of the matter is that they have announced a plan to spend \$500 million of taxpayers’ money to convert 17,500 vehicles from gasoline or diesel to CNG. Now those are the proper mathematics and I would urge the Minister of Finance and the Economy, do some math—17,500 by 30,000 equals \$510 million. [*Interruption*]

Whatever. It is \$500 million plus or minus. So Mr. Speaker, when you hear the Minister of Energy and Energy Affairs speaking about converting 17,500 vehicles at a cost of \$500 million, you understand what we are speaking about.

The Minister of Finance and the Economy also announced the Government’s intent to switch to CNG and a plan to invest \$1.5 billion, targeting 90,000 vehicles in the conversion from gasoline to CNG. The fact of the matter is that the Government intends to spend somewhere between \$500 million and \$1.5 billion on this CNG initiative and we have to ask ourselves why. What is all this fascination with compressed natural gas?

Miss Ramdial: It is cleaner.

Mr. C. Imbert: For the last 20 years or the last 25 years, citizens of Trinidad and Tobago have shown no interest or minimal interest in converting their vehicles from gasoline or diesel to CNG. At present, Mr. Speaker, 1 per cent of the total vehicles in Trinidad and Tobago use compressed natural gas and you have to ask yourself why. The answers are given in this same article of June 28, 2013 where they interviewed some people who use CNG and one of the persons they interviewed was one Andy Mohammed.

“...driver Andy Mohammed said he did not think he would use CNG again. Mohammed, who said he used CNG for two years and has ‘the whole set up at

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home,' cited the length of time it took to refill the CNG tank and the poor maintenance of the CNG pumps as reasons not to use it again. 'I had CNG in a Laurel car but the question we used to get is filling up in gas stations with the long delay in lines and so on. Sometimes the pump would break down'"—and we would have to switch to gasoline—"The maintenance of CNG in our gas stations is"—extremely—"poor", he said."—When he was—"told that 22"—new gas—"stations are about to be constructed, Mohammed said that mattered little since the issue was maintenance."

And that is not the only problem with compressed natural gas. The other problem is the fact that in order to convert an ordinary motor car to use natural gas, you have to modify the car and what will happen is that you will use up, I would say 50—75 per cent of your trunk space. I do not know if anybody in this House has ever seen a car that runs on CNG; a car that has been converted, but this is a photograph if you can see from there [*Member shows photograph*]*—50 per cent of the trunk utilized by the tank. Here is another one; possibly 60—70 per cent of the trunk utilized.*

3.30 p.m.

And I hear the Minister muttering something, "Buh we don't use that." A conversion kit is a conversion kit. The only place for the cylinders to go in conventional vehicles in the 450,000 vehicles that we have on our road right now is in the trunk. So do not argue with me, Mr. Speaker, through you. You do not argue with me. You very well know it is in the trunk, and this is one of the problems of conversion to CNG. The CNG tanks take up more than half of the space in the car trunk. [*Interruption*] No, I am serious. I heard him mutter, "We doh do that again" and then he had to concede that it is in the trunk. [*Crosstalk*]

And, Mr. Speaker, in addition to putting the tanks in the trunk that occupy 50 per cent of the space in the trunk, you have the problem with the weight of the tanks which creates problems for the suspension of the cars and incurs higher maintenance, higher running cost for vehicles that are converted to CNG.

So in addition to the problems that the person spoke about—unavailability of CNG, poor maintenance of CNG facilities, the long filling time, the queues waiting in line for CNG—you also have the problem of the tanks taking up space in the trunk and also the weight of the tanks, Mr. Speaker. So these are the reasons why CNG has not proven to be attractive.

I dare say that the reason why very few people have converted to CNG since this Government came in in 2010 is because they simply have not constructed the

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stations that they said they were going to build, and the equipment is not appropriate, and you still have these very long filling times, Mr. Speaker. But the question I want to put to the Minister—since the CNG programme, thus far, of this Government has been a colossal failure, absolute failure, by any yardstick, Mr. Speaker, the number of persons who have converted to CNG over the last three and a half years is minimal. The number of stations that are being constructed is minimal and the filling time and the efficiency and reliability of CNG filling stations are still bad, by any yardstick, Mr. Speaker.

The CNG experience with this Government, over the last three and a half years, has been a colossal failure, and when the Minister announced for the fourth time—the fourth time a Partnership finance Minister was announcing this fantastic CNG plant that will wipe out the fuel subsidy in the 2013 budget—you know, some people who were looking on were wondering: why is the Government not looking at other alternatives to CNG? Why is this Government fascinated with CNG, Mr. Speaker?

Miss Ramdial: It is cleaner.

Mr. C. Imbert: And, Mr. Speaker, I am hearing a noise in the back there, but it is not an important noise. So let me go to an article that I saw in a magazine that deals with alternative fuels and energy conservation and so on. It is called the *Sierra Magazine*, a very well-known magazine, and there is an article comparing hybrid cars to compressed natural gas cars. These are vehicles that use a combination of electricity and gasoline and vehicles that use CNG.

This is an article dated March 12, 2013 so it is very current. And it was a question as to whether hybrids are greener, in other words, they use less energy and produce less emissions than natural-gas-powered cars, and the answer was this.

“The hybrid is the clear winner because of its greater efficiency, as you can see by comparing the two types of Honda Civic. The natural-gas-powered Civic gets a fuel economy of the equivalent 31 miles of gasoline per gallon in combined city and highway driving, while producing 227 grams of greenhouse gas emissions per mile. By contrast, the hybrid Civic’s combined mileage is 44 mpg, with lower emissions of 202 grams per mile, according to the”—the American—“EPA...In terms of...energy consumption, the natural-gas Civic uses around 4,000 British thermal units...whereas the hybrid requires only about 2,820”—thermal units.

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“The Prius C hybrid, which won the 2013 greenest car of the year honors from the...American Council for an Energy Efficient Economy, beats them all, with a combined fuel efficiency of 50 mpg...”

Now, I am sure, you have to buy gas like anybody else, Mr. Speaker, and you could imagine the fuel savings you would get if you had a vehicle that was giving you 50 miles to the gallon. A typical vehicle on the road today gives you about 25 miles to the gallon—some give you less than that, some give you more than that—but the typical fuel economy of a vehicle, the average vehicle, is about 25 miles to the gallon or less. Can you imagine a vehicle that gives you 50 miles to the gallon, Mr. Speaker? And the Prius does exactly that.

“...combined fuel efficiency of 50 mpg and it requires 2,480 Btus per mile”—as compared to the natural gas Civic which requires 4,000 British thermal units, Mr. Speaker.

So what this article is telling me—and I would ask the Minister, we need as a country, to start looking at this. CNG is not the only solution to our fuel subsidy problems. We need to look at encouraging the use of hybrids in Trinidad and Tobago because if we can encourage the importation of hybrids with appropriate incentives we, as a country—[*Interruption*]

Hon. Howai: There have to be incentives. You read it out just now.

Mr. C. Imbert: It is hybrids.

Hon. Howai: “Yeah, you read it out.” [*Crosstalk*]

Mr. C. Imbert: Mr. Speaker, if we can encourage a cheaper price for hybrids—electric and gasoline—then we could go a long way to reducing the consumption of gasoline and the fuel subsidy. Mr. Speaker, because you see this Government likes to talk a lot, but it is unable to do, and if you go now to what happened after the Government started to announce all of its plans for conversion of gasoline to natural gas, and what is going to happen and this tremendous change in the system in Trinidad and Tobago, let us see what happened. I am reading from an article April 01, 2012, again, in the *Guardian*:

“As of January 2011, the Government of Trinidad and Tobago...had implemented fiscal initiatives in support of CNG...including the removal of motor vehicle tax and VAT on imported”—original manufacturer—“natural gas vehicles (less than two years old). Jumping on the heat of that announcement, Maska South Motors in La Romaine boasted of importing 200

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CNG ready vehicles in a bid to support the Government's push for Trinidad and Tobago to be greener.

However, they have only brought in six units to date, citing complications with the Motor Vehicle Tax exemptions which only catered to vehicles factory fitted by the Original Equipment Manufacturer...with the CNG-only capability and not the bi-fuel vehicles supporting both CNG and gas, as brought in by Maska.

The Customs and Excise Division in Port-of-Spain claim this is the only instruction they have received from the Ministry regarding this matter. So not only are motorists faced with little accessibility to the fuel itself but the tax exemptions now apply to CNG-only...are limited if not non-existent.

Maska wasn't the only car dealership burned. Several dealers, including Toyota, Neal and Massy as well as Diamond Motors, have been feeling out the CNG market for passenger cars in Trinidad and Tobago. All agreed the interest was overwhelming but the cost-effective aspect did not stack up. It seems GoTT felt that one could simply call up Nissan, Toyota or Mitsubishi and simply order CNG fueled vehicles.

A further assumption was made by the Government in thinking that the car manufacturers themselves manufactured and fitted the CNG fuel kits. This is not so, thus making even new vehicles unable to qualify for the tax exemption. According to Phillip Knaggs, president of the Automotive Association of Trinidad and Tobago...once alerted to the CNG legislation, all of the new vehicle importers began their respective searches for OEM CNG vehicles from their suppliers...

'Unfortunately, the last information I have is that there are no OEM CNG passenger vehicles available for our market.'

He went on to say:

“Fuel subsidy savings have to be weighed against the cost of any fiscal incentives, all cost/benefits have to be placed on the scale at the same time.

'For example, if a particular CNG vehicle is imported and receives \$70,000 worth of tax exemptions, this is \$70,000 less revenue being collected by the Government. If this same vehicle only saves \$6,000 in fuel subsidy a year, then the payback period is almost 12 years...'

Now, these are facts. All this mad rush to CNG, the Government needs to carefully examine what it is doing. Look at the amount of revenue that would be lost

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through import duty, motor vehicle tax and other taxes on CNG vehicles, and see how long it will take for the fuel subsidy or the reduction in the fuel subsidy to compensate for that.

“To address the MVT exemption from a cost effective standpoint, the answer is that the...Exemption’ really does not make imported passenger cars cheaper. ‘Why? Because there is no supply to begin with. The legislation was built on a foundation that was fundamentally incorrect’.

Knaggs believes the lack of availability of OEM CNG passenger vehicles, fuelling station geographic coverage, no suitable kits available for diesel CNG conversions, topped with no real attractive fiscal incentives for gasoline conversions are the prohibitive factors for the take off of CNG adoption.”

He goes on to say:

“All areas of current automotive technology have to be examined, inclusive of electric and hybrid cars. Let’s face it, there is no manufacturer that will alter their production plans for a country the size of Trinidad and Tobago, or even for a region the size of the English-speaking Caribbean.

So, we have to listen to what the suppliers are telling us...”—We have to look at the—“trends of the large markets. Once we do this, we will realise that our legislation has to be built to not only achieve what we want to achieve, but also to succeed within the parameters imposed upon our supply chain by the large markets.”

The point of all of this is that if you ever did a proper post mortem, an audit—I would not say a forensic audit—but if you did a proper audit, and tried to understand why CNG has been a failure in Trinidad and Tobago, not just for the last three years, but for the last 20 years—try and understand why—and you do the kind of research that the car dealers have obviously done, you will understand that you are spinning top in mud.

Hon. Member: Not true.

Mr. C. Imbert: This fascination with compressed natural gas, this absurd idea that the Minister of Finance and the Economy touted that you can convert the fast ferries from diesel to natural gas without even thinking about the reduction in power, and the whole mechanics of a jet engine that is used on a fast ferry; can that be converted to use CNG? Would it be efficient? Would you get the same speed or would you have a reduction in speed of the vessel, Mr. Speaker? The

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Government really needs to think about what it is doing. You are reducing the price of CNG from \$1.07 to \$1, so what?

You say you are going to spend \$1.5 billion—some of it would be in the construction of stations, some of it in this plan to convert vehicles from gasoline to CNG—and what I am noticing, a very strange comment made by the Government and I am wondering who dreamt up this policy—with CNG being not as competitive as hybrid—a CNG-powered vehicle being not as efficient as a hybrid vehicle because if you look at the article that I was reading, “The American Council for an Energy-Efficient Economy”, they sent out a release on January 16, 2013 and they gave you a list of the top 10 greenest vehicles in the United States in terms of consumption of energy, in terms of greenhouse gas emissions and so on, Mr. Speaker, and the first eight were hybrids.

3.45p.m.

Mr. Speaker: Hon. Members, the speaking time of the hon. Member for Diego Martin North/East has expired.

Motion made: That the hon. Member’s speaking time be extended by 30 minutes. [*Miss M. McDonald*]

Question put and agreed to.

Mr. Speaker: You may continue, hon. Member. [*Desk thumping*]

Mr. C. Imbert: Mr. Speaker, I do not know why the Leader of Government Business was so uncharitable. I will make a promise to him, I would not speak for 75 minutes on the Motions dealing with Treasury Bills and Treasury Notes. But this is an important matter, Mr. Speaker, because this country has been obsessed with converting conventional fuel vehicles to CNG for the last 25 years, and it is all based on an assumption that this is going to bring some wonderful benefit to Trinidad and Tobago, and some wonderful benefit to the economy, Mr. Speaker.

Miss Ramdial: Yes, it is.

Mr. C. Imbert: Yes. And I even hear a neophyte in the back there saying, “Yes, it is”. But, Mr. Speaker, let me go back to this article—[*Interruption*]

Hon. Member: Disrespectful.

Mr. C. Imbert: Disrespectful of who? Neophyte is neophyte.

Hon. Member: I am a neophyte.

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Mr. C. Imbert: Neophyte might mean new.

Hon. Member: I am a neophyte.

Miss Ramdial: I forgive him. I forgive him.

Mr. C. Imbert: Yes, you are a neophyte. Now, Mr. Speaker, let me—
[*Interruption*]

Hon. Member: It is not a bad thing.

Mr. C. Imbert: And by neophyte, I mean in terms of hearing wonderful plans and wonderful proposals put to you by technocrats, [*Desk thumping*] and they look like a dream, and you say, “Wow”.

I was in a Cabinet, Mr. Speaker, and I had presentations made to me in the 1990s—’92, ’93, ’94, ’95—by people from the energy sector, by people from the National Gas Corporation, by people from National Petroleum, by people from the Ministry of Energy, and as a Cabinet we were regaled with tales of the mass conversion of 200,000 vehicles on Trinidad’s roads within the next two or three years, and the great savings that would accrue in terms of the fuel subsidy, and so on. I am talking about 20 years ago, Mr. Speaker. And 20 years later 4,000 vehicles are using CNG in Trinidad and Tobago; 20 years later and the same tales of promises of plenty, [*Laughter*] and wonderful dreams of a greener atmosphere, you know, a reduction in greenhouse gases and reduction in fuel subsidy are now being presented to neophytes.

Twenty years later, the same dream of CNG conversion, Mr. Speaker. And I think it is important as a country, because this article is instructive, “American Council for an Energy-Efficient Economy”, “New Hybrid Car Scores First Place on Greenest Vehicle List”, January 16, 2013:

“The ‘Greenest’ list is dominated by new models this year, with the Toyota Prius C securing the top spot with a Green Score of 58.”

It goes on to say:

“This year, conventional vehicles were largely driven off the ‘Greenest’ list by hybrid-electric, plug-in hybrid-electric, and all-electric vehicles. The Sion IQ and”—the—“Smart ForTwo are the only non-hybrid, non-plug-in vehicles to remain on the list. Even the 8-time first-place Honda Civic Natural Gas vehicle was pushed out of the top twelve in 2013.”

So prior to 2013, the Honda Civic Natural Gas vehicle was the first-place winner in terms of the greenest vehicle in the United States; it is now the twelfth.

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It got pushed out by 11 hybrids, Mr. Speaker, vehicles operating on a combination of electricity and gas. And let me explain what this means. There is a view that you have to plug in these vehicles. That is not so; because it is a hybrid, it operates both on gasoline and on electricity. It has a battery pack and when the gasoline engine is working it charges the batteries, so it is a self-rechargeable vehicle. So you do not have to plug it in unless you are running only on battery power and you discharge the entire battery pack, you switch to gasoline, when you get home you plug in your vehicle, or you go to a plug-in station as they have in many metropolitan countries in the world, Mr. Speaker.

But the fact of the matter is the American car industry, the Japanese car industry, Korean, all of the places in the world that excel—and in Europe, Mr. Speaker, all the places in the world that excel in manufacturing new vehicles and are constantly looking at fuel efficiency as a means of marketing their cars, and also in response to all of the disincentives to gas guzzlers and other cars that are not efficient, Mr. Speaker, the manufacturers are constantly looking at ways and means of boosting the mileage and reducing the fuel consumption of cars, and this is why there is this big push now for hybrid vehicles.

And I would ask the Minister—go ahead with your CNG business, you know, we are not going to oppose this. There was CNG when I was in Government 20 years ago—does not work. So you go ahead with your dream that you will construct 22 CNG stations. The same dream that you floated three years ago, no CNG stations built. You go ahead with your dream that people are going to put this heavy tank in their trunk, or even a lighter tank which costs more—because I heard the Minister muttering something about they do not use those kinds of tanks anymore, but the lightweight tank costs far more than the heavy tank.

So even if you might reduce your tank—the big tank will reduce your trunk space by 50 per cent and the lightweight tank by 40 per cent, you are still losing most of your trunk. It is going to cost 50 per cent more to produce the lightweight tank using synthetic materials, Mr. Speaker. So, you know, this is all well documented in the literature. We on this side, we do our research, you know, Mr. Speaker.

Hon. Member: Nothing else to do. [*Laughter*]

Mr. C. Imbert: “Yeah”, must be. [*Laughter*]

Hon. Member: [*Inaudible*]

Mr. C. Imbert: “Yeah”, you could say that if you want, but—[*Interruption*]
And you could say that if you want, Mr. Speaker.

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But, Mr. Speaker, [*Crosstalk*] you know, there are so many things this Government announces that sound good. If I digress, I will give an example. We have a security problem in this country and a Minister of National Security—I think sitting behind me—[*Interruption*]

Mr. Warner: Careful! Careful! [*Laughter*]

Mr. C. Imbert:—a Minister—resplendent in a dark green. [*Laughter*] “Shirt looking good boy.” [*Laughter*] Mr. Speaker—[*Interruption*]

Mr. Warner: I am the green man. I am the green man.

Mr. C. Imbert: Well, that is all right.

Hon. Member: The green giant.

Mr. C. Imbert: Mr. Speaker, a Minister of National Security announced years ago that the duty and taxes on security cameras would be reduced, and the reason was to encourage private citizens to get involved in their own security. Perhaps when the Minister is winding up he can tell us whether his Government has implemented that promise.

Mr. Warner: They changed the Minister.

Mr. C. Imbert: My understanding is no. No! And all sorts of reasons—they always have a reason, Mr. Speaker. I am sure the Minister will give us reasons why for three and a half years they have not been able to build CNG stations; they have not been able to encourage people to convert to CNG; they have not been able to significantly increase the efficiency of the fuelling stations. I am sure they will have reason—they always have reasons, so I would love to hear what is the reason for announcing with great fanfare a measure, just like this, a wonderful measure, and a year or two later—[*Interruption*]

Hon. Member: It will get there.

Mr. C. Imbert: “Yeah”, it will get there. When? In the year 2020, Mr. Speaker. And you see this is the problem. This is the problem. Look at what the car manufacturers said. You are announcing incentives, you passed the legislation, but it does not fit what is out there in the car market. The way you have worded your order; the way you have worded your incentives in terms of exemption from motor vehicle taxes and so on, does not fit the type of vehicle that is outside there, Mr. Speaker.

So I heard the Minister saying that he announced that he is going to give tax incentives to various types of vehicles. Well, you have not done it yet. [*Laughter*] You have not done it yet.

Hon. Howai: This is for the—[*Inaudible*]

Mr. C. Imbert: What coming in the future?

Hon. Member: [*Inaudible*]

Mr. C. Imbert: Whatever, but they have not done it yet, Mr. Speaker—have not done it yet. And just like the security cameras, we are waiting to see when the Government will get serious about this whole question about alternative fuels. I mean, what about the use of alternative energy to power water heaters in houses in Trinidad and Tobago, Mr. Speaker—[*Interruption*]

Hon. Member: Solar.

Mr. C. Imbert:—to reduce the carbon footprint, because the use of CNG is not only designed to reduce the fuel subsidy, but it is designed to lower the emission of greenhouse gases and reduce the carbon footprint of Trinidad and Tobago.

If you go to Barbados, almost every house has a solar water heater on it.

Hon. Member: Antigua, all up the islands.

Mr. C. Imbert: Little Barbados.

Hon. Member: Antigua.

Mr. C. Imbert: And I now hearing up the islands, you will see a solar water heater. You know why, Mr. Speaker? Because those governments, they have to buy fuel from us at high prices so they have found ways and means to reduce their energy cost and they subsidize solar water heaters. They subsidize solar water heaters. And they have done it; it is not just talk; it is not just like the security cameras which were talked about which have not been implemented; it is not just like the CNG incentives that have been spoken about but have not been implemented; it is not just like the Minister's muttering across the floor that he intends to deal with incentives for hybrid vehicles and so on, Mr. Speaker. No, no, no, none of those things. The fact of the matter is, Mr. Speaker, that we need to do these things.

Hon. Member: We are doing it.

Mr. C. Imbert: Yeah, you are doing it, yeah, sure. And the 2015 election coming just now too, you would be—

Hon. Member: Do not worry.

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Mr. C. Imbert: Mr. Speaker, this Government is going to be very surprised when May 2015 arrives and all of these things that they have announced have not been done, and it will just go down as yet another unfulfilled promise by this Government.

So, Mr. Speaker, I do not think any of us on this side has any problem with the reduction in the cost of CNG from \$1.07 to \$1. I do not think any of us on this side has any problem with the reduction in the duty to zero. As I said, so what? Why do you not just reduce it to zero? Because, Mr. Speaker, they are taking taxpayers' money and they are offering it to private citizens. And you see, this is the point I was making, and this is why persons can say these things reek of corruption, [*Laughter*] because—

Mr. Indarsingh: Where is the evidence?

Mr. C. Imbert:—who gave this Government the right—who gave them the right to say something like this? This is the Minister of Energy and Energy Affairs:

Ramnarine said, the financing “to convert 17,500 vehicles” would come from the NGC, and would come at “no cost to companies...State agencies or...private citizens” who wish to convert their vehicles.

Who gave this Government the right to say you will convert private citizen's vehicles from gasoline to CNG free of charge? Who gave you the right to take \$500 million of taxpayers' money to do that?

Hon. Member: Our Money.

Mr. C. Imbert: And, if, Mr. Speaker, the plan is to convert 90,000 vehicles five times as much, then you would be taking billions and billions of taxpayers' money to convert the vehicles of private citizens at no cost to them.

And you have to ask yourselves, after you have spent this \$2 billion and \$3 billion, and whatever set of \$4.4 billion that you want to spend, doing all of this “tra-la-la”, would it really have helped this country, Mr. Speaker? Would it really have helped this country? I have already made the point that one of the dealers has pointed out that if you look at the cost of conversion and the tax exemptions and all that sort of thing—because he was not factoring in this you know, Mr. Speaker. When that car dealer said it, you might get \$70,000 in tax exemptions on a vehicle that is CNG compliant, he was not thinking about the gift that the Government is going to give people to convert their vehicles from gas to CNG, so it might be \$100,000.

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So when you factor in a cost of somewhere between fifty and a hundred thousand dollars cost to the Treasury, because the loss in revenue in terms of taxes, excise duties, customs duties, motor vehicle tax, plus the cost that you are paying them now to convert their vehicle from gas to CNG, it could be anywhere between fifty to a hundred thousand dollars per vehicle, Mr. Speaker.

4.00p.m.

Why do you not just buy a Prius for them “and dun”? Why instead of this foolishness, spending all these billions of dollars on this failed plan, do you not just buy hybrid vehicles for every citizen of Trinidad and Tobago and “dun de ol’ talk”, the vehicles that are getting 50 miles a gallon? Why do you not reduce the motor vehicle tax on a hybrid vehicle to zero and the duty on a hybrid vehicle to zero, and the VAT on a hybrid vehicle to zero? Any vehicle that gets a mileage of over 40 miles a gallon, why do you not just reduce all the taxes on that to zero, to encourage people to bring in vehicles that consume and give you the kind of mileage: 50 miles to the gallon, 45 miles to the gallon? Why do you not do that, instead of pursuing this failed strategy?

Mr. Speaker, I am urging the Government; we are very suspicious about your plan. We are very, very suspicious about the people who are going to benefit from this \$2 billion thing or this \$500 million thing, whatever number you want to put on it. I have heard all kinds of different numbers: \$500 million, \$1.5 billion, \$2.07 billion, \$4 billion, all kinds of numbers. Whatever it is, it is plenty money.

This plan that you have to encourage someone to become the dealer for motor cars that use CNG, instead of focusing on that which is a failed plan, why do you not look at incentives for other alternative energy uses—hybrid cars? And let us try and do something serious as a Parliament for this country and the people of Trinidad and Tobago.

I thank you, Mr. Speaker.

The Minister of State in the Ministry of the Environment and Water Resources (Hon. Ramona Ramdial): Thank you very much, Mr. Speaker for this opportunity.

First of all, I want to debunk some of the statements made by the Member for Diego Martin North/East. [*Desk thumping*] He spoke about the Minister of Finance and the Economy making statements since 2011 about the CNG conversion that we wanted to embark upon as a government, which we have started. He made mention of not one vehicle being converted since 2011 to the

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present time. I want to show him today and show the House that that is not true. [*Minister Ramdial displays picture*] WASA has been converting its vehicles to CNG, and we are on to our third vehicle within the space of three months. [*Laughter*]

Mr. Imbert: Third vehicle!

Hon. R. Ramdial: I want to say something, as much as they may sit there and laugh, at the end of the day he lied and misled the Parliament into believing— [*Interruption*]

Mr. Speaker: Withdraw that word “lie”; that is unparliamentary one. I did not stop the Member for Diego Martin North/East, and I think that you took a cue from it. All pictures or images or aids that are being displayed in this Parliament, must get the approval of the Speaker before it is done. The Member for Diego Martin North/East breached that and you are also breaching it, so I am simply saying that you have already displayed that, do not display any more. I want to advise all Members that there is a rule. You do not display aids or pictures unless it comes to the Speaker’s attention before that is to happen. Do not use that language. Be more eloquent in your delivery. Continue, Member.

Hon. R. Ramdial: All apologies, Mr. Speaker, I retract that word. But the Member for Diego Martin North/East has been misleading the Parliament, and as much as it may be laughable to the Opposition to say that we have converted three vehicles in three months, the point of the matter is we are converting our government-used vehicles with this CNG programme, in keeping in line with the CNG programme, and of course, the bigger picture which will be later explained.

I just want to continue by saying that under WASA the pilot project began in August 2013 with two vehicles identified for conversion. The first is a dump truck, and it is already on the road, and the second is a water tanker which will be ready by the end of October. There are plans to convert six additional heavy vehicles over a 10-month period to CNG. The benefits from the project are immeasurable to the environment and will save the authority 50 per cent on the cost of fuel per vehicle as well as maintenance costs. CNG burns cleanly. There are reduced emissions of carbon dioxide and nitrogen oxide and no by-products of combustion left on spark plugs and engine oil.

This is a forward-thinking idea on behalf of the People’s Partnership Government. As much as it has been in abeyance for the past 20 years, we have finally settled down to a plan and a structure to implement moving forward with respect to CNG.

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Mr. Sharma: Well said! Well said!

Hon. R. Ramdial: So that is it there, Mr. Speaker. In addition to that, I would also like to make mention of what the Member for Diego Martin North/East spoke of with respect to world trends.

Mr. Sharma: He said nothing.

Hon. R. Ramdial: He must know, being widely read as he claims, that international bodies today around the world globally are calling for a change in world trends and world patterns. He quoted from the US and drew reference to examples from the US. I must say, at the latest United Nations Convention that I attended in New York a couple of months ago, international bodies are calling on these big super countries, like the US, UK, China and other countries, to change their modus operandi when it comes to changing that of the environment, dealing with the environment in a very holistic way, in a greener way in terms of going now into renewable fuels, clean fuels and renewable energies. Therefore these super powers in these countries refuse to accept the calls from international bodies, especially the climate change talks.

Just today in one of the newspapers, if you will allow me to quote:

“Activists walk out of climate talks”

As we speak, right now in Poland, Warsaw:

“Activists have walked out of UN climate talks the day before they end, saying two weeks of negotiations have brought no results.”

They have gone on to say that the Warsaw National Stadium where the meeting was held, no deal is expected on climate change to take place at this point in time. They say that:

“Rich and poor nations are struggling with a yawning rift over developed countries’ efforts”—like ourselves, small island developing States—“to developed countries accept responsibility for global warming.”

It is all here, Mr. Speaker, to realize—[*Interruption*]

Mr. Chairman: What is the name of that paper and the page you are quoting from?

Hon. R. Ramdial: It is today’s *Daily Express*, page 40.

Mr. Warner: “Not de *Sunshine*?”

Hon. R. Ramdial: No, not the *Sunshine*. [Laughter]

At the end of the day, we have to realize that with these superpowers and G8 countries that we always look up to for world trends and world patterns, there are developing countries and other international organizations who are calling for change. These super countries, their economies are based on oil and gas, in some instances, on non-renewable energies and non-renewable fuels and fossil fuels, and therefore there is a call internationally to change. This is what we need to recognize.

What has happened over the years is that this country has signed on to a number of international agreements that would allow for us as a country to change our national policies and our domestic legislation to accommodate for positive changes in dealing with climate change. This CNG project that we are speaking of here is one such way, in moving forward and dealing with climate change and lowering our carbon footprint in Trinidad and Tobago.

Mr. Sharma: Very good point! Excellent point.

Hon. R. Ramdial: Mr. Speaker, in the last budget you would have heard of the greening of the bus route. Of course, the conversion of vehicles to CNG is part of this greening of the bus route that we have been speaking of over the past year or so. A technical committee did its feasibility studies, and came up with a number of ways that we could move forward.

With respect to the operations of the PBR and with respect to the buses, they have estimated that the carbon dioxide emissions arising from these buses and maxi-taxis are consistent with high carbon emissions, and therefore greening means a reduction of the carbon emissions with respect to the maxi-taxis and the buses. This is why the Minister of Finance and the Economy started with talks of the conversion of the CNG with respect to our public transport system, PTSC and the maxi-taxis.

They also went on to conduct an analysis of conversion options of solar street and traffic lights and buses to CNG, including emissions avoided. Estimated, the requirements of conversion of maxi-taxis, including possible incentives to this end, and of course to develop a budget for and explore financing options to implement the conversion of the PBR into a green route, including opportunities under the CDM, or the Clean Development Mechanism of the Kyoto Protocol, to enable participation in the international carbon market and sale of credits accrued from the carbon emissions reduced or avoided. So the CDM is a mechanism by which we would get part funding for this CNG conversion project.

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The technical team also developed an implementation plan for the conversion of the PBR into a green route, and also made recommendations based on the findings from the above analysis.

The Member for Diego Martin North/East spoke about the country's moneys going to waste and all of these things, and that it was not a feasible project to invest in. But based on this study we would see how much our country would save in the long term, once this project has been implemented.

Mr. C. Imbert: Nonsense!

Hon. R. Ramdial: The cost of the diesel subsidy for buses and maxi-taxis operating on the PBR is an estimated TT \$167 million, which would amount to the yearly savings realized as a result of switching from diesel to CNG for all buses and maxi-taxis on the PBR. So we will be saving \$167 million annually.

The estimated cost for the conversion to CNG fuel is TT \$24 million. The estimated cost of installation of the solar LED lamps for the PBR is TT \$40 million. But I will omit this part, because we are dealing specifically with CNG.

The average cost of conversion of maxi-taxis would amount to US \$10,000 per vehicle. On this basis, it is estimated that the total cost of conversion of the 1,142 maxis that operate on the PBR is roughly 66 per cent of the annual diesel subsidies on the maxis.

Mr. Sharma: Very good!

Hon. R. Ramdial: The total carbon dioxide emissions avoided or reduced is estimated at 27,000 metric tons or 27 million kilogrammes, and represents a potential earning value of TT \$1.4 million through the approved projects under the CDM. So under the CDM mechanism, Mr. Speaker, when we trade our carbon emissions, Trinidad and Tobago will make a profit of \$1.4 million annually with the conversion to CNG, and this is something that we need to look at as a country, in providing a greener environment for our constituents. The total estimated cost of conversion of the PBR into a green route is TT \$137 million overall, and that is inclusive of the solar-powered street lighting, et cetera.

Mr. Speaker, as we move on with respect to the feasibility study that was undertaken under the Ministry of the Environment and Water Resources, we have decided that based on a background policy that I mentioned earlier, which I will reiterate, we as a country have ratified and signed to the United Nations Framework Convention on Climate Change and we are obligated to formulate and

implement national programmes containing measures to address man-made emissions of greenhouse gases and promote the application of technologies, practices and processes that control, reduce or prevent emissions of greenhouse gases in all relevant sectors, including energy and transport. This is why we are tackling the transportation sector first, because as a Government we have our government vehicles and the structure is much easier to work with at this point in time.

4.15 p.m.

Mr. Speaker, in 2011 the Government laid the National Climate Change Policy and, of course, that also identified the Power Generation and transportation sectors as two sectors with significant greenhouse gas emissions. For example, the carbon dioxide emissions in the PowerGen and transportation sectors have risen by approximately 43 per cent and 100 per cent respectively over the period 1990—2006. So, Mr. Speaker, this is a drastic increase in carbon emissions in Trinidad and Tobago, and we really need to look at reducing these carbon emissions and our carbon footprints in the future. If not, we need to think about the future of Trinidad and Tobago, our children and our children's children, and wherever we start it is a start at the end of the day.

In addition to that, the development of a green economy is also, of course, assured, and it has become internationally accepted as the pursuance of low carbon development through minimizing the use—maximizing the use of renewable energy and renewable energy technologies and maximizing energy efficiency and increasing the resilience of natural systems such as forest and natural areas to sequester carbon.

So, Mr. Speaker, again we live in a tropical environment, a tropical island and we must be very proud of our forestry in terms of the eco system that supports us as humans, and when we look at Tobago we see a lot of protected forest reserves. In Trinidad we have a lot of protected forest reserves also, and this would lend to the CDM mechanism of trading carbon for revenue for the Government for Trinidad and Tobago. Of course, again, it would bring in additional revenues to Trinidad and Tobago once we adhere to this CDM mechanism of reducing our carbon footprint and, of course, we have the CNG on the other hand, conversion, of our public transportation vehicles being one such method also.

Mr. Speaker, I just want to give some stats with respect to the operations of the PBR. With respect to the buses, there is currently an estimated 250 buses serving the PBR daily, with an estimated increase by an additional 75 by the end

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of 2012—and we saw this happening. The assumption is that the 250 buses consume on average 200 litres of diesel per day for 265 days per year—365 days per year, sorry. Up to the month of May 2012, the diesel subsidy per litre was \$4.32 per litre. That was the diesel subsidy. The estimated cost of conversion of 250 buses at US \$15,000 per bus will amount to TT \$24 million. That is the projected cost for the conversion of the buses—of one bus.

The estimated total diesel consumption per year for 250 buses is, of course, 13 million litres. That is the diesel consumption per year for 250 buses. The estimated total cost of diesel per year for 250 buses is TT \$19.5 million, and the estimated total cost of CNG per year for 250 buses is an estimated TT \$15.6 million. So, the estimated cost of savings per year, when we convert to CNG, would be TT \$3.9 million; if you are looking at it per bus it would be TT \$15,600.

So, I think, Mr. Speaker, this is more than enough justification to move ahead, because later on in the long term we are going to see much larger savings being accrued by the Government of Trinidad and Tobago. Mr. Speaker, the estimated total diesel subsidy for 250 buses per year is TT \$56.2 million which would also represent the cost of savings by switching to CNG buses. So, from the gas subsidy in Trinidad and Tobago, which our population enjoys, we will be saving \$56.2 million per year of that gas subsidy. Again, as I say, this is justification enough to move ahead with this project.

Mr. Indarsingh: Tell them that again. Tell them that again. [*Crosstalk*]

Hon. R. Ramdial: Mr. Speaker, let me continue. The estimated total carbon dioxide emissions per year from 250 buses operating on diesel fuel are, of course, 34,668 metric tons. That is, of course, the carbon dioxide emissions. So that is a lot of pollution that we are talking about. The estimated total carbon dioxide emission per year for 250 operating on compressed natural gas—because we are comparing—is 25,711 metric tons.

So, Mr. Speaker, we would be reducing our carbon footprint by 8,957 metric tons of carbon dioxide per bus, per year. [*Desk thumping*] So, when we compare chalk and cheese, at the end of the day we have to move ahead with these plans, as much as the Opposition may look at a \$500 million investment to be a waste of taxpayers' money, this is not so. Because we are ensuring the benefits to the environment which is most important, first and foremost, and, of course, later on you would see how Government will collect revenues and make up for this investment in the long run.

Mr. Speaker, with respect to the maxi-taxis, another comparison, a similar comparison was done, and at the end of the day we would be saving with respect

to the maxi-taxi operation, \$920,780 per year under the CDM project if we trade our carbon emissions. Now, these figures are not any figures pulled out of the air like that. Feasibility studies were done, and, of course, the technical team from both the Ministry of the Environment and Water Resources and the Ministry of Energy, they are very much on point with moving ahead with this CNG, and pursuing the Government and asked to move ahead with this project.

Dr. Gopeesingh: Scientifically driven.

Hon. R. Ramdial: Mr. Speaker, then I want to refer to the Member for Diego Martin North/East and his financing woes that he spoke about for the taxpayers of Trinidad and Tobago.

Now there are many financing options that the Government has explored and I just want to make mention of a few. For the conversion of the PBR to a green route, we have looked at Public Sector Investment Programme through the national budget. We have also looked at grant funding through the international agencies, such as Donor Funded, and I made mention of CDM, and other international bodies who are on board with us to give funding. We have also looked at the clean development mechanism, which I spoke of earlier; we have looked at also giving incentives to the maxi-taxis to convert to CNG at the end of the day. We are also looking at funding through the Green Fund, because, as you know, the Green Fund is very much accessible for projects like these and, therefore, we have looked at and explored the possibility of using the Green Fund to convert the PTSC buses in our first phase of the project. [*Desk thumping*]

Mr. Speaker, I also want to mention that recommendations were also given to us with respect to this project and it is going to be on a two-phase basis. The two-phase basis will incorporate, of course—well, let me just explain in detail. The CNG Task Force developed a five-year plan which will provide for the conversion of 100,000 vehicles and the establishment of 72 CNG refilling stations. The programmes are to be conducted in two phases: phase 1 will entail the conversion of 17,500 vehicles and the construction of 22 new CNG stations at a cost of \$500 million over two years. Of course, Mr. Speaker, I made mention of the financing options before which will contribute to this overall cost of \$500 million.

Phase 2 will entail the conversion of 82,500 vehicles, and the construction of a further additional 50 CNG stations at a cost of \$1.5 billion. [*Desk thumping*] Now, Mr. Speaker, in moving this programme forward, funding was a key issue and the task force noted that the cash flows were only positive at the end of five years, and therefore the project may or may not interest private investors.

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Mr. Speaker, in May 2013, the Board of Directors of NGC approved an investment of \$500 million over two years in respect of phase 1 of the programme and NGC has advised that it possesses the adequate financial resources to finance the programme without extra financing. It is anticipated that phase 1 will lead to the acceptance by the general public and thereby aid in the successful roll-out of phase 2. Successful implementation of phase 1 will also induce the private sector to participate in phase 2 whether as a public/private partnership or otherwise.

In June of 2013 the Government approved phase 1 of the CNG programme and the participation of NGC. To improve the economics of phase 1, Government agreed to the supply of natural gas estimated at 4.7 billion cubic feet, valued at TT \$30 million at zero cost from its allocation of royalty gas from bpTT. Additionally, excise duty is to be reduced from five cents to zero cents per gasoline equivalent. The removal of excise duty will result in a revenue reduction of \$300,000. The CNG programme in Trinidad and Tobago has stalled through the lack of financing, however, we are now moving ahead because we have been able to identify it. Additionally, vehicle owners are reluctant, we realize, to convert without a network of modern fast-filled stations, and this is why construction of the stations go hand in hand with the conversion to CNG.

Mr. Speaker, I just want to also make mention of the benefits of CNG. CNG is considered the most viable alternative to traditional liquid transportation fuels in Trinidad and Tobago. CNG is cheaper. CNG is currently less than half the price of super gasoline resulting in substantial savings in fuel cost. CNG is cleaner. CNG contains no additives and burns cleanly leaving no by-products of combustion to contaminate the spark plugs and engine oil. The combustion chamber parts, therefore, function at a peak output for longer hours before requiring service—and the Member for Diego Martin North/East talked about maintenance as being that of a problem with respect to the conversion to CNG. But, of course, the output for longer periods will require less maintenance within that space of time. The engine oil also remains clean, which minimizes the engine wear. So, the maintenance issue, the Member for Diego Martin North/East spoke about, is something that can be dealt with, and by the nature of using CNG, it would not be so highly required as opposed to using super gasoline and other fuels in our vehicles. [Interruption]

Mr. Speaker, CNG is greener. The harmful emissions such as carbon dioxide and nitrogen oxides can be reduced by as much as 35 and 30 per cent, respectively—[Interruption]

Mr. Sharma: Repeat that point.

Hon. R. Ramdial:—when compared to the traditional liquid transportation fuels.

Of course, Mr. Speaker, I reiterate the need to have our population exist in a cleaner and a greener environment. [*Desk thumping*] Mr. Speaker, what is most important is that CNG is safer. CNG components are made to international standards and are tested to ensure safe performance.

Dr. Moonilal: Agreed.

Hon. R. Ramdial: A CNG fuelling system is sealed and natural gas is lighter than air, so if released, rises quickly and dissipates, and of course, it reduces the risk of emission.

So, Mr. Speaker, I mean, I want to assume at this point here, if it is there is a motor vehicular accident, the incident or the risk of the vehicle catching fire and igniting suddenly and killing occupants within it would be minimized at this point with the use of CNG, from what I am reading here.

Mr. Sharma: Brilliant observation.

Hon. R. Ramdial: Vehicles powered by natural gas are safe as conventional gasoline or diesel vehicles and their pressurized tanks have been designed to withstand severe impact, temperature and environmental exposure. CNG is lighter than air, so if fuel were to escape in a crash it would evaporate rather than create a puddle under the car. While the gas is escaping the storage tank it is highly volatile, but once the gas has evaporated the danger of fire is diminished, and this is what I mentioned earlier.

Mr. Speaker, these are just some of the benefits of the use of CNG and, therefore, as a Member of Parliament and being, of course, responsible for a constituency, I would like to see this on my part as a project that we go forward with at the end of the day. [*Interruption*] Mr. Speaker, I am hearing some babble in front of me, but I would ignore. [*Crosstalk*] And, of course, when there is no feasible argument they go to the simple word of corruption and other things that they like to use.

Dr. Moonilal: That is all they know about.

Hon. R. Ramdial: But, at the end of the day, Mr. Speaker, as a young Member of Parliament also—[*Interruption*]

Mr. Speaker: Okay, hon. Members this is a good time for us to pause and have tea. This sitting is suspended until 5.05 p.m.

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4.30 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed*

Mr. Speaker: The hon. Member for Couva North and Minister of State in the Ministry of the Environment and Water Resources. [*Desk thumping*]

Hon. R. Ramdial: Thank you, Mr. Speaker. So just to wrap up, Mr. Speaker, at this point in time, I do not intend to speak too long again. Let me just reiterate the benefits of this CNG project with respect to the conversion and the greening of the PBR. The overall savings to this Government into this country, with respect to the greenhouse gas emissions reduction and avoidance, an estimated total of 9,788 metric tons of carbon dioxide per year would be reduced or voided from buses and solar street lights. When maxi-taxis are included, an estimated total of 27,495 metric tons of carbon dioxide per year would be reduced. So we would greatly reduce our carbon footprint.

Mr. Speaker, with respect to the overall savings on the diesel subsidy, the cost saving from the subsidy and fuel of conversion of buses to CNG will approximate to TT \$300 million over a five-year period. The cost saving from subsidy and fuel conversion of maxi-taxis to CNG approximates to TT \$190 million over a five-year period. And this is a saving under fuel subsidy.

Mr. Speaker, the savings or the overall cost savings from conversion of all buses and maxi-taxis to CNG, and all street lights and traffic lights to solar LEDs, approximate TT \$492.6million over a five-year period or approximately TT \$98 million per year. So this project has proven to be feasible, has proven to be cost-effective to the Government and to the people of Trinidad and Tobago. And I just want to reiterate and also make mention of the Member for Diego Martin North/East complaining about investment of TT \$500 million, but when he as Minister of Works under the previous regime allowed for a \$500 million feasibility study on the rapid rail that nothing—[*Desk thumping*]

Mr. Roberts: Shame! Shame!

Hon. R. Ramdial:—emanated out of that. What was the point? Was that not a waste of taxpayers' moneys and corruption? Was it not that? I want to ask the hon. Member, when you look at the Brian Lara Stadium, Tarouba, and the state of disrepair that it still is in, Mr. Speaker, and the moneys that were spent, is that not a waste of taxpayers' moneys?

Mr. Indarsingh: Corruption!

Hon. R. Ramdial: What about, Mr. Speaker, the debt that this Government and future Governments will have to keep paying for, of course, these high-rise

buildings that we now occupy and try to, you know, cut cost in? What about that, Mr. Speaker, is that not a waste of taxpayers' moneys?

So, at the end of the day, Mr. Speaker, he speaks about—the Member for Diego Martin North/East, speaks about a 20-year plan and not coming into implementation and not being feasible, and not workable, but under their tenure, this then PNM Opposition, when they were in Government under their tenure, what did they do? Because they spoke of it also, and they were never able to implement it, so now when we have a very progressive Government here going to implement—has already started to implement and you are seeing the benefits, Mr. Speaker, to this project, I want to know where is the wastage of taxpayers' moneys that he speaks of? At the end of the day, these projects are future-forward. It is progressive thinking. When you look at the way the society globally is changing, you look at it and you see that the environment—is saving the environment, going green, of course reducing your carbon footprints, indulging of course and assuring that you engaged in renewable energies and cleaner fuels, this is the way to go forward. Mr. Speaker, we can only be labelled as a developed country, from developing to developed if, of course, we put these projects and plans into effect and we implement them effectively.

So, Mr. Speaker, with these few words, I just want to say that the Parliament—I mean the Member for Diego Martin North/East, said, they had no problem in supporting the Order because we are here to change the Order, and they had no problem in supporting it, and therefore I want to say to him that take a seat, sit back and look at how we do things and aim to follow us in the future. Thank you very much...*[Desk thumping]*

Mr. Speaker: The hon. Member for St. Joseph.

Mr. Terrence Deyalsingh (*St. Joseph*): Thank you, Mr. Speaker, for allowing me an opportunity to make a contribution on this Motion. I want to thank the hon. Member for Couva North for her technical exposé—

Miss Ramdial: Thank you.

Mr. T. Deyalsingh:—reminding us about the benefits of CNG. I would like to thank the Member for Diego Martin North/East—*[Interruption]*

Mr. Sharma: For what?

Mr. T. Deyalsingh: for taking—I will explain what—what I term a non-partisan approach to the issue, because he spoke about, for 20 years we have been speaking about CNG and we have not yet reaped the benefits of past Motions.

Mr. Sharma: All right, let me hear what you have to say.

Mr. T. Deyalsingh: In keeping with that, Mr. Speaker, I went back to the 1999 *Hansard* of Tuesday, April 6, 1999, the then Minister, Mr. Brian Kuei Tung—on page five.

“...It is now proposed that the new excise duty on CNG be imposed at the rate of 20.414 cents; a reduction, thereby, where the new price of CNG is now 4.406 cents per litre.”

In keeping with the bipartisan approach to this issue, because, Mr. Speaker, we will get nowhere if we keep on throwing stones at each other over the issue of CNG. So I am being fair, Mr. Brian Kuei Tung, UNC, Minister of Finance, under the Panday administration. Mrs. Karen Nunez-Tesheira—*[Interruption]*

Hon. Members: “Oh gawd!”

Mr. T. Deyalsingh:—Friday, November 7, 2008—*[Interruption]*

Mr. Roberts: “Doh remind dem.”

Mr. T. Deyalsingh: Same thing, a Motion to reduce the—

“...new excise duty on compressed natural gas at the price of 5 cents per litre and revokes the earlier 1999 Order...”—which was moved by former Minister Brian Kuei Tung.

The point is, Mr. Speaker, all administrations, whether it is the UNC or PNM, have fiddled with the price of CNG, have brought these types of Motions to this House. And the fact of the matter is the consumption of CNG and the conversion of cars and vehicles to CNG have not had the take-up. And we have to examine the question why. The Member of Parliament for Tunapuna, and economics will be quite familiar with the old laws of supply and demand, that typically when you drop the price of the good or service, demand normally takes up. That is normal Economics, 101, supply and demand.

There is also an area in economics which bucks that trend, and you have certain goods where you increase the price, demand actually increases. And those types of goods are called Giffen goods, alcohol is one. Whenever we toy with the price of alcohol and cigarettes, you ever notice that the demand does not go down. So, we have tinkered with the price of CNG over the years, from 1999—2008, and we are now here, Mr. Speaker, in 2013 with a similar Motion.

So, it begs the question: what is the elasticity of demand for CNG? If we drop the price, does consumption take up? And we have seen over the years, the answer is, no. We have to ask the question: why? And that is why I said, the Member of Parliament for Diego Martin North/East, took a non-partisan approach to it, because he spoke to the fact—

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Mr. Roberts: What!

Mr. T. Deyalsingh:—that over 20 years, over a 20-year period it has not worked.

Mr. Indarsingh: That is the PNM administration.

Mr. T. Deyalsingh: Including the UNC administration and PNM administrations. Mr. Speaker, we also have to look at this CNG price adjustment in the context of the absence of a national transport policy, especially for public transport, which I will come to later.

Mr. President, sorry, Mr. Speaker, when I was elevated to this House I had a session with myself and I said, I will not make the error of saying Mr. President, and here I am saying it. I do apologize, Mr. Speaker.

Mr. Roberts: “Yuh goin back shortly.” [*Laughter*]

Mr. T. Deyalsingh: If we look at the use of CNG worldwide—[*Interruption*]

Miss Mc Donald: At least he is going somewhere. You will be going nowhere.

Mr. Indarsingh: Member for Port of Spain South, “why you behaving so”?

Mr. T. Deyalsingh:—the CNG industry, Mr. Speaker, had its early beginnings in Italy. But if you look at some of the countries where CNG takes off, we have Pakistan at 2.7 million vehicles; Iran, 1.9 million vehicles; Argentina, 1.9; Brazil, 1.6 and India, 1 million. These are the success stories for CNG use. But we have to ask ourselves, why did they succeed and why are we not succeeding? Because that to me, Mr. Speaker, is the crux of the debate—[*Interruption*]

Dr. Moonilal: Because the PNM not “dey”.

Mr. T. Deyalsingh:—whether, reducing the price of CNG will have the desired effect. In Pakistan, which is the world leader in CNG with 2.7 million vehicles, of that 2.7, a vast majority, a great percentage, is what they call their took tooks or rickshaws which run on CNG, not passenger cars, not lorries, not public transport.

If you look at Iran, Mr. Speaker, one of the reasons why Iran has 1.9 million vehicles running on CNG is because of their embargo imposed due to their nuclear programme and they cannot import gas. They have oil, but they cannot import gas. Therefore their CNG thrust is due to geo-political factors.

Mr. Imbert: “Dey ha no choice.”

Mr. T. Deyalsingh: “Dey doh have a choice.” Brazil, 1.6 million. The reason Brazil is so successful in their CNG thrust is because of government policy

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to diversify their fuel supplies. They have diversified into ethanol from sugar cane and they have diversified into CNG. So you have to look at the success stories and ask yourself: why are these countries successful and why are we not successful? And the thing is, even in India, which I quoted as a success story, Mr. Speaker, of one million, *The Times of India*, August 22, 2013, recently had a headline:

“CNG to lose edge to diesel after hike”—in prices.

So the fact is, Mr. Speaker, the CNG’s success stories are spotty, driven by geopolitical factors as in the case of Iran, driven by Government policy as in the case of Brazil, driven by the use of rickshaws or took tooks in the case of Pakistan. And we in Trinidad and Tobago have to ask ourselves what is our position when it comes to CNG, because over the years, unfortunately we have played politics with the issue, and I would give you an example of playing politics with it. I read the earlier Motion moved by Karen Nunez-Tesheira in 2008, and this was the then response of then MP Vasant Bharath. He said—and this is why I admired the approach taken by my colleague for Diego Martin North/East—[*Interruption*]

Mr. Imbert: But they were not listening.

Miss Ramdial: Ah, come on.

Mr. T. Deyalsingh: And Mr. Vasant Bharath on Monday, November 10, 2008 said:

“The Ministers of Finance and Energy should have CNG vehicles...”

Let me ask the question, does Mr. Winston Dookeran the Member of Parliament for Tunapuna have a CNG vehicle?

Miss Mc Donald: No!

Mr. T. Deyalsingh: No!

Mr. Sharma: Ask an intelligent question, “nah”.

Mr. T. Deyalsingh: Does Mr. Howai, the hon. Minister of Finance have a CNG vehicle? No! But when we play politics with the issues, when we play politics with the issues we do not advance the cause of the country.

Mr. Speaker, so putting the politics aside, putting the politics aside, why had CNG not taken off in Trinidad and Tobago over a 20-year period spanning different administrations; whether it is the UNC, and whether it is the PNM? And as we know, Mr. Speaker, the definition of insanity is doing the same thing over and over and expecting a different result. I have read the Motion from 1999 under

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the UNC, the Minister of Finance, Mr. Brian Kuei Tung. I have read into the Parliament record, the PNM position under Mrs. Karen Nunez-Teshiera—
[*Interruption*]

Hon. Member: “Oh, gawd.”

Mr. T. Deyalsingh:—where both administrations attempted to reduce the price of CNG hoping for a concomitant take-up. It does not happen. We have to ask ourselves the question: why? Trinidad and Tobago, for better or for worse, is a country where we love to drive. We love the SUVs, we love the nice cars. And no administration has come to grips with the distribution side of CNG. None! Let us admit that.

5.20 p.m.

Let us admit that up front. No administration—none—has come to grips with the distribution part of the marketing mix. Marketing mix for the marketing student: product, price, place, promotion. When we talk about place, we talk about distribution. You could have a good product like CNG. You can price it well by reducing the price. You could advertise it all you want, but, Mr. Speaker, if it is not available, who can get it? Who can access it? And our distribution strategies over the years have not done us proud—have not.

Mr. Speaker, if it is we are serious about CNG, we have to ask ourselves the question: is the CNG profit chain profitable for all players in the market, from gas production, to transporting the gas, to compressing the gas, to dispensing the gas and to the final consumer? Because each person along that value chain has to make a dollar; has to make some money. And our CNG pricing strategy over the years—listen to my words carefully, Mr. Speaker, over the years—has not produced a strategy where every player along that value chain can make a buck.

Added to that, we have to ask ourselves the question: are we, in Trinidad and Tobago, happy with this single-tier pricing where gas—how many people really know the price of gas, because there is no competition, as opposed to other countries where the price of gas can fluctuate from gas station to gas station?

So are we going with this multi-pricing strategy or a multi-tiered strategy? You have NP; you have Automotive Components; you have Unipet. Are we going to allow market forces to dictate the price or are we going to keep prices at one level for all players?

So these are some of the issues we have to address, Mr. Speaker. I said earlier, talking about the marketing mix: product, price, place, distribution, our filling

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stations over the years have not done us proud and I know the hon. Minister, in piloting this Motion, would not have gone into details about the needs for a modern CNG station.

There are international specifications that we could follow, and the question is—and the hon. Minister is not here but I know his advisors will be listening—what standards are we following in this new thrust to distribute CNG? Are the gas stations adhering to the NFPA 52 specifications? NFPA is National Fire Protection Association. They have global specifications. Are we adhering to those things? What type of motors are we using, electric or gas? What type of hose capability are we using? It is recommended to use 150 cubic foot per minute. That is one of the big drawbacks to CNG, the length of time it takes to fill your tank. It could take half an hour. It is a drawback.

So we have to adhere to international best practices, and when NP is outfitting their stations, we have to make sure that these stations are consumer-friendly. So you pull in there, you can fill your CNG tank in the same time it takes to fill liquid gasoline, and those stations must be capable of filling 15 litre gasoline equivalent in about three minutes. So that is the type of consumer approach we have to take.

My information is that the stations that we are building do not conform to those specifications. So you are going to drop the price of the product but dropping the price, we have seen from 1999, Mr. Speaker, to 2008, it does not affect demand. You would expect when you drop the price of something, demand takes up. We saw it in the Motion, 1999, Mr. Brian Kuei Tung; 2008, under the PNM administration; it does not work unless you have several things in place.

Hon. Member for Couva North, in speaking about the advantages of CNG, in speaking to consumers, what the Member for Diego Martin North/East would have said, the biggest drawback is your loss of trunk space. So you are going to the airport, “what yuh going tuh do with the suitcases? Yuh going tuh de market, wha yuh go do wit yuh bhagi? Yuh going here and there, what yuh going tuh put in de trunk.”

Mr. Sharma: You really being silly now.

Mr. T. Deyalsingh: So there are advantages and disadvantages.

Coming back to NP’s strategy for gas stations, the seven NTI or New to Industry multi-fuel stations approved: east of Grand Bazaar, I think one was approved for Eastern Main Road, Tacarigua—I think that was done; Churchill

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Roosevelt Highway at Orange Grove, eastbound, not done; Churchill Roosevelt Highway at Tumpuna Road, eastbound, not done; Churchill Roosevelt Highway, El Socorro, Cyrus Trace, westbound, not done. I think the one at Brentwood, just south of Chaguanas has been done. The one at Sir Solomon Hochoy Highway, Preysal Flyover, northbound, not done; South Trunk Road at the lights after Gulf City, not done.

So of these seven—and these are just seven. The Government had promised much more than seven. But of these seven that I know about, only two have been completed, and that is the distribution problem. You could drop the price. This Motion is going to pass; not a problem, but are we tackling the main reason why there is not a consumer take-up of CNG? And that is what I am about today and I think that is what the Member for Diego Martin North/East was speaking about today. The policy has not worked over two decades.

So, yes, we could do it. We can do it, but it has not worked. Also, NP has to be very cognizant of their failure to maintain stations, especially the CNG stations. There was a recent blow-up at one which has led to great inconvenience to consumers again. So you already have a limited distribution chain, and when one station goes down, one out of seven, Mr. Speaker, is a large percentage.

That is why it brings me back to policy. What is our policy? What is our energy policy? Does the Cabinet subcommittee on energy meet to flesh out a proper energy policy, alternate fuels, other energy sources, before we bring legislation? Because, as the Member for Diego Martin North/East elucidated, the incentives given in 2011 have just not worked. He quoted an article, so I would not quote it again. But the thing is, was the basic premise of that piece of legislation to give the tax incentives—was it basically flawed, especially when it came to OEM vehicles, original equipment manufacturer vehicles?

So it is possible that the Parliament made a fundamental error in passing that piece of legislation, whether it was by simple majority or not, where we give all these incentives and, again, there has not been the consumer take-off.

Mr. Speaker, there are some motor vehicle manufacturers that make vehicles (OEM) original equipment manufacturers, with CNG. You have the Volkswagen Passat and Golf; Mercedes Benz E200; Ford Focus, two litre, and so on. I do not want to call out the whole list, but the point is, not many of these vehicles—or none of these vehicles are available to this market.

So, again, the piece of legislation could have been built on a false premise that even though these cars are manufactured worldwide, they are not available to us

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in Trinidad and Tobago. But, Mr. Speaker, when one examines the CNG market worldwide—so I have given some success stories in India, Pakistan, Argentina, Brazil, but I have explained why they are successful. The point is, and the fact of the matter is, globally, more and more manufacturers are moving towards non-CNG-type of motor vehicles. They are moving more to the hybrids, which use a combination of gasoline and electricity; pure electrics, hydrogen fuel cells. You will hardly hear about any new research and development into CNG as original equipment manufacturer.

That was the point that my colleague from Diego Martin North/East was making. After 20 years of experimenting with CNG and hoping for consumer take-off and take-up and it is not working, it is time for Trinidad and Tobago to revisit the basic premise that these Motions are based on. Are they going to have the desired effect? Because more and more, car manufacturers are moving towards other forms of propulsion and CNG is not on the front burner of research and development.

So, we would have removed motor vehicle tax and VAT on imported OEM natural gas vehicles. It did not work because the vehicles are not available to Trinidad and Tobago. We have removed the duty on components for the retrofit of vehicles, but, again, consumer take-up has been sluggish, if at all. For non-business, we have given a 25 per cent tax credit for conversion cost up to a limit of \$2,500 per vehicle, and for business we have given a capital uplift of 130 per cent for wear and tear allowance. None of these measures has worked. And let us be honest with each other. They have not worked. The Trinidad and Tobago population has not embraced CNG.

So from 1999, 2008 and now 2013, the definition of insanity is doing the same thing over and over and hoping for a different result. It is not going to happen. We need to have a national public transport policy, and the Member for Couva North spoke about the rapid rail. That is what we need. You want to reduce the fuel subsidy, [*Desk thumping*] get the national rail going.

Hon. Member: It is not cost-effective.

Mr. T. Deyalsingh: It works everywhere else in the world. Telling me it is not cost-effective, it works everywhere else in the world. You can bash it all you want because it was a PNM thing, just like the Chaguanas—[*Interruption*]

Hon. Member: The only reason.

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Mr. T. Deyalsingh—municipal building; you bash it all you want because it was a PNM thing; “yuh bashing this”. If it is a good policy, it is good policy.

Mr. Jeffrey: Good policy. Yeah, sure.

Mr. T. Deyalsingh: If it is good policy, it is good policy.

Mr. Jeffrey: Um hmm.

Mr. T. Deyalsingh: And, Mr. Speaker, let me draw Members’ opposite attention just en passant—but not really en passant because it is directly related to this. When new governments throw out policy that they have inherited, they set back development by decades.

Hon. Member: Um hmm.

Mr. T. Deyalsingh: This Government did it. But I want to give you an example of the Panday administration. When the Panday administration came into power in the 1990s, they inherited on the books, on the plans, all the plans for Atlantic Train 1. There was an election. PNM lost. It was their plan. Some Members opposite may have been with Mr. Basdeo Panday then. They advised Mr. Panday, “Scrap it; it is a PNM thing; it no good; scrap it.” Mr. Panday, to his eternal credit, listened to Prof. Ken Julien. He listened to the technocrats and he continued with Atlantic Train 1.

Where would this country be, Mr. Speaker, in 2013, without Atlantic Trains 1, 2, 3 and 4? That is the good thing about when you continue with sound policy. We are saying we need a national rail system. You got it. You threw it out. If you want to talk about reducing your fuel subsidy, that is a way to go. And I commend and recommend that to the hon. Minister of Finance and the Economy.

What we are doing here today is tinkering: a five cents here; a penny there. You are losing \$40,000 in revenue. So what? The question is, Mr. Speaker: how many conversions are we going to get out of this Motion today? The answer is, as we heard, maybe two, maybe three.

5.35 p.m.

From 1999 to now it has not worked. The definition of insanity, I repeat, is doing the same thing from 1999, 2008, 2013, and hoping that the consumer will wake up tomorrow morning and rush to Automotive Components to retrofit their vehicles. It is not going to work. What we need are two things: a sound energy policy, and a policy on public transportation. That is what we need. What we do not need is to tinker. Tinkering is not going to cut it. Because I will tell you

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something, Mr. President—Mr. Speaker, sorry—if you look at the conversion economics for CNG—and the average consumer out there is a smart person. The taxi driver is smart. Which taxi driver—how many of them are going to put these cylinders in their trunk and when they pick up their passengers outside the San Juan market and “de passengers have dey basket, what dey go do wit it, they basket ah bhagi?” Where are they going to put it? Nowhere! There is no space.

Hon. Member: Ask Imbert, he will tell you.

Mr. T. Deyalsingh: Mr. Speaker, I have a little table here which talks about the conversion economics. A car which uses premium and using a 2010 kit price of \$7,000—this is 2010 figures—the payback period is two years and you have to cover 11,000 kilometres per year for two years—to have a payback, two years. Right? A maxi-taxi working on diesel, they have to cover close to 40,000 kilometres just to get the payback from their initial investment, and these are some of the reasons why the policies over the past two decades have not worked.

The consumer realizes and appreciates all the advantages that the Member for Couva North spoke about. It is cleaner, environmentally safe, all of that. We appreciate that, but ask yourself the question: if the consumer knows all of that why have they not converted? Why have they not converted? One, the retrofitting is expensive, the retrofitting payback period is too long, the distribution channel is just not there—the physical distribution is just not there as I have spoken about—the loss of trunk space. How will you go Maracas with two big CNG tanks in your trunk, hon. Member of St. Augustine? If you and your wife and children want to go to Maracas and your trunk full of CNG tanks—*[Interruption]*

Mr. Ramadhar: Get a Hilux.

Mr. T. Deyalsingh: Where you will put it? *[Laughter]*—and you want to buy some shark and bake to bring back, where are you going to put it? So these are real inconveniences that the population has worked out. The population is—we are smart people. *[Interruption]*

Mrs. Mc Intosh: “Where ah putting meh suitcase?”

Mr. T. Deyalsingh: Where are you putting your suitcase, you are going to Tobago? Where are you putting it? It is just not going to work. I mean, the measure today is going to pass. It is a nothing measure. It is a nothing measure as it was in 1999 under Mr. Brian Kuei Tung; it is a nothing measure as it was in 2008 under the PNM administration; it is going to be a nothing measure again.

The point is, if you want to reduce the fuel subsidy, tackle it from a national transportation policy perspective. Do that! Have a policy where we introduce something akin to the rapid rail. Call it the UNC rail if you want. If it is a PNM thing, fine. Call it the UNC rail, “ah doh mind.” Paint it yellow. No problem. But just for heaven’s sake, Trinidad and Tobago’s landmass cannot take any more cars, the road network is not there, and maybe will never be there. As the car population keeps on escalating and escalating, where are we going to put these cars?

Mr. Speaker, you know, you travel a lot. We all travel a lot. When we go to London and we go to the theatre in the West End, do you not see all those women and men in their fancy suit and fancy clothes and hype on the tube and on the bus using public transport? They use it.

Mr. Sharma: Do not involve the Speaker.

Mr. T. Deyalsingh: They use it. But we have to get a mode of public transport which is safe, which is reliable, and that, Mr. Speaker, is one of the plans on which you can reduce this four billion fuel subsidy. This is not going to have the effect of reducing the fuel subsidy, I guarantee you.

Mr. Speaker, with those very few words, I thank you. [*Desk thumping*]

Mr. Sharma: Well done! Well done!

Mr. Speaker: The hon. Member for Chaguanas West.

Mr. Jack Warner (*Chaguanas West*): Thank you, Mr. Speaker. Mr. Speaker, like so many of the other speakers, I assume that the purpose for the removal of the excise is to make CNG cheaper and more attractive, and to encourage the motoring public, the commuting public to use that to shift away from gasoline and diesel, and ultimately the fuel subsidy will be removed, which, of course, at the present time I think is \$3.7 to \$4 billion annually.

In fact, the fuel subsidy, if my memory serves me right, is almost 50 per cent of the annual budget deficit and, therefore, it is believed that in one fell swoop, “abracadabra”, this would solve 50 per cent of that budget deficit. But, Mr. Speaker, a few issues come to mind and firstly, while the Government is aggressively pursuing the conversion of vehicles to CNG and is getting trouble to have vehicle owners convert to CNG, they have decided that they will use Government-owned vehicles as the first thrust of this change to CNG and this includes the PTSC buses.

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Mr. Speaker, what is quite clear to me is that the attitude of the Government seems to be, “build it and they will come”. Build the 18 gas stations, build the 22 or the seven and motorists will come to buy. The Government failed to understand up to now, after 20 years, that the public is not interested in CNG conversion of their vehicles. After 20 years, the question must be as the last speaker has asked, as the Member for Diego Martin North/East has asked: for the last 20 years why is the public not interested? And if for 20 years they have not been interested, why should they be interested now is the question even though CNG prices have been low and their efficiency of the fuel is high. The question is why?

Mr. Speaker, I want to say, first of all, that it would seem to me that this Government should have gone on a kind of public education campaign to educate the public on the benefits of CNG. They must get the public on board, they must be able to promote the use of CNG to the public and to show the public why this is an alternative use for their vehicles. They must tell the public—they must clear the misconceptions which the public has about CNG, the misinformation, the psychological block which the public has. All these things could have and should have been removed in public education. I am saying, Mr. Speaker, this has not been done because of ineffective leadership by the Government. In fact, has the Government asked itself why the public is resisting CNG conversion?

Mr. Speaker, in a *Guardian* article which was referred to earlier on by the Member for Diego Martin North/East—and the *Guardian* article he referred to was one of June 28—he said that the Government was targeting 17,500 vehicles in CNG plan. Mr. Speaker, he read for this House how one driver—and he called his name. I think his name was Andy Mohammed—complained about the bad experiences which he had with CNG due to poor infrastructure he said. What this is therefore is a PR issue, and for a Government that is so versed in optics and is so versed in television, I could not understand how a simple PR issue has been left in abeyance as far as this is concerned because the Government wants to get buy-in from the public. Therefore, at the end of the day, what you have to do is have a high PR campaign and educate the public on the value of this change.

Mr. Speaker, it is not only about the cost of conversion. That is one issue. As you heard from the Member for St. Joseph, one concern is the lack of trunk space. That is one concern. Another concern is the lack of passenger space. But the fact is, Mr. Speaker, despite these two issues, the Government should have been able to use its PR campaign—and they are good at that. Oh boy, how good they are—to explain to taxi drivers how their take-home income will be increased and by

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how much, and let them see the bottom line as far as this is concerned, if they want to convert them, because at the end of the day for the citizens of this country, it is a question of the bottom line.

Mr. Speaker, what is even of more concern to me is why the Government is pushing CNG when there are more attractive options such as hybrid vehicles—the Member for Diego Martin North/East made the point earlier on—and there are also vehicles which can use electricity as a fuel source. The Government does not even have to go very far. Used car dealers in an article in the *Guardian* on Friday, May 10, 2013,

“Used car dealers want hybrid concessions

The T&T Automotive Dealers Association (TTADA) wants the Government to give concessions on foreign-used hybrid vehicles.

TTADA president Visham Babwah said dealers have started importing used hybrids that run on a combination of unleaded gasoline and electricity.

Speaking at the news conference on Wednesday”—this is before the Friday—“at P and V Marketing, Chaguanas, Babwah said a used Honda Civic hybrid costs around \$135,000 and uses 60 per cent less fuel than a conventional gasoline-powered vehicle. He said the price can go down”—even further—“if the Government cuts import taxes.”

Mr. Speaker, in this very article Babwah said hybrids are a good option for reducing the fuel subsidy. They are a good option for reducing the fuel subsidy, but as usual the Government is not listening. And if the Government was even interested in other options besides CNG, all they had to do was to pick up the phone and call their Ambassador in Costa Rica.

Mr. Speaker, on July 25, 2013, in an article by Mike Godfrey, Tax-News.com it said:

“On July 22, 2013 Costa Rica’s Finance, Transportation and Environment ministries signed an agreement to cut the tax rate on hybrid vehicles by 20...”—per cent—“in a move to reduce fuel emissions.

...Electric vehicles are tax-free in the country.”

Electric vehicles, Mr. Speaker, are tax-free in Costa Rica. So there are other options, and if you have an Ambassador there and you want to do some work for him or her, as the case may be, then you simply call and ask to see what they did in Costa Rica.

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5.50 p.m.

In Costa Rica today, Mr. Speaker, currently, there is one model of hybrid vehicle on the market: the Toyota Prius, and because of that, Nissan is now bringing in the Leaf hybrid in Costa Rica very soon. It is here. It is here, but no, we are buried in CNG as if that is the only option. The Government knows the benefits of hybrid vehicles because, on October 13, 2012, more than one year ago, Mr. Speaker, the Minister of Energy and Energy Affairs, Sen. Kevin Ramnarine, speaking to the media, an article by Juhel Browne—he was speaking to the media and Juhel Browne was the TV guy at the time and the Minister said:

“‘Interestingly’”—

I quote the Minister:

“‘Interestingly, the foreign used dealers have informed us that it is possible for them to bring in foreign used hybrid vehicles. So that is information that we will explore,’”

More than 12 months later, “he eh explore it yet”. [*Laughter*] Not yet! Twelve months later, Mr. Speaker, nothing has been done, in typical fashion but next 15 months, everything will be done, but too much too late.

Mr. Speaker, furthermore, if I were the government and I wanted to let people be encouraged to use CNG, the first thing I would do is to say all those Ministers who are buying Range Rovers—and some have two—let them use CNG [*Laughter*] so nobody getting any tax-free and so on for their vehicles and so on until they use CNG. Not a single Minister could tell this House that they are using CNG.

Mr. Imbert: Not one!

Mr. J. Warner: Not one! But they want the public to do that but they “eh” doing it themselves.

Hon. Member: Exactly!

Mr. J. Warner: “Yuh see? Yuh see?”

Mr. Imbert: You do as I say but not that I do.

Mr. J. Warner: That is correct! Do as I say but do not do as I do! If I were a government and I wanted to impress the people, then I must begin first by doing CNG and I must go on the same TV—because they like TV, “yuh know”—go on the TV and let the public see that the Minister has—all of them have CNG, but to come into this House and tell me you have one old WASA truck—[*Laughter*]

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Hon. Members: Two, two, two!

Mr. J. Warner:—or two old WASA trucks!

Mr. Imbert: And boasting!

Mr. J. Warner: And boasting about that as an example of CNG, I feel sick.

Miss Ramdial: It is a start, it is a start!

Mr. J. Warner: I feel sick! Mr. Speaker, what is even worse, they talk about the PTSC buses like the truck. What is it going to cost to convert one PTSC bus or one of the Government's vehicle to CNG? How much would it cost? Because, the fact is, this old WASA truck, or two, what is the life expectancy of the truck? *[Laughter]*

Mr. Imbert: For one year.

Mr. J. Warner: “Ah year?” Six months? *[Laughter]* What happens after that?

Hon. Howai: Brand new, brand new.

Mr. J. Warner: What brand new? The picture we saw here is “ah old WASA truck”. Right? *[Crosstalk]* Mr. Speaker, even the PTSC buses, why should you take the old PTSC buses to put CNG on them? Would it not be best—whose life expectancy is almost zero—would it not be best to take the buses that you are bringing to upgrade the system and put it there instead? But who is helping them to think? “They ha no thinkers anymore.”

Mr. Imbert: “Dey cyah think.”

Mr. J. Warner: Who help them to think? And therefore to come here and talk about PTSC buses—now, “as dey say”, it will pass because, again, the ayes have it. My talk here is only academic, “yuh know”, academic. The ayes have it, but the fact is, Mr. Speaker, not enough thought goes into anything that is being done here. *[Desk thumping]* Always flim and flam! Cosmetics and optics!

Mr. Speaker, I am making the point, I want to find out if the Government is pursuing this CNG because there is some “bad man” somewhere. I thought I would ask the question, Mr. Speaker. Why I asked the question if there is some “bad man” somewhere waiting to collect on the supply of CNG conversion kits for the Government? I know how they work.

Mr. Imbert: Cadiz!

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Mr. J. Warner: The Government—[*Interruption*]

Mr. Imbert: You know about that; you know about that. [*Laughter*]

Mr. J. Warner:—is carded to spend \$1.5 billion—[*Interruption*]

Mr. Roberts: “Leave meh boy alone!”

Mr. Imbert: “Ah did not say he [*Inaudible*]”

Mr. J. Warner:—over five years.

Mr. Imbert: “Ah say he know about that.”

Mr. J. Warner: “Listen, listen, I eh humbug yuh, yuh know.” [*Desk thumping and laughter*]

Mr. Roberts: “Yeah, yeah.” [*Laughter*] Well said! Well said! [*Desk thumping and continuous laughter*]

Mr. J. Warner: I stayed very quiet. The Government plans to spend \$1.5 billion over five years to construct 18 CNG stations and to convert maxi-taxis and PTSC buses. It is expected to cut, by close to 50 per cent, the first subsidy, and to recover its capital expenditure in three years. But based on this, I have some questions to ask and I hope the Minister, when he is replying, could answer. Where is the cash flow projection for this project? Where is the empirical evidence to support this policy direction? Where are the figures for us to examine and for us to rationalize this measure? Why does the Government not bring its research and lay it on the table so that the public can scrutinize it to see whether it is a sound proposal or not, or whether they are just shooting in the dark, so to speak?

Mr. Speaker, in November 2011, VMCOTT announced that it was partnering with NP and the Saladin Group of USA to expedite the CNG conversion; November 2011. Saladin is affiliated to Zavoli SRL of Cesena, Italy, which is a manufacturer of CNG technology. I ask the question: who is Saladin? I know about Aladin, [*Laughter*] but who is Saladin? And I will tell you why I asked the question, Mr. Speaker, because Saladin is the company that their director, their Chairman of VMCOTT, signed a contract with, and I got that contract in the *Sunshine* postbox—I do not have enough page to put it on yet—and that contract was signed. When Charbonne, who was the then director or chairman, left the country, the Deputy Chairman, Vedaish Maharaj, called a meeting to say that, of course, Charbonne had no approval to sign the contract and they have now a \$4 billion writ about to hit them.

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So I ask the question therefore: who is Saladin? Where did they come from? How did they come in contact with VMCOTT? I want to get the full details of this CNG deal. Did we find Saladin or did Saladin find us? Who are the principals in Saladin? What is the track record of this company and what is the company's history? I ask. We have no information on this company which they signed a contract for, and I say, again, on *Hansard* here, I got a copy of the contract in the postbox of the *Sunshine*.

Mr. Speaker, Saladin has a website with no information about the company, and for the record in *Hansard*, the website is <http://saladingroup.com/index.html>. That is the website. No information about the company. The company's address and phone numbers are 2875 South Orange Avenue, Suite 500-4070 Orlando, Florida, 32806; phone: 407-926-0304; fax 407-926-0301.

Mr. Roberts: "People duz still use fax?"

Mr. J. Warner: That is to tell you how good the company is. [*Laughter*] "The company allyuh sign with." [*Laughter*]

Mr. Roberts: Me?

Mr. J. Warner: Mr. Speaker, the officers of the company are Michael Tidwell, President; Charles Belgrave, Comptroller; Kamal Baksh, General Manager. That is all the information you have on the company. The site was built in 2011 and the site refers to a Facebook page and the Facebook page, www.facebook.com, page is Saladin-Group. That page was started on September 10, 2011, but there is no information on the Facebook page and that is the company that VMCOTT signed to do a CNG deal with, signed by Michael [sic] Charbonne.

Tidwell, Belgrave and Kamal Baksh—also known as Kamaludin Baksh—are linked to companies in Florida: KB Consultants, Anjali Group and Xportus Incorporated. Those persons, especially Kamaludin Baksh, are linked to another company in Florida called En-com LLC. Their business interests are also linked to persons here and who are past members, managers of KB Consultants—Sandra Baksh, Sharina Baksh and one Imam Baksh. I say this for the record because I know Imam Baksh; he was fired by me, and he was fired by me when I was Minister of Works and, in those days, Transport, before they put in "Infrastructure" and then to nothing. Right? I fired him because of illegal dealing with NP in St. Augustine. Mr. Speaker, I would not say more.

So I ask the question therefore: this CNG fixation they have that sees no other option, this CNG fixation they have, who is the "bad man" in all of this? And to

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tell me about “greening the bus route”. The Member for Couva North should know, before “yuh green the bus route, fix the bus route”. [*Laughter*] Fix the bus route! But more about that another time.

Mr. Speaker, at the end of the day, the point made, that the issue will pass and whether we say yea or nay, it will pass, but my whole point here today, as short as it is, is to put in the public domain that there is more in this than meets the eye, and this fixation with CNG has deluded the Minister of Finance and the Economy into believing that there are no other options. Mr. Speaker, there are and for that reason, therefore, I am saying I am disappointed that after 20 years, we are still tied to this policy of CNG when the public does not want it. Mr. Speaker, I thank you. [*Desk thumping*]

Mr. Speaker: The hon. Minister of Finance and the Economy. [*Desk thumping*]

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Thank you, Mr. Speaker. I would like certainly to thank the Members on the opposite side for all the very constructive comments and criticisms that had been made which certainly allowed us to take another look at some areas of what we are dealing with, and just perhaps to allow me to respond to a few of the points which have been made.

The hon. Member for Diego Martin North/East, of course, pointed out that and he went at lengths to quote from all the various budget speeches and so on, and the length of time that the Government is taking to get this programme up and running. We ourselves, you know, I thought that perhaps I should go back therefore to the previous budget statements myself and I will just go back to 2008 when, I think, the Minister of Finance was the hon. Karen Nunez-Tesheira. I think the hon. Member was also a Member of the Government at that time. I would just want to quote, Mr. Speaker, from the budget debate at that time referring to a quotation made by the then Minister of Finance. This is page 10 of the Excise Duty (Compressed Natural Gas) Order from the *Hansard* dated September 22, 2008:

“The Government is—”

And this is the Minister. I am quoting the Minister of Finance:

“...the Government is in the process of expanding the distribution of Compressed Natural Gas as we move to a cheaper, economically efficient and environmental friendly fuel system.

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As a consequence—”

And this is the then Government speaking on the budget:

“As a consequence, we propose to remove the Customs Duty and Value Added Tax on the conversion kits for modifying from gas to CNG kits.

Further to this measure the Government proposes to convert all public service vehicles to CNG usage.”

Mr. Imbert: It was not done.

Sen. The Hon. L. Howai: “The Government will also put measures in place to increase the number of service stations and geographic distribution of these stations offering CNG.”

Mr. Roberts: What year that was again?

Sen. The Hon. L. Howai: It was 2008. [*Crosstalk*] Yeah.

“This will be achieved—”

And this is the important point, Mr. Speaker:

“This will be achieved over the next two years...”

So by 2010, all these stations were supposed to have been in place.

Hon. Member: “Nah, nah, nah!”

Sen. The Hon. L. Howai: “This will be achieved over the next two years and begin a progressive move”—[*Interruption*]

Mr. Imbert: That is your budget speech this year!

Sen. The Hon. L. Howai: “to reduce the fuel subsidy...”

Mr. Imbert: Look at that!

Sen. The Hon. L. Howai: So, Mr. Speaker, you know, the thing is—[*Interruption*]

Mr. Imbert: “Five years later, yuh saying the same thing!” [*Laughter*]

6.05 p.m.

Sen. The Hon. L. Howai: So, Mr. Speaker, “yuh know”, the thing is, the thing is that yes I know that, “yuh know” sometimes these things take time and

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certainly the hon. Member opposite would recognize that, from our own experience from dealing with these particular situations. I mean, the Government, at the time, promised that all of the stations certainly would have been built in two years.

Hon. Member: And it was not done.

Sen. The Hon. L. Howai: In fact, the debate, if I was to read from page 60, actually got fairly heated, “yuh know”. The hon. Mr. Manning, at the time, and I could quote here, it is said, Mr. Manning was saying:

“In the same way, Mr. Speaker, listening to a newscast in a barber shop in San Fernando recently, I heard two announcers on a station—...I heard two announcers giving a report on a statement that I had made on the night that all of us visited a particular constituency and giving an indication of what was in the budget, that is how PNM did our business—and talking about CNG. They raised that issue and editorializing in the reading of the news, commenting in the reading of the news and one comment that was made afterwards was, ‘CNG, is this not d thing that has the two tanks in the trunk? But that dangerous.’

Mr. Speaker, a complete disservice to the people of Trinidad and Tobago.”

So Mr. Speaker, at that time, they—[*Interruption*]

Mr. Roberts: “He leave the barbershop and run up de road.”

Sen. The Hon. L. Howai:—they, they—well, in fact, “yeah, yuh know”—[*Interruption*]

Mr. Indarsingh: He went with blue lights.

Mr. Roberts: “He leave the barbershop and run down the road.”

Sen. The Hon. L. Howai: So—but I would not go into that and I would not pursue—there is more to be read on that but what I wanted to make—[*Interruption*]

Hon. Member: “Half ah trim.”

Sen. The Hon. L. Howai: But what I wanted to make—[*Interruption*]

Hon. Member: “He had a half a trim.”

Sen. The Hon. L. Howai:—the point I wanted to make here concerning the quotation from Mr. Manning, he says:

“The fourth point I want to make, is that there have been technological developments in the use of compressed natural gas as a motor fuel, and no longer do you have to use heavy metal tanks. They now have tanks made out of composite material.”

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So here it is I was suddenly seeing these pictures with these old heavy metal tanks, [*Crosstalk*] which I hope it was not a picture that goes back prior to 2008, right, but basically, I think the hon. Prime Minister at the time was making the point that the use of compressed natural gas, in fact, “yeah” was something that would have significantly assisted—[*Interruption*]

Mr. Imbert: It took off.

Sen. The Hon. L. Howai: Sorry? “Yeah, took what?”

Mr. Imbert: It took off after that.

Sen. The Hon. L. Howai: Well, perhaps they started to change the tanks, because—in fact, Mr. Speaker, if I may, the hon. Member, at the time, Mr. Imbert, on page 90, also said:

“The way manufacturers deal with that now, the way they have solved it, is that they install the tanks under the body of the vehicle...”—[*Interruption*]

Hon. Member: Correct.

Sen. The Hon. L. Howai:

—“...and they store them in a particular location...”—[*Interruption*]

Hon. Member: “How many you bring in?”

Sen. The Hon. L. Howai:

“...close to the centre of gravity, so it does not affect the steering. The suspension is also adequately designed to deal with the weight of the additional tanks.”

Mr. Roberts: Was that before—[*Inaudible*]

Sen. The Hon. L. Howai: “Countries are also moving to the use of composite material.”

So what I am saying is I hear the point that is being made about the tanks and so on. I am not sure if the Member made the point in seriousness or it was just a, in a sense, a pointing out, “yeah perhaps in a little bit a jest”, but certainly the thing is that you, yourself, have indicated that listen, there are other alternatives to putting the tanks in the trunk, and also that the quality of the tanks have now changed over time, so that the size of the tanks and so on, have also changed.

Now—[*Interruption*]

Mr. Imbert: I did not say that.

Sen. The Hon. L. Howai: No, no. I know. No, but I am saying that. No, I am saying that the size has changed, right. Because, again, the technology has

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changed over time, [*Crosstalk*] but what I would say however, Mr. Speaker, is that the whole issue, the way the discussion took place around the CNG, remember what we are doing is, our computations at least, the cash flows and so on that we have, basically, we have assumed 100,000 out of the 700,000 vehicles that exist in Trinidad and Tobago today. So our numbers really are assuming that there is a take-up in the vicinity of less than 20 per cent of the total vehicle population that we are looking at in terms of the payback on this particular investment.

So I just want to say that in terms of the numbers, I “doh” want us to believe that look, the intention is that all of these things will change, every single car will change. That is not the assumption we will make. We think that these assumptions are conservative but perhaps it would be—it may actually be a little bit more than that that may actually take up the offer that we have concerning the conversion to CNG.

The issue of hybrids and so on have been considered and we—one of the things with the hybrids, of course, is that, first of all, in terms of looking at the system, there are two different—we need to consider the two different types of ownership. [*Crosstalk*] One is—[*Interruption*]

Mr. Speaker: Both the Member for Chaguanas East and the Member for Diego Martin North/East, do not continue the stream of interjections.

Mr. Imbert: “But he harassing meh.”

Mr. Speaker: No! I do not want to know about if he is harassing you. You go out in the back. [*Laughter*] Do not disturb the Member who is on his legs. I do not want to send anybody out of this Chamber for three hours because we have a very important debate to come after and I want to hear all Members. So I ask Members to allow the Minister of Finance and the Economy to speak in silence. Hon. Minister of Finance and the Economy, please.

Sen. The Hon. L. Howai: Thank you very much, Mr. Speaker. I have to admit I was not hearing myself actually, with all the crosstalk that was taking place, so I appreciate very much your assistance in this particular matter.

Coming back to the hybrids, some consideration was given to the hybrids, but I was making the point that, in a sense, we have to also deal with the existing population of vehicles. There are a number of vehicles in the country now; we have to consider how do we provide some kind of a basis on which they may be able to convert and to be able to take advantage of the new technology. And therefore, while we have considered the issue of hybrids, a big part of our consideration is how do we convert what exists here in Trinidad and Tobago today.

Now, one of the things we have to remember with the hybrids is the cost and, in fact, what we will be giving for the hybrids will be a tax benefit, when you bring your vehicle in. Given the high cost, actually we did some numbers on the payback for the Government, based on the fact that they still will be using gasoline and it could have some impact on the ability to move the fuel subsidy. In fact, based on the assumptions which we had made, the actual payback was somewhere between 12 and 20 years and as a result of that, we have been a little—we need to do some more work on that before we make a decision as to what we do. Of course, there are other kinds of issues, for example, with some of these hybrids you use lithium-ion batteries and these are very, very, very expensive when you have to change them. And those are issues that you have to consider when you, [*Interruption*] “yeah” but when you have to buy—when you have to change it, it is very, very, expensive.

Mr. Speaker: Member for Diego Martin North/East, could you allow the Member to speak in silence.

Sen. The Hon. L. Howai: So the other issue which we had to take into account is something which is almost an exogenous factor and of course, this is the whole development of shale gas in the United States, and we believe that the development of shale gas itself will add a further impetus to the technology of the use of CNG in motor vehicles in terms of things like storage, in terms of things like conversion, and so on, and therefore we think that will also be a bit of a fillip and a bit of push towards the adoption of CNG.

There is also a concern as to why, of course, it has not been picked up over the years and the reason for that, one of the big reasons for that is, of course, the distribution network. If you “doh” have a distribution network people are less likely to want to pick up—to want to convert to CNG, and especially given the fact that you have the fuel subsidy. So a big part of this programme is that we are looking at building out 72 stations, 22 in the first two years which would be phase 1, and then the other 50 subsequently. Not all of it would be new stations, some of it will be conversions of existing stations or add-ons to existing stations, so that would help speed up the process. And we think that once you start to see the demonstration effect taking place, the process would start to speed up after that.

So, you know, we think—certainly it is not built on—one of the critical drawbacks to this process is that of availability and over that period of time, over the next five years, we expect to be able to certainly eliminate that problem, certainly within the first two years we expect to make a significant dent in that particular programme. There is the issue, of course, of what other alternatives

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there are, and the Government is looking at a number of alternatives. I mean the rapid rail, the feasibility study for that was about \$546 million, I understand—
[*Interruption*]

Mr. Sharma: What a waste of government funds.

Sen. The Hon. L. Howai:—and, you know, certainly if that is the feasibility, by the time “yuh” start to talk cost, I have not seen the cost, but we have to factor that into the equation.

One of the options we are looking at is the bus rapid transit system, the BRT. The thing is that PTSC right now actually moves about 800,000 people per month; well person trips. That is quite a significant number without any significant structure around it in the way that the bus rapid transit has and the issue of—we are not suggesting that is the answer but it is certainly one of the options we are looking at currently to see, is that something that we could consider as an alternative to the very costly rapid rail system.

We have also, Mr. Speaker, looked at the whole issue of additional tax breaks. And these are things that, based on the computations that are being done currently by the team that we have in place, and they are—hon. Member for Chaguanas West—very—I mean I am just using a summary page out of the cash flows but there are very significant detailed cash flows that have been done which provide us with information on the cost of the programme, how it is going to be rolled out, and the expected timings based on the various inputs that need to go into the system.

So I want to say that the process has now started, from the point of view of implementation. Some people would have seen, as I said before, last weekend, work going on at Sea Lots where NGC had a notice up where they were actually running the pipelines across the road into the PTSC compound and I expect to have that up by January and we expect to have the station in place by the end of the third quarter of next year, but the temporary station with a compressor and a couple of fuelling pumps will be in place from January so that when the first set of buses come into Trinidad and Tobago, the first 35 buses, we will be able to fuel those up using the existing system and a dispenser, compressor and a dispenser.

So we are moving forward in the right direction, the reduction in the excise is really just to, in a sense, get a standard easily computable number for the price of fuel per litre of gasoline, and you know, certainly it will be a fillip, even for the maxi-taxis now, to consider the conversion because diesel is at \$1.50 so immediately versus a \$1.00 for CNG for the equivalent, you already get a saving

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out of that, but we will have to do some other things to perhaps spur the taxi drivers, the maxi-taxi drivers to get there.

We recognize some of the constraints and we are also looking at options for dealing with many of these constraints. There are no solutions that are perfect. All of the solutions have drawbacks. I mean, for example, depending on the way the installation is done and on the types of vehicles, for example buses, certain selected buses could find difficulty going up very steep terrain. If, for example, you had a bus going to Maracas, you may have to consider perhaps using some kind of alternative given some loss of power that sometimes occurs with respect to CNG.

So we are aware of some of the drawbacks, the thing is once you know the problem, you could put something in place to deal with it. We are not saying it is a perfect solution. We recognize the drawbacks but the intent is that we move forward with a programme that would help us to get to the solution, which I think both sides agree on, eh. I mean we have argued a lot about this this afternoon but I think both sides agree that CNG has some merit to it and it is something that should be considered, if I were to look at the reading of the *Hansard* of 2008. So with that, Mr. Speaker, I beg to move. [*Desk thumping*]

6.20p.m.

Question put.

Miss Mc Donald: Division.

Mr. Speaker: You want a division on that?

Hon. Member: Why you want a division?

Hon. Member: Lord!

Miss Mc Donald: That is my right.

The House divided: Ayes 17 Noes 8

AYES

Roberts, Hon. A.

McLeod, Hon. E.

Sharma, Hon. C.

Ramadhari, Hon. P.

Peters, Hon. W.

Rambachan, Hon. Dr. S.

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Seemungal, Hon. J.
Cadiz, Hon. S.
Baksh, Hon. N.
Griffith, Hon. Dr. R.
Ramadharsingh, Hon. Dr. G.
Khan, Hon. Dr. F.
Samuel, Hon. R.
Indarsingh, Hon. R.
Gopeesingh, Hon. Dr. T.
Ramdial, Hon. R.
Alleyne-Toppin, Hon. V.
NOES
Mc Donald, Miss M.
Mc Intosh, Mrs. P.
Imbert, C.
Jeffrey, F.
Deyalsingh, T.
Thomas, Mrs. J.
Hospedales, Miss A.
Gopee-Scoon, Mrs. P.
Mr. J. Warner abstained.

[Continuous interruption and crosstalk]

Mr. Speaker: Could I have the complete silence of this House? Member for Diego Martin North/East, I am speaking and I am on my legs. Could you be silent?

Question agreed to.

Resolved:

That the Excise Duty (Compressed Natural Gas) Order, 2013 be confirmed.

Mr. Speaker: Let us proceed, please.

RELATED MOTIONS

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):
Mr. Speaker, I beg move Motion No. 2 standing in my name.

In moving this Motion I seek the leave of the House to debate along with this matter Motion No. 3 on the Order Paper which relates to the same subject.

Mr. Speaker: Hon. Members, is this the wish of the House that we debate both Motions conjointly?

Assent indicated.

Mr. Speaker: Let us proceed. Minister of Finance and the Economy.

**TREASURY NOTES ACT
(INCREASE IN BORROWING)**

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):
Thank you, Mr. Speaker.

Whereas section 3(1) of the Treasury Notes Act, Chap. 71:39 provides that the Minister of Finance and the Economy on the written advice of the Governor of the Central Bank of Trinidad and Tobago may, for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, borrow money in Trinidad and Tobago in such sum or sums not exceeding in the aggregate, one thousand million Trinidad and Tobago dollars and such further sum or sums or the equivalent thereof in any foreign currency or currencies as may be specified by resolution of Parliament, by the issue of Notes; and

Whereas it is necessary for the Minister of Finance and the Economy to borrow further sums of money for the purposes stated in section 3(1) of the Act:

Be it resolved that for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, the Minister of Finance and the Economy is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate, fifteen thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Notes.

Mr. Speaker, we are asking for increases in both Treasury Bills and Treasury Notes and the purpose of these increases is to deal with open market operations by the Central Bank of Trinidad and Tobago. While there has been a

return to private sector borrowing as the economy has returned to growth, the build-up of surplus funds is not expected to be fully absorbed in the short term.

When we look at the build-up of private sector credit—actually in the past, if we look at the three quarters, March, June and September of this year, total private sector credit grew year on year by 2.4, 2.6 and 3.2 per cent respectively for each of the quarters.

This contrasts with changes which occurred starting from September 2009, where total private sector credit contracted by .4 per cent in September 2009, 3.7 per cent in December 2009, 2.4 per cent in March 2010, 5.7 per cent in June 2010, 2 per cent in September 2010 and so on, having continuous total contractions taking place with a return to growth in June of 2011 by 1.5 per cent and thereafter remaining positive. But the relative rates of growth in total private sector credit compares at 2 per cent, 2 1/2 per cent, 3 per cent, compares with growth rates which exceed 10 per cent prior to 2009.

So that overall, the level of return to growth has not resulted in a very significant uptake in total private sector credit. In fact, of some concern is the fact that business credit has actually contracted over the last four quarters although this was offset by growth in consumer credit. So consumer credit has grown and that has offset the continuing contractions in business credit and overall the total private sector credit has continued to grow. The thing is that over the next few months, while we expect there to be a continuing growth in private sector loans, we do not expect that it will be sufficient to absorb all of the surplus liquidity in the system.

At present, the total value of T bills and T notes are approximately \$15 billion, in the case of T bills and \$5 billion in the case of Treasury Notes. This figure has actually grown from a figure of \$50 million in 1961 to \$100 million in 1971, which, at that time, reflected the very small size of the Trinidad and Tobago economy and that has now grown to \$15 billion representing and in a sense reflecting the fact that the economy is very many times larger than it was in those early days following Independence.

In fact, since 2006, the total deposits in the system have grown somewhat exponentially, in fact actually doubling between 2006 and currently. At the present time, total deposits in the system amount to approximately TT \$93 billion. So there is quite a significant amount of deposits in the system.

In fact, I was discussing actually with the IMF today that in fact one of the factors which may be affecting the lack of growth in business credit is simply

because of the very large cash balances which are now held by businesses as a result of the fact that there has been continuing growth in consumer spending. And that continuing growth in consumer spending has resulted in reasonably good profits for most of the businesses over the past few years, particularly those dealing with the retail and distributive trades and as a result there is less need to borrow, particularly given the fact that surplus cash is actually only earning you between a half to 1 per cent interest rate currently and businesses would prefer to use their cash to actually reinvest in their business rather than actually borrowing.

The build-up of liquidity which has been occurring actually since about 2008—in fact I should add, I think, in early 2010, the decision was made to actually increase these limits. The research by my staff indicates that on March 12, 2010 approval was granted for the submission of resolutions on the adjustment of the limit for Government borrowing under the Treasury Bills Act and the Treasury Notes Act. However, due to the dissolution of Parliament in May 2010, the legislative drafting department was unable to advance the resolutions which were approved for laying in Parliament.

Basically, Mr. Speaker, this is a matter which was on the drawing board for some time. The fact is that, given the slow rate of growth, particularly in late 2008/2009, when we had the CL Financial difficulties into 2010 and 2011, there was not a huge uptake of credit and, therefore, as a result, there was not a very significant need for us to deal with the issue of surplus liquidity.

Going forward into the next two years as the economy returns to growth and as this growth continues to pick up speed, the Central Bank needs to have funding available or have the mechanisms available to deal with surplus liquidity so as to avoid an upsurge of inflation. These high levels of liquidity can be addressed in a number of ways, one of which is open market operations, which will be by way of these Bills, but also some surplus liquidity has been picked up by way of the sale of foreign exchange to the market, which results in people actually giving the Central Bank TT dollars in exchange for US dollars and that takes some of the TT dollar liquidity out of the system. And, of course, the Central Bank can control the extent of liquidity in the system by way of increases in the reserve requirement. So there are other mechanisms that the Central Bank can use, but ideally we prefer to use open market operations as a means for mopping up surplus liquidity.

I just want to emphasize again that the increase in the borrowing limit that we are asking for does not count as part of the country's debt obligations because the funds are held in the—*[Interruption]* yeah, the increase does not count as part of

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increase of the overall country's debt obligations because of the fact that the funds are simply deposited in the Central Bank and once it is required to be repaid, we are simply withdrawing it from the Central Bank and paying off the loan. So that it is really meant simply as a mechanism for sterilizing deposits which are now held by the Central Bank.

There is an associated cost by taking up these Treasury Bills, because you have to pay interest on it, but overall the effect is that it is almost neutral on the Treasury because the Government then gets an increased dividend from the Central Bank, which offsets the interest costs and, therefore, overall, it is fiscally neutral for us but what it does is that it takes up surplus liquidity in the system.

I want to say though that we are not suggesting in any way that excess liquidity is necessarily bad because it does contribute to a fall in interest rates and a drop in interest rates, in many instances can be considered positive. However, there is the potential for the surplus liquidity to be translated into demand for foreign exchange and this could put some pressure on our foreign exchange reserves, notwithstanding the fact that we have high levels of foreign exchange reserves at the present time.

6.35 p.m.

It also, of course, could negatively affect fixed incomes, people who are on pensions. Many pensioners who have deposits in banks, given the rate of return that they are getting, they find themselves, in a sense, unable to live without going into their capital because of the fact that the interest rates are so low, so that the returns on their investments and the money that they have saved over the years are very low. Therefore, on the one hand, while we are glad that the interest rates are low, from the point of view of further investments, on the other hand there are people who suffer because of the fact that interest rates are low.

Of course, once interest rates remain low for an extended period of time, it can create what I refer to as asset bubbles in the sense that people then start to buy real assets; they start to buy property; they start to buy gold; they start to buy other real assets and what that translates into, because of the increased demand, is that the price of these assets then tend to go. What tends to happen as a result is that as the price of these assets go up, people borrow to buy them at these higher prices and then if interest rates go up you have the situation that occurred back in 2008 in the global financial system where, in fact, you could have a global crash. One of the big criticisms of the Federal Reserve going back a few years, back to 2008, is the fact that the Chairman of the Federal Reserve kept interest rates too

low for too long—[*Interruption*]

Hon. Member: Greenspan.

Sen. The Hon. L. Howai:—and by keeping—yeah, Greenspan. And by keeping interest rates so low for so long what it did is that it created these asset bubbles that when interest rates turn, you then had a situation where people now had to pay higher amounts to service their loans—they were unable to service their loans—and then the entire system came apart.

Therefore, the issue for us is not so much what is the absolute level of interest rates, whether it is high or low, but really the issue is whether the interest rate is appropriate for the level of development of the economy at that particular point in time. For example, when prime lending rate was 11 per cent, we certainly had a greater demand for loans. In fact, private sector credit was growing faster with interest rates now at 7½ per cent. So while interest rates have come down, the rate of borrowing, actually the rate at which people borrow, has actually come down too because of some of other issues which I have mentioned before.

So that the critical issue for us is to make sure that we could continue to proactively manage interest rates; that the Central Bank has all the tools that it needs in order to ensure that things do not get out of hand for us and that if there is a return to inflation, or an inflationary environment suddenly seems possible, then the Central Bank can be very aggressive with its open market operations to absorb the surplus liquidity that is in the system.

So right now, Mr. Speaker, the Central Bank has advised me that surplus liquidity is in the region of about \$6 billion. That number changes on a daily basis. What they have indicated to us is that, using their number, it is about 6. The banks themselves actually see it as a higher number because they can convert some of their actual other Treasury Bill holdings into cash whenever they want and, therefore, the Central Bank would just like to be cautious and ensure that they have the capacity to start moving proactively if there were any issues with respect to the expansion of credit within the system, if it was starting to build up too quickly.

What has caused the liquidity build-up? Certainly some of it has arisen because of the cash injections associated with the failure of the CL Financial Group. Government has had to inject cash into the system and that built up some of the surpluses. The fiscal deficits which we have run since 2009 have also put more money into the system than is coming out of the system and, therefore, that also has contributed to the build-up of liquidity. The decline in the economy also

contributed to it because it was not absorbing the surplus liquidity coming in at the same rate that it used to previously and that is something that will eventually turn around but it will take some time.

Of course, as I said, the cash surpluses being generated by private businesses have continued to be profitable, notwithstanding the overall slowdown in the economy and even the overall slowdown globally. Private sector businesses have continued to do well and, as a consequence, have built up quite large cash surpluses, which are reflected in the fact that total deposits in the banking system move from about \$53 billion in 2008 to the current \$93 billion today. So there has been a huge build-up of cash and deposits in the banking system.

So, overall we see a continuing movement of the economy towards growth. I expect that that momentum will continue and perhaps accelerate into 2014. The big drawback on the economy during the past year and two years has been the maintenance work being undertaken in the energy sector. Now that most of that work has been finished, it is not that there is no ongoing maintenance work—there will be work happening, but not to the extent that has occurred over the past few years, and particularly to the extent that occurred during the course of last month.

So I think that going forward we expect to see a significant improvement in the energy sector and coupled with the dynamism that we are seeing in the non-energy sector, which has actually carried the economy over the past few years because, notwithstanding a lot of the talk about the economy is slow and so on, the overall number, yes, was slow, but the non-energy sector actually was showing pretty strong growth notwithstanding the slowdown in the energy sector. In fact, the non-energy sector is what contributed to the overall total rate of growth that we have seen over the past few months.

Of course, Mr. Speaker, we continue to have strong buffers available to us, financial buffers. We continue to have strong foreign exchange reserves. Our Heritage and Stabilisation Fund increased to a little over US \$5.1 billion up from about US \$4.7 billion the year before. This is at the end of September 2013. It was \$5.1 billion, \$4.7 billion being the 2012 figure, September. So that overall the financial buffers that we have continue to remain strong. Our foreign exchange reserves continue to remain strong and the Government's cash flow and its revenue continue to remain strong.

So these add some additional degree of comfort to the potential effects of monetary policy on the system and, therefore, we feel comfortable in recommending to this honourable House that we increase the level of the Treasury

Bills and Treasury Notes so as to allow the Central Bank sufficient latitude to be able to deal with any increases that it feels uncomfortable with in the overall monetary system to ensure that there continues to be stability and our economy continues to grow going forward.

With that short address, Mr. Speaker, I beg to move. [*Desk thumping*]

Question proposed.

Mr. Speaker: Hon. Members, I am to remind this honourable House that leave has been granted for the debate on the two Motions to be taken together. However, the question on each Motion will be put separately to satisfy the procedural requirement.

Let me just say before I call on the first speaker that this Speaker will be scrupulously observing and enforcing Standing Order 33(6), which reads.

“Except with the leave”—and that will not be permitted—“of the Speaker, a Member shall not read his speech; but he may read extracts from written or printed papers or books in support of his argument, and may refresh his memory by reference to notes.”

I have observed creative and innovative means being put forward in order to violate and breach this Standing Order. I want to remind Members that their iPads must not be a substitute for their written scripts, so I will be enforcing this Standing Order.

We are now in the fourth session of five sessions. We would have learnt during the last three years and a few months, each one of us. On the Government side, there are experts who other Members on the Government side can follow; and on the Opposition Bench, there are experts. I can refer to the hon. Member for Diego Martin North/East. I can refer to the hon. Leader of the Opposition and I have just seen my friend, the new Member for St. Joseph, who has just arrived and he is going in accordance with 33(6) already.

I appeal to all Members, do not read and do not use your iPads as scripts because I will be observing you very closely during this debate.

Hon. Member for Diego Martin North/East.

Mr. Colm Imbert (*Diego Martin North/East*): Thank you, Mr. Speaker. Mr. Speaker, we have agreed to consolidate the debate on these two Motions. I think it is necessary for people to understand what is being done. With respect to the

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Treasury Notes, the current limit for Treasury Notes is \$5 billion and the Minister of Finance and the Economy is asking for permission to increase that to \$15 billion—so from \$5 billion to \$15 billion.

The current limit on Treasury Bills is \$15 billion and the Minister of Finance and the Economy is seeking permission to increase that to \$30 billion, so the total increase is \$25 billion. Now, the Minister did not really assist this House at all; did not really explain why we are doing this. In fact, he said it is not necessary at this time. I really wonder why the Minister thought it was necessary to waste parliamentary time with these two Motions if they are not necessary.

The Minister has told us that the surplus liquidity in the banking sector in Trinidad and Tobago is in the vicinity of \$6 billion, yet the Minister wants to increase the limits by \$25 billion. What is the reason for this extra \$19 billion?

Hon. Howai: We do not want to have to come back and do this again.

Mr. Speaker: Please, please, please! Members, please!

Mr. C. Imbert: What is the reason? You told us liquidity is \$6 billion, but you want to increase the borrowing limit by \$25 billion. Tell us why and do not tell us it is because the new Governor of the Central Bank “tell yuh to do dat”.

Mr. Speaker, let us look at what these laws governing what we are doing today say. You have the Treasury Bills Act and you have the Treasury Notes Act—I will find them in a short while.

Mr. Roberts: You want help?

Mr. C. Imbert: No, it is all right. I will find them, but the fact of the matter is when you read these pieces of legislation, you see that the money is to be deposited into the Consolidated Fund.

6.50 p.m.

The Minister told us that this is not going to increase the debt profile or change the debt profile of Trinidad and Tobago because the money is going to be put into a blocked account and not used, but all the Minister has to do, Mr. Speaker—since the money is to be deposited into the Consolidated Fund—is simply come with a supplementary appropriation and appropriate the money. So I want this Minister to tell us: why he is seeking an increase in limits that is \$19 billion more than you need?

The other question that I would want to put to the Minister, we have had a stagnant and anemic economy in this country now for several years.

Hon. Member: Not true.

Mr. C. Imbert: Not true? [*Crosstalk*] I shall read from the *Review of the Economy* published by the People's Partnership Government on September 08, 2013—[*Interruption*]

Mr. Roberts: Three consecutive quarters of growth.

Mr. C. Imbert: Yes, yes, you could say what you want, but let us go to what you have written in your own document. I am reading from the *Review of the Economy, 2013* which was laid in this House by your Government just a couple months ago.

Mr. Roberts: The best Government. Say it!

Mr. C. Imbert: On page 49—that is why “you lose” four elections in one year. [*Laughter*] “Well, boy, if you was de worst Government you might ah lose eight”, but let us go to what it says about the monetary sector on page 49 of the *Review of the Economy*:

“Given weak economic growth, the monetary policy stance of the Central Bank of Trinidad and Tobago continued to be accommodative over the 9-month period October 2012 to June 2013.”

The Government also told us that:

“Inflationary pressures have moderated despite the build-up in liquidity in the financial system.”

Mr. Roberts: Correct.

Mr. C. Imbert: Correct, you do not—[*Interruption*]

Mr. Speaker: Member for Diego Martin North/East, I do not think this is an “extempo” arrangement here, and I am hearing when the Member speak, somebody is responding. I do not think that is necessary. I ask Members and so on to observe Standing Order 43—40 rather (1), (2) and (3). Continue hon. Member, please.

Mr. C. Imbert: Thank you, Mr. Speaker. You see, Mr. Speaker, one has to wonder exactly what this Government is doing because really the Government should be focusing on fiscal policy. The Minister of Finance and the Economy should be focusing on fiscal policy, on stimulating growth in the economy because our economy is anaemic, and no less an organization than the IMF has told us that—[*Interruption*]

Hon. Member: Dated!

Mr. C. Imbert: Dated the—[*Crosstalk*] Mr. Speaker, you know, it is interesting the kind of utterances that Members on the other side make.

Mr. Speaker: Ignore them until I find them, and I will then invoke the Standing Orders. [*Laughter*] So ignore them, please.

Mr. C. Imbert: I cannot ignore the Minister of Finance and the Economy.

Mr. Speaker: Yes, ignore the Minister of Finance and the Economy.

Mr. C. Imbert: I cannot.

Mr. Speaker: I am just asking you to do it.

Mr. C. Imbert: Okay, I will.

Mr. Speaker: Good.

Mr. C. Imbert: Mr. Speaker, the Government of the Partnership on that side lives in a fantasy world. I have in my possession the Article IV Consultation Report of the International Monetary Fund dated October 2013; last month. Now, that cannot be a dated report—lives in a fantasy world—and let us see what the International Monetary Fund had to say about liquidity in the Trinidad and Tobago economy.

The term “anemic” came straight out of the IMF report on our economy, and it came straight out of the Article IV Consultation that because of anaemic growth in our economy, our weak economy, there has been an accumulation of liquidity within the banking sector which has resulted in what is called excess liquidity.

Now, the reason why we have excess liquidity in the banking sector is because there is no confidence in the economy of Trinidad and Tobago. [*Desk thumping*] There is a lack of confidence in the economy, Mr. Speaker. [*Desk thumping*] and the reason why there is so much money—the Minister told us about the businesses who he said have increased their deposits in the banking sector from \$53 billion in 2008 or 2009, I believe, to \$93 billion in 2013—\$53 billion in 2008 was in deposit accounts in banks, in savings accounts, in other instruments, deposit instruments in 2008.

There is now \$93 billion in deposits in our banking sector in 2013, \$40 billion increase, and he said this is because our local businesses have been profitable over the last five years or so, and for some reason, they like to keep their money in the bank. Now, why would our local businesses want to keep their surpluses, want to

keep their profits in deposit accounts in the banks when the interest rate that you are getting on your money in commercial banks in Trinidad and Tobago is now less than 2 per cent?

Mr. Warner: Point five per cent.

Mr. C. Imbert: Yes, I am reminded by the Member for Chaguanas West, in some cases, .5 per cent, 1 per cent, 3/4 per cent. Why would anybody in his right mind want to put his money into the commercial banking sector where you are earning 1 per cent or less than 1 per cent on your deposits, when there are other avenues for you to earn a return on your funds way in excess of 1 per cent? You invest in plant and machinery, you expand your business, you invest in construction, you invest in new businesses, you branch out into new areas of industry and so on. That is what any normal private sector person would do when faced with a \$40 billion increase in liquidity in the private banking sector.

So why are our private sector people not investing, growing their businesses, investing in new plant and machinery, constructing new factories and branching out into downstream industries and branching out into new areas of industry? The reason is, Mr. Speaker, there is a lack of confidence in this economy. One of the problems with the economy is that there is an absolute lack of confidence in the present Government, and people are just scared.

They are scared to invest in new plant and machinery, or to invest in a new business, or to set up an agency to distribute new items of machinery or new services, as the case may be in Trinidad and Tobago because they are afraid that the economy is going to collapse; that the exchange rate is going to collapse and that they will lose all of their money, Mr. Speaker. And what is the Government doing about this?

Mr. Warner: Nothing!

Mr. C. Imbert: Absolutely nothing, Mr. Speaker. And I really want the Minister to tell us, rather than coming to this House and talking about new elements and new instruments of fiscal policy—fiscal policy that would drive the economy and would encourage investment and encourage economic growth—instead of that, you are bringing this nonsense for us. Absolute nonsense! Because when Central Banks intervene in the economy, Mr. Speaker, to mop up liquidity, the primary risk is inflation.

If you look at what occurred way back in 2008, for example, when the former administration brought the Treasury Bonds legislation to the Parliament—and,

Mr. Speaker, in your former capacity—I would not draw you into the debate—but you had a lot to say. I was looking at the debate on the Treasury Bonds legislation; both in this place and the other place back in 2008, and many people who now sit in the Government had a lot to say about that—about why was it necessary to have Treasury Bonds and what was the Government up to in terms of allowing the liquidity to be mopped up using Treasury Bonds.

But back in 2008—2006, sorry, Mr. Speaker, not 2008, 2006—back in 2006, Royal Bank of Trinidad and Tobago had just acquired all the shares from local shareholders. Royal Bank of Canada had bought all of the shares in Royal Bank of Trinidad and Tobago from local shareholders and, as a result, they had to pay for these shares in cash, most of them, and there was an expectation there would have been about \$4 billion in cash circulating in the local economy back in 2006.

In addition, Mr. Speaker, those were the days when the then Governor of the Central Bank spoke to us about the slippery slope—that when inflation crosses 10 per cent, you are on a slippery slope, and then it will go to 11 per cent and 12 per cent and 13 per cent and so on.

So back in 2006 and 2007, when the growth rates were much more than they are now—for example, in 2004, the growth rate in the economy was 7.9 per cent; in 2005, 5.4 per cent; in 2006, 13.3 per cent; in 2007, 5.5 per cent. So that was the economic climate in that period 2005, 2006, 2007. We had unprecedented growth rates of growth in this country: 7 per cent, 5 per cent, 13 per cent. [*Crosstalk*] It does not matter.

You had an overheated economy at that point in time; you had inflationary pressure on the economy and there was a need, at that point in time, to mop up excess liquidity. If you did not do that, it would have driven the inflationary pressures and you would have had too much money chasing too few goods, and it could have caused serious stress to the economy of Trinidad and Tobago. But what is the situation today? What is inflation today?

If you go into the same *Review of the Economy*, what are you going to see? You are going to see that inflation over the last 12 months was about 6.8 per cent. If you go back, you will see prior to that, about 6.7 per cent. If you listened to the Minister in his budget addresses—in the last two budget addresses—he is targeting an inflation rate of about 7 per cent. So the inflation in the economy is in sync with the projections of the Government.

We have no inflationary pressures per se, as we had back in 2006 and 2007 when inflation was hitting 11 and 12 per cent, Mr. Speaker, to the point that the

former Governor of the Central Bank had to sound the alarm. We do not have these inflationary pressures. We have an anaemic economy; we have very minimal economic growth and, you know, you have to wonder about the figures, because we still have to wait for the Minister of Finance and the Economy to do his revisions to the figures in the documents that they give to us to find out if there really is or was economic growth in 2013, because we hear the Government talking to us about economic growth in 2013—1 per cent, 1½ per cent, whatever it is, Mr. Speaker—[*Crosstalk*] Whatever! You could pull any figure you want out of a hat, but if one goes into the *Review of the Economy* let us see what the facts are, Mr. Speaker.

We had a reduction in the economy in 2011 of 2.6 per cent. I am seeing a projection here for 2013 of 1.6 per cent. Even the IMF itself had projected growth in the Trinidad and Tobago economy for 2012 being of the order of 1½ per cent, revised downwards to about .4 per cent, Mr. Speaker. So when you look at our economy over the last three years, 2010 minimal growth, almost nothing; 2011, negative 2.4 per cent; 2012, what? Mr. Speaker, .3 per cent, some little number. They say in 2013, it is going to be 1.3 per cent, but what is 1.3 per cent growth? That is nothing because if you look at the actual GDP, if you look at the actual numbers themselves, if you look at the total of the gross domestic product, in 2010, the GDP was \$89 billion at constant prices; in 2011, it went down to \$86.7 billion; in 2012, \$87.8 billion and they are telling us it is coming back up to \$89 billion in 2013, Mr. Speaker. So in the period 2010, 2011, 2012, 2013, we have stood still—\$89 billion, \$86 billion, \$87 billion, \$89 billion.

7.05p.m.

So for the last four years, Mr. Speaker, the GDP of Trinidad and Tobago at constant prices has remained flat, absolutely no improvement in our GDP at constant prices. No inflationary pressure, no big set of people rushing out there to buy things, so why are we here today dealing with this measure? You know, I have to ask myself, Mr. Speaker, is it that whatever the new Governor of the Central Bank tells the Minister to do, he will just do? Is that what is going on?

Miss Mc Donald: Very accommodating.

Mr. C. Imbert: Yes. So the new Governor of the Central Bank tells the Minister, “I need to increase the limits on Treasury Bills and Treasury Notes by \$25 billion”, and the Minister says, “Okay”. No! No discussion as to whether this is necessary. No discussion as to what will happen to the economy if you pull \$25 billion. You hear the number, Mr. Speaker? If you pull \$25 billion out of our economy what is this going to do to our economy, Mr. Speaker? What will it do?

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If, within the next 18 months, Mr. Speaker—which is going to happen—the current administration is voted out of office and a new PNM Government comes into office, and as an immediate resurgence in confidence in the economy—*[Laughter]*—which is going to happen.

Hon. Member: Oh God!

Mr. C. Imbert: Mr. Speaker—

Hon. Member: Medication. Medication.

Mr. C. Imbert: Mr. Speaker, they could laugh. You see, I read an editorial the other day, an article actually, in the *Newsday*, of all newspapers—of all newspapers, the most pro-partnership newspaper you could find on planet Earth.

Mr. Warner: Universe.

Mr. C. Imbert: Universe. Yes, in this universe. The most pro-partnership newspaper there is in the world, in the universe, and they said, a very telling article/editorial, that when you look at the faces of the Government Ministers, when you look at their conduct in the Parliament, when you look at how they behave, the arrogance, it has not sunk into them that they lost four elections from January 2013 to November 2013, Mr. Speaker.

Hon. Member: We will beat you in 2015.

Mr. C. Imbert: Yes, sure. It has not sunk in, Mr. Speaker. It has not sunk in.

Hon. Member: You have nothing to say.

Mr. C. Imbert: And you see—you know, we have come here to Parliament, we did a Motion just now, complete waste of time; now we are doing this one, complete waste of time, because there is no inflationary pressure in the economy. The Minister himself said we do not even need to do this, is when they need to do it, but I would like to know, why you are giving in Central Bank the power to withdraw \$25 billion from our economy? If the excess liquidity is only six why are you pulling out \$25 billion?

And you see, Mr. Speaker, when you look into the purpose and the intent behind this thing, which is called open market operations, Mr. Speaker, where you have the Central Bank intervening in an economy either to simulate growth or to suppress growth, whenever you have mopping up of liquidity by the issue of Treasury Bills and Treasury Notes—it is done all over the world, this is not unique to Trinidad and Tobago—but whenever you have a situation where a central bank goes into the system to mop up liquidity, you could have the undesirable effect that it will suppress the economy, Mr. Speaker.

So, I mean, I would like to Minister to tell us, why you are giving the Central Bank the power to withdraw \$25 billion from the economy? Are you trying to suppress the economy? Is it that you are clueless, Mr. Speaker? Is it that the Government of Trinidad and Tobago has no clue on how to deal with the issues within our economy, Mr. Speaker? Let us look at the policy of the Central Bank. The Central Bank has been extremely accommodative over the last several years, Mr. Speaker. You have the reduction in the repo rate down to 2.75 per cent, you have commercial banks reducing their prime lending rates down to 7 per cent in some cases, sometimes below 7 per cent to preferred customers, you have interest rates, as I just pointed out, remaining at record low levels, so in the past the rate on overdraft accounts for example was as high as 20 per cent, 10 years ago, 10/12 years ago.

Your overdraft—if you had an overdraft, your interest rate was 19/20 per cent. The prime rate was 16/17 per cent 10 years ago, Mr. Speaker, or 10/12 years ago. Now we have a prime lending rate of 7½ per cent, Mr. Speaker, and even with this 7½ per cent, people are not borrowing. The Minister has spoken about the fact that loans for investment and so on are on the down, they are not on the increase. You read all of the documents relating to our economy, with this very, very favourable situation within the banking sector where the interest rate on loans at 7 per cent, Mr. Speaker, banks are bending over backwards to try and encourage customers to borrow money for investment purposes, in other words, to borrow money for projects that will generate revenue.

Banks are bending over backwards, they are pursuing customers to get them to invest in projects that will generate income, and yet the private sector is still not investing. Why is this so, Mr. Speaker? Why is this so? And the reason why it is so, Mr. Speaker, we had a very good example today, where we spoke about CNG and the fact that for many years there has been talk about this measure, and very little has been achieved over the last three and a half years, Mr. Speaker. And it comes back to what is happening with this Government, I gave an example of security cameras. The Government of Trinidad and Tobago announced that it was going to deal with security issues in Trinidad and Tobago by giving incentives, tax exemptions on security cameras. That was two years ago, Mr. Speaker. Two years later, no incentives on security cameras.

Hon. Member: Blame me.

Mr. C. Imbert: No, it is not you, it is them. It is that the Minister of Finance and the Economy cannot get it right. The Minister of Trade, Industry and

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Investment cannot get it right. Apparently it is something to do with the specifications for the cameras; everything with them there is a problem.

So that a Minister of National Security announced that taxes will come off on security cameras. Two years later they cannot do it, and when you ask the question why, you are told somebody has to write the specifications for the cameras because they do not want any and every camera to be given the exemptions, so they only want high resolution cameras to be given exemptions.

Now, Mr. Speaker, if you know anything about this field, you could write the specification for a high resolution camera in five minutes. [*Laughter*] Five minutes. All you have to say is it requires 600 TV lines, a variable focus lens. Five minutes you could write it, but something that an ordinary person would take five minutes to do, Mr. Speaker, this Government cannot do in two years, and this is why there is a lack of confidence, and this is why we have liquidity, and this is why the Central Bank is trying to do the Government's work. Because what the Government should be doing is growing the economy, Mr. Speaker.

It is not the work of the Central Bank to grow the economy. It is not the work of the Central Bank to create fiscal incentives to stimulate economic growth, to stimulate economic activity and to create confidence in the economy, this is the work of the Government, but since the Government is not doing its work, its friend in the Central Bank is moving in to try and help [*Desk thumping*] them out to deal with the mess that they have created in our economic system, Mr. Speaker. That is what is happening in Trinidad and Tobago. That is what is happening. They are clueless, rudderless.

Another example of lack of confidence, Mr. Speaker, I heard the new Minister of Transport talking about speed guns and they will be here in February next year. Mr. Speaker, in February of next year this Government would have been in power for four years, four years. You do not need to be a rocket scientist; why would you take four years to introduce the use of speed guns to detect speeding on our roads? Four years, Mr. Speaker? That is the problem.

People keep hearing about all of these things that they saying they are going to do but they are not doing them, Mr. Speaker, they are just talking. And then you have the whole Government disintegrating. I mean, I have an hon. Member behind me which is a prime example of the disintegration of the Government on that side. [*Laughter*] I have an hon. Member to my left, our newest Member, another prime example of the disintegration of the Government on that side, and for different reasons. The hon. Member at my back used to be a Member of the

Government, he left; he now has his own party. The hon. Member on my left, he just faced the whole might and the entire resources of the \$50 billion budget of the Government of Trinidad and Tobago, and he beat them. Congratulations, Sir.

Hon. Member: Twenty-five projects.

Mr. C. Imbert: Yes. And 25 projects started during the election campaign, Mr. Speaker, by the fella who has returned to—[*Interruption*]

Miss Mc Donald: Powder puff.

Mr. C. Imbert: Yes, the powder man who has returned to Channel 3, Mr. Speaker. But the fact of the matter, Mr. Speaker, is that when the IMF came to Trinidad and Tobago they outlined a number of issues and a number of problems that we have, and one of the problems that we certainly do not have is that we have reached the limit on Treasury Bills and Treasury Notes, Mr. Speaker.

One of the serious problems that the Central Bank outlined is the fact that—and I am reading now from the Article IV Consultation, page 19:

“Despite low recorded unemployment rates, there is evidence of significant underemployment in Trinidad and Tobago. A delinking of the reported unemployment rate with GDP growth suggests official data may underestimate the degree of slack in the labor market.

Temporary government employment programmes have buffered the unemployment rate from the economic volatility of recent years.

Trends in sectoral employment and output suggest the temporary program reduce measured unemployment, but contribute little value added...In addition, there is direct evidence of significant underemployment in this sector.” From “2009”to “2011, it accounted for 45 percent of those employees who worked for” less than “33 hours/week for the specific reason of having no more work to do.”

And they are talking about programmes such as URP and programmes such as CEPEP, Mr. Speaker:

“Reducing high dependence on government support is a key to reviving the labor market and enhancing labor competitiveness.”

And I am talking about the fact that these T bill and T note Motions, these two Motions, are monetary policy, Mr. Speaker. Monetary policy of the Central Bank, not fiscal policy of the Government, and we need to balance monetary policy with fiscal policy. And while the Central Bank is lowering the repo rate and lowering

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the prime lending rate, and now trying to sop up excess liquidity as instruments of monetary policy, it is all a mirage, because all of that is supposed to be done to stimulate investment, stimulate projects and control inflation. But we do not have high inflation, we do not have projects and we do not have economic growth, it is all a mirage, and this is one of the reasons why this Motion that we are doing today is just foolish, Mr. Speaker, foolish.

I mean, this is not the kind of thing we should be discussing. Let us look at what the IMF said we should be discussing:

“Reducing high dependence on government support is a key to reviving the labor market and enhancing labor competitiveness. Employees under CEPEP and URP mainly provide low-skilled labor...but their hourly wages are higher than minimum wage earners who do comparable work. As a result, private sector employers reportedly have difficulty competing with the government in hiring unskilled labor.”

And that is a reason because there are so many of these make-work programmes in the system, and because they work for short hours, three hours, four hours a day, when you work out the hourly rate it is more than the minimum wage, even though the minimum wage was increased a little bit recently. It still works out to more than the minimum wage, Mr. Speaker.

So you have a dearth of skilled labour available to the private sector, and this is why a lot of private sector businesses are reluctant to grow their businesses, to invest in new plant and machinery, to expand, to get into new product lines and so on, because government policy is interfering with the supply of skilled labour to the private sector in this country, Mr. Speaker. That is why you have excess liquidity, because people are just sitting on their money. They are waiting on a signal from the Government, that the Government knows what it is doing.

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Look at what the IMF has to say about our competitiveness:

“As a result, private sector employers reportedly have difficulty competing with the government in hiring unskilled labor. Trinidad and Tobago ranked 110th out of 144 countries in labor market efficiency according to the Global Competitive Index in 2011—2012. In particular, a poor work ethic is cited as one of the most problematic factors in the efficiency of the national labor force, suggesting that temporary government employment programs may be providing significant disincentives to work.”

That is why you have all this liquidity, and you need to be dealing with that, not just pandering to a request coming from your friend in the Central Bank who tells you that he wants to increase the limits for Treasury Notes and Treasury Bills by an aggregate of \$25 billion. For what? What is the inflation that he is trying to drive down?

The Government's target for inflation was 7 per cent; inflation is now at 6.8 per cent. So he is trying to drive inflation below the target of the Government, which is part of the Government's macroeconomic policy, that you want to have inflation at about 7 per cent because you want to start growing the economy and encouraging demand. That is what you want. You want to encourage demand so you set a target figure of inflation of 7 per cent. Inflation is below 7 per cent, but you want the Governor of the Central Bank, to pull out more money and drive inflation down. Suppress demand, kill the economy, that is what you are trying to do; that is what you want us to agree to. I am telling you up front, Mr. Speaker, we are not agreeing to this. We are not agreeing to this. This economy is cold. As it was overheated in 2006, it is like ice in 2013.

Let us look at transfers and subsidies, which is what the Minister of Finance and the Economy and the Government should be paying attention to. This is another reason you have all this excess liquidity and why there is no confidence in the economy:

“During the last decade government spending on transfers and subsidies has followed an unsustainable path. The burden of transfers and subsidies on Trinidad and Tobago's budget is the second highest in the Caribbean region. It has more than doubled in the past decade in percent of GDP and now represents more than half of total spending.” [*Interruption*]

Dr. Gopeesingh: Where did that article come from?

Mr. C. Imbert: “IMF; what happen?” Article IV Consultation, October 2013—last month. “Yuh doh read or what?” You do not get this in your mailbox? “Ah doh understand de question.” You are supposed to know this. I am not in the Government, but I am concerned about your poor fiscal policy and your foolish monetary policy. [*Interruption*]

Mr. Speaker: Just address the Chair, please. And making these remarks about Members in terms of foolish, please, be more eloquent, and I know you are capable of it.

Secondly, do not impute improper motives to the Minister of Finance and the Economy. The Central Bank is supposed to be an independent institution and you

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keep repeating over and over, as if there is a conspiracy between the Governor of the Central Bank and the hon. Minister of Finance and the Economy, and “he is de bad man”—do not get there. If you want to deal with the conduct of the Minister of Finance and the Economy, bring a substantive Motion, but do not make any direct charge or impute improper motives or to raise the conduct of the Minister of Finance and the Economy.

Please be guided accordingly. Continue.

Mr. C. Imbert: Thank you, Mr. Speaker. I did not bring that up. I had no intention of imputing any conspiracy between the Governor of the Central Bank or any improper motives on the part of the Minister of Finance and the Economy; certainly not. I am sorry that has come into the debate.

“During the last decade government spending on transfers and subsidies has followed an unsustainable path. The burden of transfers and subsidies on Trinidad and Tobago’s budget is the second highest in the Caribbean region. It has more than doubled in the past decade in percent of GDP and now represents more than half of total spending. In fiscal 2012/2013 Total budgeted transfers and subsidies are above 17 percent of GDP. While fuel and pension transfers represent the largest components, the budget also contains allocations for numerous programmes administered by line ministries, statutory bodies, non-profit institutions and local governments. In addition, public utilities and state enterprises receive significant transfers every year...

While some programs may be justifiable on grounds of fostering equity...there is no systematic impact assessment or means testing. In some cases (e.g. temporary work programs), programs overlap with others with similar purposes but managed by different entities, with limited coordination and no overall assessment of the benefit/cost. Limited audits and cross checks create opportunities for beneficiaries to stay indefinitely in programs that are designed to be temporary,...

Mr. Speaker, what the IMF is telling the Government of Trinidad and Tobago in this Article IV Consultation Report, is that it has to change the direction of the Trinidad and Tobago economy.

From the first page, page 1:

“Sustainable growth requires reconsidering fiscal policy.”

And you cannot have any discussion about monetary policy without looking at the same time at fiscal policy. We cannot even remotely consider a request from

the Minister of Finance and the Economy to increase the limits for Treasury Bills and Treasury Notes, “for the purposes of promoting monetary credit and exchange conditions most favourable to the economy”.

Look at what the Minister is telling us:

“...for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, the Minister of Finance and the Economy is hereby authorized to borrow such further sum or sums...not exceeding in the aggregate, fifteen thousand million...”

And similarly with respect to Treasury Bills for the same reasons:

“...for the purposes of facilitating the conduct of open market conditions...”—well, slightly different reasons—“by the Central Bank...the Minister of Finance and the Economy is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate, thirty thousand million Trinidad and Tobago dollars...”—\$30 billion—“or the equivalent thereof in any foreign currency or currencies,...”

The Minister also needs to explain—because I think he did not properly explain the difference between Treasury Notes and Treasury Bills—because when you look at the preamble dealing with Treasury Notes it talks about the Minister of Finance and the Economy operating on the written advice of the Governor of the Central Bank. It says that the Minister on the advice of the Governor:

“...may, for the purposes of promoting monetary credit and exchange conditions most favourable to the economy...borrow money...in such sum or sums not exceeding in the aggregate,”—this is the original law—“one thousand million Trinidad and Tobago dollars and such further sum...”

And we are now going up to \$15 billion in the case of the Treasury Notes.

When we look at the Treasury Bills:

“...the Minister of Finance and the Economy may borrow in Trinidad and Tobago such sum or sums not exceeding in the aggregate, two thousand”—that is the original Act—“and such further sum...as may be specified by resolution of Parliament, or the equivalent thereof in any foreign currency...”

Then the Motion goes on to say:

“...it is necessary for the Minister of Finance and the Economy to borrow further sums of money for the purpose of facilitating the conduct of open market operations...”

This is what the Motion says, but the Minister told us that this is not required now. So how can we support a Motion where the Minister is saying in the preamble, "...it is necessary for the Minister...to borrow further sums of money for the purpose of facilitating the conduct of open market operations by the Central Bank", and then the Minister in his introduction says, well, we do not really need to do this now. It is sometime down the road, when, because of the wonderful policies and the fantastic work of the People's Partnership Government the economy is going to grow at a rate of 10 or 20 per cent, the economy is going to overheat. We are going to have such inflation in Trinidad and Tobago then, not now, that it would be necessary for the Central Bank to intervene.

Mr. Speaker, we cannot support this at this point in time. We need the Minister of Finance and the Economy to explain to us what is the fiscal policy of the Government that has led to this monetary policy on the part of himself and the Governor of the Central Bank. That is why, while not casting any aspersions at all, this whole thing is being done on the advice of this Governor of the Central Bank. What was the advice of the Governor? What did the Governor tell the Minister? Did he write him a letter? Did he send him a memo? Did he send him a position paper?

We must know these things because it speaks about the advice of the Governor of the Central Bank to the Minister of Finance and the Economy, and it says that it is necessary for us to do this because the Governor of the Central Bank has so advised the Minister of Finance and the Economy. Why \$5 billion, Mr. Speaker? Why \$25 billion? Why not \$500billion? Why not \$20 billion? What is the advice of the Governor of the Central Bank? I am not casting any aspersions, I want to know, and I think the people of Trinidad and Tobago have a right to know what advice the Governor gave to the Minister that has caused the Minister to come here and ask us to increase Treasury Bills and Treasury Notes limits by an aggregate of \$25 billion.

I would like the Minister to tell us, since he is telling us that this is not for today, but for some time in the future, that when the economy starts to grow—some fantasy period—and starts to drive prices up and you have inflationary pressures, and therefore the Central Bank has to come in.

Could the Minister tell us what is happening in the Trinidad and Tobago economy that has led him and his Government to believe that it is necessary to act on this advice from the Governor of the Central Bank? What are the conditions within our local economy that would cause our economy to grow to such an

extent that we have to start to suppress expenditure in the local economy? I cannot see anything in any of the documents that are before me.

For example, if I go again to the *Review of the Economy*—[*Interruption*]

Mr. Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made: That the hon. Member's speaking time be extended by 30 minutes. [*Miss M. Mc Donald*]

Question put and agreed to.

Mr. Speaker: Before you rise, hon. Member, there is a Procedural Motion.

PROCEDURAL MOTION.

The Minister of Sport (Hon. Anil Roberts): Mr. Speaker, in accordance with Standing Order 10(11), I beg to move that this House continue to sit until the completion of Motions Nos. 2 and 3 currently under consideration.

Question put and agreed to.

TREASURY NOTES ACT (INCREASE IN BORROWING)

Mr. C. Imbert: Thank you, Mr. Speaker. I wish to assure this House I will not take up the entire 30 minutes. I will not take up the whole 30 minutes.

Mr. Warner: So you have five minutes. [*Laughter*]

Mr. C. Imbert: Mr. Speaker, if we go to Appendix II in the *Review of the Economy 2013*, page 64, let us look at the performance of economy over the period 2009—2013. Let us look at the non-energy sector, because the Minister is so proud of the non-energy sector.

What happened to the non-energy sector in 2010? It declined by 2.6 per cent. What happened to it in 2011? It declined by .5 per cent. What happened in 2012? It grew by 1.9 per cent. Yes, and the energy sector declined, so that had the resultant effect of a nil movement. [*Crosstalk*] Mr. Speaker, the whole point is with this completely anaemic performance from the non-energy sector, if you go into it, what are the industries that generate employment? Construction and quarrying declined by 7 per cent in 2009, declined by 28 per cent in 2010,

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declined by 8 per cent in 2011, declined by 2 per cent in 2012. So there is no evidence of any strong recovery in the construction sector. No evidence of any recovery in the construction sector.

You see, one of the comments I just heard *sotte voce*, shows me how limited the understanding of this Government is of fiscal and monetary policy. It is all very well to say that the Governor of the Central Bank has advised the Minister that he wants to do this in the event that sometime in the future the economy will start to grow, it will start to overheat and the Central Bank would have to intervene.

7.35 p.m.

It is all very well for you to say that, but when one looks at the literature, there is a lot of caution in all the literature, Mr. Speaker, there is a lot of caution in terms of the Central Bank intervention in small, open economy such as ours, whether it is in purchasing Treasury Bills or whether it is in selling Treasury Bills. There is a lot of caution in terms of the appropriate time to intervene, the appropriate time to exit from the economy. You have to be very, very careful about the manner in which a Central Bank intervenes in an economy. Let us look at the history, the Minister spoke about it.

It is a tragedy for elderly people in this country, elderly people who have retired and no longer in receipt of a monthly income and have to rely on their savings to live, whereas in the past 20 years elderly people could have depended on interest income of 5 per cent, 6 per cent, 7 per cent, and so on, on their savings, on their gratuity, on their retirement, their lump sum packages, and that was sufficient for them to live.

So, if a person retired and, let us say they got a lump sum of \$100,000 and they got 6 per cent on that, that would equate to an interest of \$6,000, giving them an additional \$500 a month, which, together with their pension might be sufficient for them to make ends meet. Someone got \$250,000, they get 6 per cent on that, they get \$15,000 a year, that is an additional \$1,000 per month or \$1,200 per month. Just enough to make the difference between starvation and making ends meet. But what is the situation now? If somebody retires and they get a lump sum of \$200,000; \$300,000; and they put that in the bank—\$200,000—what are they getting? One per cent. What are they going to get back from that \$200,000? Two thousand dollars per year; \$160 a month.

So that the effect of the Central Bank intervening in the economy, reducing the prime lending rate, reducing the repo rate, has had the effect of reducing

interest rates for lending from a high of 16 and 17 per cent down now to 7 per cent, making it attractive for businesses to invest and they are not investing because they have no confidence. But what has it done to people's savings? You have elderly people earning 1 per cent and 2 per cent on their savings; the inflation rate is 7 per cent, so that they are behind the rate of inflation. Previously when they were getting 6 and 7 per cent they were keeping on par with inflation, now they are behind the rate of inflation and they are getting pennies for their savings in the banks.

So, this is an adverse consequence of Central Bank open market operation monetary policy seriously affecting the standard of living of a significant class of the people in this country, and I for one, Mr. Speaker, I am entirely opposed to the current system in Trinidad and Tobago where interest rates are 1 per cent on—how are people going to live? How would somebody, who, all they have is a lump sum that they got on retirement, live on 1 per cent per year? How are they going to live, Mr. Speaker? That is why you have all these demands on the pension system, why people are so captivated by that promise, that false promise made by the Partnership Government that once you reach age 60, no matter what your situation you would qualify for a pension, and people rushed at that because it is was so attractive, because interest rates were already on their way down. By 2010 interest rates were already down to 3 per cent and 2 per cent, and now, of course, that promise was not fulfilled because it was impossible to fulfil, because the money just does not exist, the economy is not growing, the fiscal policy of the Government is not resulting in stimulus of the economy, generating the kind of revenues that would allow the Government to pay a pension to everybody on attaining age 60.

So, I am in complete disagreement with this policy of the Central Bank that has suppressed deposit rates down to 1 per cent, and I really would like the Minister of Finance and the Economy to sit down with the Governor of the Central Bank, because it is the Central Bank that is causing interest rates in this country to be low.

Miss Mc Donald: That is right.

Mr. C. Imbert: Yes, it is the Central Bank.

Hon. Member: Really.

Mr. C. Imbert: You see, Mr. Speaker, I am very disappointed in the hon. Members opposite. They do not read, in my opinion, in my humble opinion they do not read, they do not bother to look at what is happening in this country; they are just too happy. You are too happy enjoying life.

Dr. Rambachan: Tell us how?

Mr. C. Imbert: Mr. Speaker, if—it is such a simple thing; when a Central Bank intervenes by mopping up liquidity and reducing the repo rate, it suppresses interest rates, when the Central Bank intervenes by going in the opposite direction, increasing interest rates, its intervention, its monetary policy. The interest rates in this country are set in accordance with the repo rate and in accordance with the prime rate.

There is an agreed spread between lending rates and deposit rates, and I also find that that spread is too large. And these are the things that the Minister of Finance and the Economy should be looking at.

In the United States, for example, the lending rate is 3 per cent; the savings rate is 1 per cent; so the spread between the lending rate and the borrowing rate is 2 per cent. But in Trinidad and Tobago the lending rate is 7 per cent or 8 per cent and the deposit rate is 1 per cent.

Hon. Howai: Zero per cent.

Mr. C. Imbert: Zero per cent, as you say. So that the spread between the borrowing rate and the lending rate—sorry, the lending rate and the deposit rate is 6 or 7 per cent.

That is why the banks are making a billion dollars in profits. These are the things that people expect the Minister of Finance and the Economy and its Government to look at. This is what you should be looking at; but what you are doing, you are just acting—I am sorry I have to use this example—just like robots. They get advice from the Governor of the Central Bank, that he wants to do this and they just do it, and they do not look at the effect this is having on the standard of living for people in this country. I would much rather that we came here today—[*Interruption*]

Miss Mc Donald: There are no proper fiscal policies.

Mr. C. Imbert: Exactly. There is no appropriate fiscal policy. There is no policy in this country to allow a decent revenue stream for retirees, for people who are living off their savings. There is no policy in this country to assist people who live off their savings. Instead, we have the Central Bank intervening to suppress interest rates. And while you want to do that to make conditions such that people would want to invest, because you have attractive interest rates, you have the other problem that you have a lack of confidence in the economy. The

two of them go hand in hand. So the Central Bank could do what it wants. They could mop up all the liquidity and more. They could drop the repo rate down to 1 per cent; they could drop the lending rate down to 3 per cent, but if there is no confidence in what is being done, then nobody is going to invest, you are going to have no growth in this economy and you are not going to have the kind of stimulation that we require. And then you have the tragedy of these low deposit rates which is a cruel, a cruel consequence of this intervention by the Central Bank.

So I would like the Minister to tell us, what are you doing for elderly people in this country and retirees? When you sit down in these meetings with the Governor of the Central Bank—and I am not imputing any improper motives, Mr. Speaker—when the Governor tells you, advises you, that he wants to mop up excess liquidity for whatever reason, because we do not know what the reason is, when he tells you that, why do you not ask him, why do you not ask the Central Bank what is their plan to assist people who live off their savings, who are being destroyed by these interest rates of .5 per cent and 1 per cent?

That is the kind of discussion I would like to have in this Parliament. Not this stuff—let me use that word. Not this stuff that we have come here, that the Minister tells us, this is for some time in the future when the economy is going to boom and the Central Bank has to intervene. “I talking ‘bout now! Ah talking about now, where people cannot survive on \$500 and \$1,000 interest on their savings, Mr. Speaker.” When in the past they were getting \$5,000; \$6,000 a month, they could have survived. Now they are getting \$500 a month, \$1,000 a month. That is the kind of monetary policy and fiscal policy I would like to hear brought to this House, a policy from the Government to deal with a decent income for retirees and people who live on savings, and how the Central Bank can work with the Minister of Finance and the Economy, how you could have a combination of fiscal and monetary policies to assist the people who are on fixed incomes in this country.

That is what I want to talk about. I see no reason for this, Mr. Speaker. The Minister has not told us why. He has not told us what is the advice of the Governor of the Central Bank. We cannot support this. We see no need for this. We call on the Minister to forget this and bring a Motion to this House discussing the economy of Trinidad and Tobago, the problem of underemployment in Trinidad and Tobago, the problem of increasing transfers and subsidies, the weakness of the economy, and anaemia that is inherent in our financial system and the problems that people who are on fixed incomes are struggling everyday

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with their meagre savings and their anaemic returns on their investments, how are they going to live? That is what I want to discuss, Mr. Speaker, not this!

I thank you very much. [*Desk thumping*]

Mr. Speaker: All right, the hon. Minister of Education and Member of Parliament for Caroni East.

The Minister of Education (Hon. Dr. Tim Gopeesingh): Thank you, Mr. Speaker. I stand in support of the resolutions made by my colleague, the hon. Minister of Finance and the Economy, under the Treasury Bills Act, No. 14 of 1995; Chap. 71:40 and the Treasury Notes Act, No. 14 of 1995; Chap. 71:39; to effect, essentially, an increase in the limit under the Treasury Bills from \$15 billion to \$30 billion and from the Treasury Notes from \$5 billion to \$15 billion.

Mr. Speaker, the previous speaker, the Member for Diego Martin North/East quoted extensively from documents of the IMF and the Central Bank reports and *Review of the Economy*, and tried to negate the massive gains by this Government in terms of how it dealt with the economy over the last three and a half years, three years and three months. May I remind this honourable House that when this Government came into effect, when we were voted in, in May 27—May 24, the then Minister of Finance had to take this economy from a crumbling state, where with the CL Financial debacle, we inherited close to \$25 billion in debt, and then close to \$500 million, that is from the CL Financial, \$500 million from the contractors—owing to contractors, nearly half a billion dollars and another half a billion. Mr. Speaker,—[*Interruption*]

Mr. Speaker: Member for Port of Spain South, you are disturbing me and you are disturbing the speaker on his legs. Could you maintain silence, please! Continue, hon. Member.

Hon. Dr. T. Gopeesingh: And another \$500 million owing to the depositors of HCU. [*Interruption*] So, \$25 billion debacle from CL Financial, \$500 million owing to contractors and another \$500 million from HCU. This country must never forget what our Government inherited from that administration.

And you know, to hear the Member for Diego Martin North/East, speak this afternoon; like Pontius Pilate, wiping his hands clean from everything. He was part of that administration and wants to comment and criticize this present administration on what we are doing as far as the financial reformation and rejuvenation of our economy, being led by the first Minister of Finance, the Member for Tunapuna, and now being adequately cared for by our present Minister of Finance and the Economy. We must never forget those.

He continued to speak about quotations from the *Central Bank Review*, let me just quote, with your permission:

Based on the review of the economy conducted by the Central Bank of Trinidad and Tobago, the positive fiscal effects that have materialized in 2013 are as follows:

We had overall increase in growth in the economy.

The overall economy of Trinidad and Tobago—I am quoting from the Central Bank Review of the Economy—is expected to increase by 1.6 percent in 2013 in comparison to the 1.2 percent in 2012 with an overall growth rate of 2.5 percent in the non-petroleum sector.

Generally, this country has relied on the petroleum sector for its growth where 80 per cent of the exports have been from the petroleum sector.

7.50p.m.

And for the first time we are now experiencing a 2.5 per cent growth in the non-petroleum sector, and of course still a growth in the energy sector by about .5 per cent—because of what the Minister of Finance and the Economy indicated, we had market fluctuations because a number of these energy companies had some down time from the effect of maintenance. And in the energy sector which is still an increase from 2012 and 2011 as summarized in the summary of the macroeconomic performance of the economy, Mr. Speaker. And that was summarized—let me just find the—and I want to quote, Mr. Speaker an article read by Dr. Ronald Ramkissoon:

“Trinidad and Tobago-An Innovation-Driven Economy?”

The headline is:

“Idea 2 Innovation”

And he quoted his article from the beginning and said:

“Dreamers are mocked as impractical. The truth is they are the most practical, as their innovations lead to progress and a better way of life for all of us.”

And he quoted, Robin S. Sharma, a worldwide economist.

Mr. Sharma: No relative of mine.

Hon. Dr. T. Gopeesingh: I am sure with the brainpower that Chandresh has, I am sure it is a relative. Mr. Speaker, according to the “World Economic

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Forum's, Global Competitiveness Report in 2013", quoted in Ronald Ramkissoon's article:

"...Trinidad and Tobago is now in the category of 'innovation driven' economies—the most developed group of countries in the world."

So we are now classified as an innovation-driven economy and belong to the category of the "most developed group of countries in the world". And this is, when you listen to the Member for Diego Martin North/East you would believe that Trinidad and Tobago's economy is fledgling. And we are now being moved to a state where we are considered an innovation-driven economy.

Hon. Member: That is right.

Hon. Dr. T. Gopeesingh: And he went on to state that:

"This new status comes on the heels of the country's graduation to developed country status"—Mr. Speaker—"by the Organization for Economic Cooperation and Development (OECD)..."

OECD has classified us as graduating to developed country status. Which better group of countries can tell you how well you are doing than the OECD?

"The UN's classification of Trinidad and Tobago..."—UN classification, Mr. Speaker—"as a country of High Human Development..."

This is where this Government is taking this country. This is where we are poised now.

"The other two categories identified in the Report are factor-driven economies and efficiency-driven economies. According to the Report, countries can also be in either two 'transition stages'...This, at our 51st anniversary of Independence, might be reason to celebrate—and perhaps rightly so."

The article:

"Idea 2 Innovation. Trinidad and Tobago-An Innovation-Driven Economy?"

Mr. Speaker, the articles goes on to state:

"...Trinidad and Tobago does well in the area of macroeconomic environment, financial market development and in health and...education..."—so the article quoted, Mr. Speaker.

So the World Economic Forum, Global Competitiveness Report 2013, states that we are in the category of "innovation-driven" economies, 2013. And we

are now a developed country status, and the UN has classified us as a country of high human development.

I want to go on, Mr. Speaker, and speak about the IMF report which the Member for Diego Martin North/East had been quoting so liberally from.

The IMF report projects that a gross GDP growth of 11/2 per cent—a growth, Mr. Speaker.

My colleague, the Minister of Finance and the Economy, just reminded me of some figures. The Member for Diego Martin North/East spoke about growth in 2003—2007, and 2008 was the year when Trinidad and Tobago received the largest amount of funding, close to \$63 million—\$63 billion in 2008. But they had a modest growth of 3.4 per cent. And having received the greatest amount of revenue and with the highest budget at that time, \$63 billion, the following year they slumped to a 4.4 negative growth, Mr. Speaker. In 2008, they had the highest amount of money, revenue and income—*[Interruption]*

Dr. Rambachan: Boom, boom and they bust.

Hon. Dr. T. Gopeesingh: Boom, \$63 billion and the next year they bust—*[Interruption]*

Dr. Rambachan: “All yuh could real manage money good.”

Hon. Dr. T. Gopeesingh:—4.4 per cent negative growth. And the IMF report continues to say:

“Trinidad and Tobago will continue to benefit from an ample non-renewable resource endowment and a highly educated work force...”

This is what our hon. Prime Minister has been speaking about; human capital development, people-centred development to ensure sustainable development. Those have been the watchwords under the People’s Partnership Manifesto; fundamental pillars for any civilized society.

“The country’s large reserves of oil and gas have catapulted”—Trinidad and Tobago—“to the enviable position of having one of the highest levels of per capita GDP in the hemisphere.”

One of the highest in the hemisphere. I will find it pretty shortly, Mr. Speaker.

The per capita GDP ratio of US \$19,000 per capita for Trinidad and Tobago, growing steadily and improving under the People’s Partnership administration.

Let me continue to speak about what the IMF said.

“For 2013—I quote—“we project overall real gross domestic product...growth of about 11/2 per cent...the non-energy sector should register growth of around 2.5 per cent, capitalizing on the momentum towards the end of 2012...”

With credit demand still low, the central bank continues to mop up the considerable excess liquidity in the system through voluntary term deposits...”

Exactly what the hon. Minister of Finance and the Economy has come to the Parliament to ask for.

It seems to me that the Member for Diego Martin North/East seems not to know his economic education at all, because he is mixing up—[*Interruption*]

Mr. Sharma: Just being “mischief” and misleading.

Hon. Dr. T. Gopeesingh:—the Minister having macroeconomic ability, and this is not the role of the Minister of Finance and the Economy; it is the role of the Central Bank Governor to deal with monetary policies and it is the role of the Minister of Finance and the Economy to deal with the fiscal policies. The Central Bank Governor usually operates independently away from the Minister of Finance and the Economy but they will have discussions, and the Central Bank Governor will advise countries from time to time of where they are supposed to be, and the Central Bank Governor has asked that the Ministry of Finance and the Economy effect these resolutions so that we can move to have more borrowings for the Treasury Notes and the T Bills. He understands and appreciates why he wants to do that.

Now our fiscal policies are there for everyone to see. It is not at this time that I could elaborate on all of these fiscal policies, but our fiscal policies are carrying us into the area where we are now positioned according to the competitive global index and the IMF report. The IMF report continues to say:

“There is continued progress on the financial sector reforms.”

This Government is effecting financial sector reforms.

“Securities legislation, passed at the end of 2012, has enhanced the powers of the Securities and Exchange Commission...”

A plus for our Government’s ability to deal with these matters, Mr. Speaker.

“...(SEC) to fulfill its multiple mandates of market regulation, promotion and reducing systemic risk...”

So here it is we are effecting financial legislation to assist in ensuring that there is strong financial management at all levels; strengthening the Securities and Exchange Commission with new legislation. The IMF also says:

“Other legislative reforms are in train, including a new law to modernise insurance regulation...”

Today, Mr. Speaker, you mentioned that we are now forming different committees of Parliament to look at the Insurance Bill. And it was mentioned that the committees were formed from both the Senate, the Upper House and from here. So:

“...legislative reforms are in train, including the new law to modernise insurance regulation, anticipated for the near future...”

Just today we did it.

“While challenges remain, a final resolution of the problems stemming from the 2009 failure of insurer CLICO is in sight.”

The IMF is telling the world, the debacle of 2009 CL Financial; it is ad nauseam; we spoke about it already, about how people withdrew the money and the “thief in the night” and knew that this thing was going on and they did not do anything, and their supervisor of banking institutions and so on, did not do anything for a long while, and which out of 110 financial institutions only 17 were investigated at that time. These are issues that we met from the previous administration from 2001 or 2002—2010, Mr. Speaker.

So they spoke about the 2009 failure of insurer Clico, the end of that is in sight. And the Minister of Finance and the Economy has been steadfast in ensuring that payments have been effected to the owners of insurance policies. And there is an ample opportunity now for the short-term annuity owners to receive their payments—\$25billion, Mr. Speaker.

Hon. Member: It is a work in progress.

Hon. Dr. T. Gopeesingh: “In the long run, Trinidad and Tobago will continue to benefit from an ample non-renewable resource endowment and the highly educated work force. The country’s large reserves of oil and gas have catapulted Trinidad and Tobago to the enviable position of having one of the highest levels of per capita GDP in the hemisphere...”

And then I want to quote from another article, from Friday September 20, 2013—
“Contributed by: michaelariston.”

“Trinidad & Tobago expects economic recovery to consolidate with 1.6% growth.”

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The article speaks:

“The recovery of the Trinidad and Tobago economy is expected to be further consolidated with growth of 1.6 percent in 2013, following on an overall growth of 1.2 percent in 2012, the T&T government said in its annual publication, Review of the Economy 2013...”

8.05p.m.

“The recovery is expected to gain momentum across a widening range of economic subsectors resulting in an overall growth rate of 2.5 percent in the non-petroleum sector for 2013. The brighter outlook for the non-petroleum sector is premised on a projected 2.6 percent expansion in the services sub-sector, which, with 84.2 percent, is the largest contributor to non-petroleum GDP.”

So when countries are thinking about diversification, Mr. Speaker, and finding difficulty in diversification of the economy, and when we had been traditionally locked into the energy sector providing much of our revenue, we have moved ourselves out of that and we have now moved into the area of the services sector—[*Interruption*]

Mr. Sharma: Very good, “yuh” know.

Hon. Dr. T. Gopeesingh:—in our diversification programme.

Mr. Sharma: Pat, pay attention.

Hon. Dr. T. Gopeesingh: The 84.2 per cent, the largest contributor to the non-petroleum GDP. Our diversification programme is moving, and here it is the Member for Diego Martin North/East—[*Interruption*]

Hon. Member: Saying something different.

Hon. Dr. T. Gopeesingh:—speaks about we do not have any fiscal policies.

Hon. Member: Ignore him.

Hon. Dr. T. Gopeesingh: So if we do not have any fiscal policies, how would we be moving there, Mr. Speaker?

Hon. Member: A stranger to the truth.

Hon. Dr. T. Gopeesingh: This is the truth, Mr. Speaker. [*Interruption*]

Dr. Rambachan: Educate him. Educate him.

Hon. Dr. T. Gopeesingh: “After three (3) successive years of decline...the recovery in 2012 is expected to be further consolidated in 2013. The services sub-sector is also expected to exhibit continued strengthening.”

Mr. Speaker, it goes on to talk about our economy.

“Headline inflation on a year-on-year basis, for the first six months of 2013 remained relatively moderate, settling a 6.8 percent in June 2013.”

Mr. Speaker, the country must remember that under the People’s National Movement administration, food inflation reached beyond 30 per cent at one time. It was close to 34 per cent under their administration, when there was a prevailing boom at the time—[*Interruption*]

Mr. Sharma: People could not afford to eat.

Hon. Dr. T. Gopeesingh:—and headline inflation went beyond the double digit figures, to 12 per cent. So food inflation was close to 34 per cent and headline inflation—[*Interruption*]

Mr. Sharma: The highest it has ever been.

Hon. Dr. T. Gopeesingh:—the highest ever this country—[*Interruption*]

Mr. Sharma: Thirty-seven per cent.

Hon. Dr. T. Gopeesingh: I am corrected, to 37 per cent, Mr. Speaker, food inflation under the People’s National Movement administration.

Hon. Member: They have no shame.

Hon. Dr. T. Gopeesingh: How hypocritical the other side can be when they want to speak.

Mr. De Coteau: Political Pontius Pilate.

Hon. Dr. T. Gopeesingh: We are keeping inflation down to 6.8 per cent—headline inflation, and that is an enviable thing from the other side, Mr. Speaker.

Mr. De Coteau: Political Pontius Pilate.

Hon. Dr. T. Gopeesingh: And they said:

“This outturn reflected the general downward trend in price levels, following a 30-month high of 12.6 percent...”—at one time. “Similarly, Food and Non-Alcoholic Beverages inflation eased somewhat from 13.8 percent in January to 12.6 percent in June 2013. Core inflation remained relatively stable, settling at 2.2 per cent in June 2013.”

Mr. Speaker, with an inflation of just 2.2 per cent—[*Interruption*]

Mr. Speaker: Members, you are disturbing the hon. Member. Please!

Hon. Dr. T. Gopeesingh: Mr. Speaker, when public servants and nationals of Trinidad and Tobago sought to get their increased wages over a three-year period, this People’s Partnership Government settled 71 wage negotiations, and thanks to the Minister of Labour and Small and Micro Enterprise Development and the entire team of the Minister of Finance and the Economy and the Minister of Public Administration, 71 long-standing negotiations that went back, in some cases to 2006, and some to 2008 under their regime.

So when the people got their 5 or 6 or 9 per cent, Mr. Speaker, and you have inflation above 10 and 12 per cent, eating up their increase in their wage negotiations which they have received, how could they say that they have benefited at all? But when we have controlled inflation to 2.2 per cent and they got a wage increase of 9 per cent, Mr. Speaker, they will see some reflection of improvement in the quality of life and their well-being by having an increased remuneration at the end of the month for themselves. This is where we have kept the economy at 2.2 per cent core inflation.

And what about unemployment?

“The rate of unemployment in Trinidad and Tobago fell to 4.9 percent in the third quarter of fiscal 2012”—[*Interruption*]

Mr. Sharma: The lowest it has ever been.

Hon. Dr. T. Gopeesingh:—“from 5.4 per cent in the second quarter.”

The lowest it has ever been, Mr. Speaker. Most industries, 4.9 per cent unemployment; you cannot get lower than that.

“Most industries, with the exception of the Construction and Petroleum and Gas industries, registered unemployment rates below the national average.”

This is the performance of the People’s Partnership Government, Mr. Speaker. Unemployment; unbelievable low levels of unemployment.

“In light of the...relatively stable core inflation, the Central Bank of Trinidad and Tobago maintained an accommodative monetary policy stance...”

—which we are in sync with, Mr. Speaker, as a responsible Government, while the Governor of the Central Bank is exercising his prerogative with his monetary policies. That is not our prerogative. We cannot interfere with the monetary policies of the State—of the Governor of the Central Bank.

So the Central Bank:

“maintained an accommodative monetary policy stance in an effort to boost the pace of economic activity.”

They must remember when the former Governor of the Central Bank was telling them that they were overheating the economy by building skyscrapers and they were going beyond what was required in terms of the overspending and the over-budgeting for some to these skyscrapers, like NAPA and SAPA, which were supposed to cost US \$200 million together, and NAPA alone cost \$1.2 billion, and this entire waterfront project that was supposed to cost less than \$2 billion, we are paying \$256 million per year for 17 years which will account to \$4.3 billion—*[Interruption]*

Mr. Sharma: Dollar per square foot, the most expensive in the world.

Hon. Dr. T. Gopeesingh: And my colleague, Minister Sharma, says per square foot, it is one of the most expensive in the world. And we must not forget the Tobago Scarborough hospital which was supposed to cost less than \$150 million in 2001, that finished under—they could not finish it in 10 or 11 years. We had to finish it at a cost that they went up to, \$1.2 billion.

So NAPA and SAPA and the waterfront project and all of these, Mr. Speaker, overheating the economy, and the Governor of the Central Bank telling them that “you are overheating the economy, inflation is at its highest, people are suffering”, but they did not take on the Governor at the time. They continued the profligacy under the PNM. *[Interruption]*

Hon. Member: Word, boy, word.

Hon. Dr. T. Gopeesingh: They are a profligate government, Mr. Speaker.

Hon. Member: Lend them a dictionary.

Mrs. Gopee-Scoon: We never used that. *[Crosstalk]*

Hon. Dr. T. Gopeesingh: And so the report states:

“In the circumstance, the Bank reduced the Repo rate from 3.0 percent in August 2012 to 2.7...percent in September 2012, where it has remained up until June 2013. The basic prime lending rate of commercial banks responded accordingly, slipping from 7.8 percent in June 2012 to 7.5 percent in June 2013.”

Mr. Speaker, just a while ago the Minister of Finance and the Economy and my colleague, the Member for Tabaquite, were speaking. *[Crosstalk]* We are indeed very concerned about the plight of our senior citizens whose lifelong earnings are

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put into banks and they cannot get the type of interest rates that they would like to see, so that they could live off these interest rates. We are very concerned about that, and we are very concerned about, as well, the spread between the lending rate and the deposit rate.

Hon. Member: Very bad.

Hon. Dr. T. Gopeesingh: And this is where banks are making over \$1 billion profit per year. We are very concerned. And we have a responsible Minister of Finance and the Economy, I am sure, who is going to address that. He is going to address that with the Central Bank Governor and look at the spread between the lending rate and the borrowing rate and, of course, he is going to work to ensure that the interest rates for some of our senior citizens, who have some fixed deposits and are living off that, will be addressed. We are not an irresponsible Government. We listen, Mr. Speaker. [*Desk thumping*] Our Prime Minister listens.

Mr. Sharma: Well said.

Hon. Dr. T. Gopeesingh: And this is where we, as a responsible Government, continue to move. Mr. Speaker:

“Private sector credit expanded to 2.4 percent in March 2013, albeit at a slower pace.”

So the article speaks:

“In light of the consequential accumulation of excess liquidity within the financial system...”

—which the Minister of Finance and the Economy has been speaking about, and he indicated that beside that, the savings that went into the banks moved from \$53 billion in 2008 to \$90 billion in 2013. That is room for concern.

So when the Central Bank, as a consequential accumulation of excess liquidity within the financial system, as is evidenced by having over \$90 billion in savings in the bank:

“the Central Bank introduced various measures to address the situation including the withdrawal of \$200 million from the financial system”—that is US—“through the issue of Treasury Bills and Notes and, in May 2013, the issuance of a \$1.0 billion Treasury bond.”

Mr. Speaker, so while the Member for Diego Martin North/East quoted ad lib, I mean liberally from the IMF and the Central Bank Report; I have quoted liberally

as well, and showed that what he said was of really no significance, and we debunked his statements related to the performance of our financial sector and the finance in Trinidad and Tobago.

Mr. Sharma: He was very selective.

Dr. Rambachan: Mischievously selective.

Hon. Dr. T. Gopeesingh: So these are some of the quotes from the World Economic Forum and the IMF reports and so on, and some of the other papers.

Let me move to the Inter-American Development Bank Report and the *Review of the Economy, 2013* which the Member for Diego Martin North/East spoke a lot about. [Interruption]

Hon. Member: And debunk a lot of what has been said.

Hon. Dr. T. Gopeesingh: Well everyone knows the IDB was established in 1959 and so on and they run on a calendar basis and its annual report and so on. They said:

“The Gross Domestic Product (GDP) is expected to grow by 1.6 percent as compared to the GDP of 1.2 percent in 2012.

Trinidad and Tobago’s real Gross”—GDP—“is expected to grow by 1.6 percent in 2013, a marginal improvement on its estimated 1.2 percent expansion in 2012. This stronger performance reflects an anticipated expansion of 2.5 percent in the non-petroleum sector supported by positive, albeit flat growth of 0.5 percent in the petroleum sector...”—because of the maintenance programmes in the energy sector.

This is what the IDB is saying, Mr. Speaker.

“The non-petroleum sector is expected to record positive growth for a second consecutive year, accelerating from 1.9 percent in 2012, to 2.5 percent in 2013. This momentum should increase the sector’s contribution to overall GDP to 60.2 percent (its largest share since 2005) from 59.7 percent in 2012.”

That is performance, Mr. Speaker, as a Government.

“Underlying the performance of the non-petroleum sector is expected growth of 2.6 percent in services, the largest non-petroleum sub-sector.

After two years of contractions ending with a 0.4 percent decline in 2012, the manufacturing subsector, the second largest non-petroleum subsector, is projected to register strong growth of 6.1 percent in 2013.”

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And they are speaking about non-confidence in this Government, when the manufacturing sector is moving steadfastly by improving their—the manufacturing. It grew by 6.1 per cent in 2013.

8.20 p.m.

“Manufacturing’s share of real GDP is accordingly forecasted to rise to 9.2 per cent in 2013.”

The manufacturing sector and the share of the GDP is 9.2 per cent—almost one-tenth of the GDP when the energy sector is a big contributor to the GDP—from 8.8 per cent in 2012 to 9.2 per cent in 2013.

“Agriculture, the other non-petroleum sub-sector is also expected to expand by 5.1 per cent in 2013.”

Mr. Speaker, for years under PNM’s administration, the agriculture sector’s contribution to the GDP moved down from what existed at the time at 4 per cent when it was still very bad, and under their watch for eight or nine years it went down to ½ per cent contribution to the GDP.

Under this administration, we have reversed that significantly, and we have brought so much more to the agriculture sector, that we have seen marked improvement in the performance of the agriculture sector; so many different policies that we have used. Minister Bharath started it and Minister Devant Maharaj is now continuing, supported amply by a Cabinet which is responsive to the needs of the population in terms of ensuring that we have food production and that one day we will be self-sufficient in our food production. This IDB speaks about the headline, the core inflation, rate of unemployment. The same thing I spoke about just a while ago, Mr. Speaker.

“Consumer credit granted by the consolidated banking system has continued to expand, increasing on a twelve-month basis by 4.1 percent in March 2013, up from 2.9 per cent in October 2012.”

Real estate, Mr. Speaker.

“Real estate mortgage lending remained robust throughout fiscal year 2013, up 15 percent in March 2013.”

Real estate mortgage. People have confidence in the economy that they are borrowing money to own their homes and own their cars. It means that the quality of lives is being improved under this People’s Partnership administration.

“Net Public Sector Debt stock is expected to increase by 6.9 percent from \$69.156...billion in fiscal 2012, to \$73.916...million.” That is, \$73 billion in

fiscal 2013. “As a percentage of GDP, it is projected to decrease from 45.0 percent in 2012 to 44.7 percent in 2013.”

The net public sector debt is decreasing, has decreased, from 45 per cent in 2012 to 44.7 per cent in 2013.

Mr. Deyalsingh: Minister, would you just give way for a sec, please?

Hon. Dr. T. Gopeesingh: Sure.

Mr. Deyalsingh: Would you just tell me the source of your figures, please?

Hon. Dr. T. Gopeesingh: This is the IMF.

Mr. Deyalsingh: Okay. Thank you.

Mr. Sharma: “Wait nah, you ain’t read dat?”

Hon. Dr. T. Gopeesingh: “The Net Asset Value of the Heritage and Stabilisation Fund (HSF),”—as the Minister indicated—“rose to approximately US \$5.0 billion.”

The Minister quoted US \$5.1 billion—did he?

Hon. Member: “Uh-huh.”

Hon. Dr. T. Gopeesingh:—“following an injection of US \$42.5 million by Central Government in the third quarter of fiscal 2013.”

Mr. Speaker, our Heritage and Stabilisation Fund stands now at US \$5.1 billion. Our foreign reserves stand over US \$9 billion, equivalent to more than 10 per cent of imports. So we are \$14.1 billion with the HSF and foreign reserves. That is equivalent to close to TT \$91 billion we have in savings in the foreign reserves and the HSF, that could cushion us against a lot of negatives that can occur at any time—TT \$91 billion. I will recalculate it, \$90.1 billion. I have it here.

“A total of \$9.2...billion in Gross Official Reserves or 10.4 months of import cover is estimated to have been held by the Central Bank up to the end of 2012.”

So this is information coming from the Inter-American Development Bank Report and the *Review of the Economy 2013*. The Member for Diego Martin North/East quoted liberally from the IMF and so on, but it is all here for us to see and examine and appreciate—[*Interruption*]

Mr. Sharma: You could wrap up now.

Hon. Dr. T. Gopeesingh:—the areas where we have—thank you. [*Laughter*]
That is enough for them.

Dr. Rambachan: You made your point.

Hon. Dr. T. Gopeesingh: Yes. So reduction in the repo rate, decrease in inflation, increase in the agriculture sector, growth of the manufacturing sector, increase in services, natural gas production increasing as well, the index of retail sales grew by 2.5 per cent on a year-on-year basis in the fourth quarter of 2012, the household appliances and furnishing sub-index recorded significant growth of 2.3 per cent, people are buying things for themselves.

The value of mutual funds under management rose by 6.8 per cent in the 12 months—mutual funds—to June 2013, despite the fact that people would have lost some confidence because of the Clico issue. They are still moving to have mutual funds. Income funds grew by 5.2 per cent and equity funds grew by 14.7 per cent.

Mr. Speaker, the stock exchange. The Trinidad and Tobago composite stock price index showed their solid gain of 10.2 per cent on a year-on-year basis to June 2013. So here it is the economy is marching along, the stock exchange is increasing its value, mutual funds, equity funds, income funds, household appliances and furnishings and so on. So, Mr. Speaker, I think this is enough to debunk the negatives that have been quoted by the other side, and we have given enough justification to show that our economic development has been progressing rapidly under the astute leadership of the Minister of Finance and the Economy, and hon. Prime Minister, who gives the guidance on the way that we should be moving forward. That is development for you as a Government.

So, as I close, I just want to quote one more, that is, the Moody's review of the economy; the Moody's Investors' confidence and their service, Trinidad and Tobago economy. Trinidad and Tobago credit rating history 2005—2013 by Moody's Investors Service: January 2013, stable; August 2012, outlook stable; June 2011, stable. So when they had all that money from August 2005, the outlook was stable according to Moody's. We still remain stable.

Foreign currency ceiling, bonds and notes, long term; we maintained an A1 level. The bank deposits, they were Baa2 at one stage. We are Baa1 in bank deposits; and government bond ratings: foreign currency, long term, and local currency, short term. Moody's has tremendous confidence in the economy of Trinidad and Tobago, Mr. Speaker, and Moody's said:

“Positive rating pressure could develop as a result of...increased foreign investment in oil/natural gas exploration...”

For the first time, we have had eight bid rounds. The Minister of Energy and Energy Affairs speaks about eight companies engaging in bid rounds in Trinidad and Tobago for first time that marked increase in activity in the production and drilling areas in the energy sector.

“(2) approval of fiscal reforms that incorporate limits to public-sector wage growth, divesting out of state-owned enterprises, and reforming subsidies...”

Mr. Speaker: Hon. Minister of Education? Hon. Members, the speaking time of the hon. Minister of Education and Member of Parliament for Caroni East has expired.

Motion made: That the hon. Member’s speaking time be extended by 30 minutes. [*Hon. Dr. S. Rambachan*]

Question put and agreed to.

Mr. Speaker: Hon. Minister, before you continue, I know that you indicated that you have a few more moments. Dinner has arrived and I would like to suspend, but if you have another five minutes—

Hon. Dr. T. Gopeesingh: Yes, sure.

Mr. Speaker:—I will facilitate you. Continue, Sir.

Hon. Dr. T. Gopeesingh: Thank you, Mr. Speaker. I crave your indulgence and thank you for that guidance. I will wrap up in a few minutes. I just wanted to make the other few points of what could change the rating up of Trinidad and Tobago:

“...improved execution of public sector capital expenditure commitments; and...reform of the Heritage and Stabilisation Fund to make it a more effective instrument for counter-cyclical fiscal policy.”

This is what the Minister of Finance and the Economy has been doing, ensuring that the Heritage and Stabilisation Fund is adequately divested in multi-currency and multiple types of investment areas. So Moody’s rating has been good, it continues to be strong and we continue to be recognized as a country that is doing extremely well.

Mr. Speaker, it is important for me to just speak about one or two things again about what the Member for Diego Martin North/East seem—he seems to have been confused as to what will happen—

Mr. Indarsingh: That should not surprise me.

Hon. Dr. T. Gopeesingh:—if you mop up the liquidity. He said you will have inflation, but it is just the opposite. If you mop up the liquidity you will try to reduce inflation, and I was surprised to hear the Member who has been here for about 21/22 years—[*Interruption*]

Hon. Member: He never said that.

Hon. Dr. T. Gopeesingh:—making that type of statement. I could be corrected, but this is what I thought I heard. He said that if you mop up the liquidity, you will have inflation. I drew it to the attention of the Minister of Finance and the Economy when he said that just a while ago. So he wanted to find out why we are asking for an increase of movement of the T bills from \$5 billion to \$15 billion and moving from \$15 billion to \$30 billion.

Mr. Speaker, in 2006 when their administration was in Government, they came and ask for a movement of the T bills from \$5 billion to \$15 billion. That is \$10 billion more. Now, we are seven years later, is it unreasonable to ask for \$15 billion based on the fact that the volatility in the system would have increased considerably? So that is enough answer for them. He said we have a sudden emergence of confidence in the economy [*Inaudible*] when they come into power. Mr. Speaker, I just quoted all the analysis and reports which show that all these international organizations have been providing tremendous confidence in our leadership in terms of the economy.

8.35 p.m.

So, Mr. Speaker, I know you had to pull him up on the question of what—the words that he used on the monetary policy, and I think he was just trying, being really dirty to the Central Bank Governor and I appreciate the fact that he has to be corrected and you cannot disrespect the office of the Central Bank Governor to the extent that he spoke about foolish monetary policy.

So, I close with the sentiments and a conviction that under the astute leadership of our Prime Minister and the Minister of Finance and the Economy and together with our team, we have been moving this country forward steadfastly in a purposeful direction, and with the determination to ensure that we continue to improve the quality of life and well-being of every citizen of Trinidad and Tobago that there must be prosperity for all. Thank you very much, Mr. Speaker. [*Desk thumping*]

Mr. Speaker: Yeah, hon. Members, we shall suspend the sitting of this honourable House at this time. Dinner has arrived and we shall resume at quarter past nine.

8.36 p.m.: *Sitting suspended.*

9.15 p.m.: *Sitting resumed.*

Mr. Speaker: The hon. Member for St. Ann's East. [*Desk thumping*]

Mrs. Joanne Thomas (*St. Ann's East*): Thank you, Mr. Speaker, for the opportunity to contribute towards this Motion and I will be very short just to get my point across. But, Mr. Speaker, I just want to refer to two things the Member for Caroni East said and he spoke about, you know, the Government, because of their initiatives and so, things like low employment [sic] is being experienced in the country. But one thing is of great concern to me, you know while the unemployment is low and people are getting jobs, you know at the same time, people are silently losing their jobs.

Miss Hospedales: Yes. That is true.

Mrs. J. Thomas: And you wonder how is this reflected in the calculation of the unemployment figures.

Miss Hospedales: That is right.

Mrs. J. Thomas: Because this is a reality. You go around and you hear the number of people that are saying that they have lost their jobs, so I am not too sure and that is of great concern to me. I do not know if the hon. Minister of Finance and the Economy could probably explain to me, you know, how that works. How does the retrenchment and severance of persons—how is it reflected in the calculation of the unemployment rate?

Then, of course, the Minister spoke about, you know, the Government has done everything as regards improving the lives of citizens. I do not know if, when people come to his constituency office or maybe it is because of the area he is in, but, Mr. Speaker, you would not believe the number of people who are having serious trouble just making ends meet—[*Interruption*]

Miss Hospedales:—ends meet. True.

Mrs. J. Thomas:—and I am talking about this is a day-to-day thing. You wonder what he spoke about, you know, the Government is working to improve the lives of citizens and I wonder where are those citizens because the ones that I am exposed to, especially in my constituency, there is so much. People not being able to live comfortably. I just wanted to refer back to what the hon. Member would have mentioned.

Mr. Speaker, as I come to the Motion, the hon. Minister of Finance and the Economy spoke of the rationale and the reason behind requesting the approval for

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the increased limits in both the Treasury Notes and the Treasury Bills, it is because of the surplus liquidity in the system. I ask myself: is it because of the surplus liquidity or is it just to create the opportunity, you know, to further secure government borrowings? It makes me think that because with the increase of the Treasury Bills limit, that opportunity is there for the Government to create a borrowing opportunity for them.

Mr. Speaker, when I look at, for example, the amount of money that has been approved for spending—we look at October, 2012, we approved a budget of \$51.2 billion.

Hon. Member: Sixty-one.

Miss Hospedales: Sixty-one.

Mrs. J. Thomas: No, in October 2012: \$51.2 billion. Then, just the middle of this year, we approved a further \$2.8 billion supplementary, and then just a couple of months after, which is just about six weeks ago, we approved a \$61.3 billion budget; the largest ever in the history of our country. You know, Mr. Speaker, I look at these numbers and I know maybe you could bear me out. When you look back at even going to secondary school and university—and by the way, I congratulate you, Mr. Speaker. I saw on the papers the other day where [*Desk thumping*] you received your MBA.

Miss Hospedales: Wow!

Mrs. J. Thomas: And I am sure, Mr. Speaker, you yourself even in your course work or class work—[*Interruption*]

Mrs. Mc Intosh: Course work?

Miss Hospedales: Course work? Course work? [*Laughter*]

Mrs. J. Thomas:—have not been exposed to so many billions of dollars and when you look at it, I say “my God”. Even when you sit here and you hear about the billions of dollars, say my God, I think it is like a new learning experience for me, Mr. Speaker.

I just want to highlight to those of our citizens listening the last three issues of the Treasury Bills and I look at issue No. 1404; the amount \$50 million; the term 91 days; the auction date was November 11, 2013; the issue date, November 13, 2013, and the maturity date for that issue is February 12, 2014. Mr. Speaker, the other issue that is highlighted, advertised for persons to invest in the Central Bank is issue No. 1405 and that amount is \$75 million with a term of 182 days; the

auction date, November 14 and the issue date, November 18; maturing on May 19, 2014. The last issue was issue No. 1406 for \$75 million; a term of 91 days; the auction date is November 25 which is just Monday coming; the issue date is November 27 and the maturity date, February 26. So these were the last three issues of Treasury Bills that are advertised in the Central Bank.

Just to give Members a little idea of the Treasury Bills and especially our young citizens who are looking on at us, the Treasury Bills are really short-term government-issued debt instruments, and the minimum investment is \$1,000 and the Treasury Bills, of course, are traded. What it means is that the price of the bill is equal to its face value less the amount of the discount. So an example that was given in the Central Bank site is that should a person invests \$1,000 at, let us say 4 per cent discount for three months, that investor will pay \$999 but receives \$1,000, so just an example of a small amount as \$1,000.

Mr. Speaker, I looked at the issue for the reason for this increase in limit of the Treasury Bills and you know what came to mind, what is the reasoning behind the Central Bank's monetary policy? Because, as we may be aware or may not be aware, the mandate of the Central Bank covers a whole wide set of objectives. One of them which stands out to me is financial stability. Then we look at the partner with the Central Bank, the monetary policy committee, and they must play a critical role in working with the Central Bank as regards the economy. Mr. Speaker, I look at the constant flow of funding by the Government to operate, you know, and I wonder what role does this committee play, because one of the key things that they have to do, one of their functions is to do an assessment of the economic and financial conditions.

9.25 p.m.

So, Mr. Speaker, should it not be that when this committee does that review and analysis of the economy, that they now create policies or implement policies that guide the Government's actions? Because then you can see them playing a role as regards how the Government operates, and it would not even put a doubt in, like, my mind as regards: is this really to create opportunity for the surplus liquidity? Or is it really just to create, you know, for the Government to borrow more?

Mr. Speaker, I just want to refer the hon. Minister of Finance and the Economy to his budget presentation and I just want to read what he said in the budget presentation that he did for this year. And he said:

“Mr. Speaker, I am certain that the policies outlined in this budget will improve Trinidad and Tobago's macroeconomic stability by creating an

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environment conducive to sustained economic growth. This budget continues on a path of reducing the fiscal deficit while still funding adequately, economic and social programmes and investment in infrastructure.”

Now, Mr. Speaker, is this limit increase one of the policies that he refers to here? You know, I just wondered. And then again, Mr. Speaker, permit me, I just want to go again to where he further states, in the same budget presentation, where he says:

“Mr. Speaker, in the wake of the financial crisis, there is a compelling case for ensuring that the financial sector maintains its stability. We must ensure that the financial sector continues to play a critical role in enabling economic growth. Consequently, over the past year, we have taken steps to strengthen our financial system infrastructure:...”

And one of the things he highlighted was that:

“the Securities Act, 2012 was implemented with best practice international standards in securities market regulation. Consequently, the country has become a signatory to the multilateral memorandum of understanding as advanced by the International Organization of Securities Commissions. This facilitates exchange of important and critical information among securities regulators, which represent a key regulatory tool in the global money and capital market.”

And, Mr. Speaker, I asked myself: is this part of how the International Organization of Securities Commissions—is this how they operate as well? It is really mind-boggling, Mr. Speaker, but I just had to—I had to mention it.

I am just reading one more thing from his budget presentation. And he said:

“The International Monetary Fund has forecast that high debt and weak competitiveness would continue to constrain growth in the region during 2013.”

And of course, Mr. Speaker, I refer to the high debt, and I wonder, you know, is this how these international people operate? Is it that he wants to prove that what the international securities organization has forecast is true? He wants to prove it is true by doing this? I really and truly have some serious concerns as regards the reason and the rationale behind this limit increase for Treasury Bills. And I want the hon. Minister to give us some more specific details because personally, I am not sold on the whole idea that it is to absorb the surplus liquidity in the system.

And, Mr. Speaker, “yuh” know what I wonder? I say to create the opportunity for the Minister—for the Government to borrow funds. And you know what comes to me, and that will affect me: how does this impact my constituency? Would securing these funds, secure the completion of my Fort Abercromby in Las Cuevas?

Miss Hospedales: I want them to answer that.

Mrs. J. Thomas: You know, would it secure the commencement—
[*Interruption*]

Miss Hospedales: Where is the Minister of Tourism?

Mrs. J. Thomas:—of the Maracas Bay refurbishment?

Hon. Member: Yeah.

Mrs. J. Thomas: Would it secure, Mr. Speaker, the paving of the La Canoa Road in Santa Cruz?

Hon. Members: Yeah.

Miss Hospedales: You all do not lie.

Mrs. J. Thomas: Would it secure the restructure and paving of La Hoe Road, in Laventille Road, in Febeau Village?

Hon. Members: Yeah.

Mrs. J. Thomas: Would it secure the refurbishing of the Ato Boldon Recreation grounds?

Hon. Member: Yes, we could do that as well.

Mrs. J. Thomas: Maybe the hon. Minister of Sport could, you know—I did not hear him say “yeah” for that.

Mr. Seemungal: Ask the question.

Mrs. J. Thomas: Would it also secure the construction of the Maracas valley health centre?

Hon. Member: Yes.

Mr. De Coteau: Yes.

Mrs. J. Thomas: These are things I have been asking for for my constituency, and I am glad the Minister—Member for Caroni East is here, you know. Member for Caroni East, would this secure the construction of the early

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childhood centres in La Pastora in Santa Cruz, in Maracas Bay, Old Road? Would it do that?

Dr. Gopeesingh: Yes.

Miss Hospedales: Do not, do not say things [*Inaudible*]—[*Interruption*]

Mrs. J. Thomas: And Mr. Speaker—[*Interruption*]

Miss Hospedales:—you need to tell the truth.

Mrs. J. Thomas:—these are just some of the things that really concern me, when you think what is truly the underlying reason behind the increase of these Treasury Bill limits. And Mr. Speaker, I represent people of this country, people of Santa Cruz, people of St. Ann’s East, and we want to get more detailed accountability. The people in this country are crying out—because the people of this country are the employers of this Government. So as employers, we are asking you to give us detailed accountability. Outline for us what you are doing with the money that we have put you to manage for us.

I want to join with my colleague, the Member for Diego Martin North/East, you know, and say “we really not” in support of this because I do not think the real truth is coming out, right. And Mr. Speaker, I just wanted to give this short presentation to lay on the table my concerns as regards this increased limit and how it impacts on my constituency. Mr. Speaker, thank you. [*Desk thumping*]

Mr. Speaker: The hon. Member for Chaguanas West.

Mr. Jack Warner (*Chaguanas West*): Thank you, Mr. Speaker. And before I proceed, I want to join too, with the last speaker, in commending you having obtained your EMBA, especially in an age and a time when it seems to be the norm that people doctor certificates to get government jobs at high salaries, you showed that you were able to go to a prestigious university, take your time, do your work and acquire your certificate above board. I could only hope that that would serve as a catalyst for others to follow your example that there is no substitute for hard work, and stop doctoring certificates to get top government jobs. So again, Mr. Speaker, you have my commendation.

I want to begin by referring to the Minister of Finance and the Economy when he began his address earlier this evening, and when he began by quoting a failed PNM 2008 budget. I want to just tell the Minister of Finance and the Economy that times have changed. The budget he quoted was eight years ago—was five years ago, and policies need to move ahead with the times, and therefore from where I sat and listened to him, I could only say to myself, Mr. Speaker, that he is way out of line, behind the times.

Mr. Speaker, the Minister of Finance and the Economy pointed to risks. He said there were risks to foreign reserves. But as he said that, he then quickly said, but then we have plenty, we have plenty reserves, so that threat is minor. Risks to foreign reserves, he says, and then he quickly added, but no big thing, we have plenty reserves so the threat is minor. All I could say, Mr. Speaker, from what I heard the Minister of Finance and the Economy say this evening, for me he was talking more as a banker and not as a consumer, and possibly it is time that he weans himself from the banking mode that he seems still to be trapped in.

Mr. Speaker, I want to begin—in fact let me say this also, that banks today are very skeptical to lend money to contract workers in the public service. I used to be a Minister, at one time, in several ministries, Mr. Speaker, and there were public servants on contracts there who would come to me and ask for help because the bank would not give them money to buy a car or a home or a piece of land. The banks would not give them two-year, three-year contracts; the banks refused to lend them the money, Mr. Speaker.

And I am saying, all I could have concluded is that seemed to me to be a sign that the banks recognize that the political situation of the Government is not stable. How else could you explain? “Yuh” flushing with money, “yuh” flush with money and yet, for all, you refuse to give contract public servants a loan for a house, for a car, for land. If you are convinced about the stability of the Government, then it seems to me that is the prudent thing to do. But they would not do that, Mr. Speaker, and therefore that is my conclusion.

I listened to the Minister of Education, the Member for Caroni East. As I listened to him, Mr. Speaker, I had to conclude that he is living in la-la land. La-la land, Mr. Speaker.

Hon. Member: Always.

Mr. J. Warner: What he said, Mr. Speaker, has convinced me, beyond a shadow of a doubt, that this Government is totally out of touch with the people, totally out of touch. Mr. Speaker, the Minister of Education, the Member for Caroni East gave us, as always, a world of figures and statistics, but he does not understand, Mr. Speaker, or does not seem to understand that people on the ground cannot put food on their table [*Desk thumping*]—[*Interruption*]

Hon. Member: True.

Mr. J. Warner:—they cannot put food on their table, but he comes to this House and he reads out hosts of statistics and figures and so on. And then I ask: to

what avail, Mr. Speaker? [*Crosstalk*] To what avail, Mr. Speaker? Mr. Speaker, his figures do not reflect the fact, the reality that people are complaining about the high cost of living.

Miss Hospedales: It is very high.

Mr. J. Warner: People are complaining about the high cost of living while they are living a low quality of life, Mr. Speaker. Mr. Speaker, the Minister of Education, my colleague, my friend, we talk not very often but now and then. He talks about education and he fails to understand that even as we speak, there are some 20 schools which have remained closed for more than two months in a three-month term.

Dr. Gopeesingh: Mr. Speaker. Would you give way, Jack?

Mr. J. Warner: Most definitely.

Mrs. Gopee-Scoon: Who is Jack?

Dr. Gopeesingh: Jack, just to elucidate—[*Interruption*]

Mr. Speaker: Member of Parliament for Chaguanas West. Not Jack.

Dr. Gopeesingh: Yeah, I am sorry. [*Laughter*] Member for Chaguanas West, I know you said this previously, I want to give you the—the facts are as of today there are five schools, as far as I am advised, that are closed. Four of them are due to sewer problems and one is due to an air conditioning system. As far as I am advised, the problems with the other 15 that you are speaking about have been sorted out. Longdenville school, we told them that we will build a new school for them if they get the land for us under the Presbyterian Board's name.

Mr. J. Warner: Thank you.

Dr. Gopeesingh: Thank you for giving way, Member for Chaguanas West.

Mr. J. Warner: No, no, I will do it again if I have to, but I want to correct you about some facts in your own Ministry. [*Laughter*]

9. 40p.m.

I want to tell you that the Longdenville Presbyterian School, they have land for that in Cashew Gardens more than a year ago—in Cashew Gardens—and the Longdenville Presbyterian School, “you put half the school in Longdenville Government, you put half, of course, in the old building that is 50 years old and is the first time I know you have three half in something and half home. [*Laughter*]

Right, and the fact is, Mr. Speaker, this three half of the school, the fact is that the Ministry of Education is now terrorizing the principal and staff and is saying that, of course, it is the administration at fault. The poor principal just did a job at the Elections and Boundaries Commission and she is being terrorized but more about that another time. So I am telling the Minister the land is in Cashew Gardens. It is in the constituency of the Member for Chaguanas East. And they asked to see him. I said: "Look on the TV, you may see him." [*Laughter*]

The point I am making to you is that school is there and the four schools, St. Augustine Secondary School, sewer. They had to be home for three months and the Minister talks about these schools and I am saying, therefore, in a three-month term, two months, no school for these children. Thousands of them are at home and he comes here to give facts and figures and talk here about, of course, the education system.

Mr. Speaker, I thought I would never have heard again about the PNM and the Scarborough Hospital and the waterfront. That is why they are there.

Mr. Deyalsingh: Exactly!

Mr. J. Warner: That is why they are on that side because the fact is that the country and all the people "was" tired about the waterfront, about the Scarborough Hospital, "they tired about that and every time we come here is the same thing 'bout the PNM." [*Desk thumping*] At what point in time, therefore, we will stop bashing the PNM and try to, of course, explain what we have done or what we have failed to do as a Government?

Mr. Roberts: "Sound like yuh in church."

Mr. J. Warner: The Member for St. Ann's East, I agree with her. People are losing their jobs, especially if they support the green party, especially if they are in URP and CEPEP in Chaguanas West; especially if, of course, they are seen talking to somebody in green. Yes, they are losing their job, in CEPEP and URP in particular. Victimization is unprecedented. And we come here and we behave as if these things do not exist. So the last speaker is correct, totally correct.

Outside there in the country is a kind of tension, you can cut it with a knife. "In one month time, is Christmas" in this country but there is no joy in the land. There is no joy anywhere. People are not smiling anymore; serious faces, and then you come here and talk and behave as if things are hunky-dory because we are living in la-la land.

The last speaker, the Member for St. Ann's East, she said people are having trouble to make ends meet. Anybody who makes ends meet now lucky. But those

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who make ends meet, have ham and jam and, of course, is a small clique that does that. But people—the last Member for St. Ann’s East, she is correct—are having trouble to make ends meet.

Mr. Speaker, Treasury instruments are not very productive options for the use of money. Let me put it down to the layman language. The banks today are awash with money. And, therefore, the banks, because they are wash with money, they, of course because of the billions of dollars that are generating, have to find ways to make their profits and, therefore, what is happening, the Government is taking the money from the banks and what you call, put it in Treasury instruments, let us say put it in a vault. So they take the money out of the system and they put it in a vault and they pay the banks’ interest on the money that they have.

The point is, who is footing the bill for this? Who is paying for the interest on this money? The taxpayers; the very people whom the banks do not want to lend the money. If the banks have all this money, why do the banks not find other options of how to use this money? Money has no value unless money is in circulation and, therefore, why do the banks, if they have all this money, not find ways and means to use this money?

For example, there are thousands and thousands of PNM-built houses in this country under HDC, and we hear, of course, that the houses have to be fixed and so on. If they do not have a sewer system in the area, then you build a sewer system for them by Government but let the Government give these houses to the people as they are, at reduced cost. Let the people go to the banks and borrow money and fix their own homes and in doing so, you generate—carpenters, are employed, masons and everybody and so on and more people get houses. Because at the end of the day, people go to the banks for money to build homes and they cannot go to the banks for money. Mr. Speaker, they cannot go to the banks for money because no house today you could build is for under \$1 million and, therefore, going to the banks for money, they know for a start “they not getting.” If the banks want to get rid of this money, then what the banks have to do, still do the screening, and so on, but let the banks be able to go to other options. Why should the Government come to take taxpayers’ money to bail out the banks, the very banks that refuse to lend people money and take no risk?

Mr. Speaker, on February 29, 2012, and I would rely heavily on this article for a few minutes; an article by Carla Bridglal in the *Express* dated February 29, 2012. Headline:

“Excess liquidity at \$5b mark”

I read the article, Mr. Speaker.

“Trinidad and Tobago banks have more money than they know what to do with.”

That is the problem, Mr. Speaker. The banks have money and they do not know what to do with it. That is their problem and they must find ways and means to solve that. But I continue with the article:

“And the current excess liquidity in the domestic financial system is posing a challenge for the banking sector.

On the one hand, the extra cash—about \$5 billion it—has contributed to local banks posting profits for the 2011 fiscal year, despite a contracting economy.”

The economy is contracting, Mr. Speaker, but not the profits in the bank. No way! I continue:

“The flipside, however, is that this money is being underutilised.”

The article says, I quote now the article from Mr. Richard Young, at the time Managing Director of Scotia Bank Trinidad and Tobago and at the time also, President of the Bankers’ Association. Listen to Richard Young:

“The fact that we have posted a profit is varied. In terms of managing expenses, all banks are very conscious of that now, but there is also the low volume of lending opportunities,”

Who caused that? Which low volume? How creative are they in lending money? Which one of them will lend the calypso tents money to run their tents for Carnival? Which one of them? Those tents have to go cap in hand to Government and sing good song for Government to get some money from them. If the banks were creative, would the banks not be able to sit with these calypsonians and so on, and show them how to run their business at a profit and lend them some money? No, Mr. Speaker.

He says:

“...the low volume of lending opportunities, and that is what is causing the excess liquidity,”

Mr. Richard Young is right, but that is his business. The low volume of lending opportunities is what they have created. They have created that.

Mr. Speaker, I continue with the article:

“Young, who spoke to the *Business Express* after the bank’s”—AGM—“at the Hyatt Regency...in Port of Spain...said banks made money in three ways: through investment; fees and straight interest (from loans).”

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Mr. Speaker, bank fees today have gone up on almost every single thing. Make a cheque, ask for a statement, ask for advice, the fees have gone up. “All way yuh turn”, I am saying, and the person who gets the rough end of the stick is the public.

Mr. Young continues. I quote the article:

“He said banks were lucky because there were still current loans generating income, but future earnings were a cause for concern.”

“Because people eh borrowing. People eh borrowing and dey eh borrowing” because they are not sure about the Government. The second thing is, of course, the economy is in trouble and they could say what they want, it is contracting. I would come to that just now.

So Young continues:

“When we issue a loan, the profit is earned during the period of the loan. There’s a point in time if you don’t continue to generate business, you will find your interest income sliding and that’s where we are challenged now.”

“Nobody borrowing”, so therefore, there are no future loans and, therefore, there is no future interest. He says that is where the concern is now. And he says, I continue:

“The abundant liquidity...has served to drive the short term interest rates to new lows, with the average lending rate over the last three months of 2011 declining to 9.16 per cent.”

So therefore, Mr. Speaker, you have the cash sitting there, you pay interest rates on it and not getting anything. And on top of that he says it is tempting to say we should give a loan but obviously there are people outside there who are interested in borrowing money but he is not quite sure they will pay.

Mr. Speaker, the point I am making, therefore is, this is a problem for the bank and this article is quite clear, in terms of how the problem has risen. Therefore, the banks have more money than they know what to do with. As such, therefore, what has happened is that, as you heard before, the interest rate on deposits has gone to ridiculous levels, ½ per cent, 1 per cent, ¾ per cent.

Mr. Speaker, all of us know about supply and demand and, therefore, if the banks have too much money, you have a corresponding effect that takes place on that, based on supply and demand.

I want to refer you to an article entitled “Local Economy on Growth Path—Central Bank”, October 04, 2013. This came from the Central Bank I would just read one line that is relevant to this whole thing. The banker is saying.

“...of concern, however, is the eighth successive month of decline in business...”

And this is October 04, 2013. The Central Bank is saying that business is declining, but we are hearing that the economy is doing very well and so on. And I am making the point, therefore, that that cannot be so.

The bank report continues. I quote:

“Consumer lending continued to strengthen, increasing by almost 6½ percent...On the other hand, business loans contracted for the eighth consecutive month, falling by 5.0 percent in July.

Real estate mortgage loans maintained its strong double digit growth. Large net domestic fiscal injections along with weak credit demand contributed to a rapid build-up of liquidity...”

As such, therefore, he is complaining that the banks have too much money.

“Commercial banks”— he says, I continue, October 04, 2013:

“Commercial banks’ excess reserves at the Central Bank rose from a daily average of \$5.4 billion in July to a daily average of \$6.3 billion in August.”

Mr. Speaker, and even when, he continues, they offer Treasury Bonds in August, as they did, \$1 billion in Treasury Bonds is undersubscribed.

9.55 p.m.

Mr. Speaker, what this is saying is that while the economy may be resilient, it is meaningful to mix up the economy with the economic situation. There is a difference. The economic situation is bad.

I continue. The fact that business loans are falling is an indication that the businesses may be struggling or even closing down. It could mean they are having a hard time staying in business or they are not seeing business opportunities. Bigger businesses may be more resilient, but smaller ones are not and this is related to the management of the economy.

Therefore, Mr. Speaker, one can ask the question: can one say that the economy is well managed if businesses are shrinking and closing down and if

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people cannot afford to go into business? Mr. Speaker, the answer is no and therefore, if the Minister of Finance and the Economy and his Government are sitting and waiting for a rough patch to pass, for some magic to take place, and then the management of the economy happens, in the meantime, they believe it can be on autopilot and they will sit and see what will happen. It does not work that way. Mr. Speaker, no economy could be on autopilot for long. I am saying while all this is happening, small businesses are suffering.

Mr. Speaker, in the *Express*, October 23, 2013, an article entitled, “Small Businesses Face New Credit Crunch”, headline. I will not read the whole thing; I will take one line:

“Brenda Lee Tang, head of ACCA...”

Association of Chartered Certified Accountants, she says, I quote her:

“The combination of the return to growth and continued problems in accessing finance has squeezed the SMEs’ cash flow.”

Small and micro enterprises’ cash flow. Mr. Speaker, I say it again:

“Brenda Lee Tang, Head of the ACCA Caribbean,”—she—“said ‘The combination of the return to growth and continued problems in accessing finance has squeezed the SMEs cash flow.’”

They cannot access finance, but the banks overflowing. Is that not a paradox of some kind? It has to be. The banks overflowing, but the small businesses, the small and micro enterprises cannot get money and the thing is they are feeding the cash flow.

I continue, Mr. Speaker, with the same article:

“This represents a new kind of credit crunch for the SMEs where the opportunities are there but the finance needed to deliver on them is not.”

In God’s name something has to be wrong. Minister, something has to be wrong. The money is there.

I quote again:

“This represents a new kind of credit crunch for SMEs”—SMEs, of course, Small and Micro Enterprises—“where the opportunities are there but the finance needed to deliver on them is not.”

And this Minister of Finance and the Economy and this Government take the money from the local banks, put it in a vault in Central Bank, pay the banks

interest on it from taxpayers' money and then say that the interest would not be so bad because when the bank gets its returns, it will work out.

Let the banks lend the people the money. Let the banks have, of course, a high standard for screening their customers, but lend the people the money and Brenda Lee Tang is not an ILP and she "ain't" PNM. Therefore I am saying there has to be merit in what she is saying here.

I continue. She says—listen to this part:

"The issue of securing prompt payment from customers has increased significantly for small and micro enterprises since late 2011, when 33 per cent cited it as a business outcome compared to 48 per cent in the first half of 2013..."

Mr. Speaker, I am no economist, but according to this head of the ACCA, there is demand for finance by the SME sector. What is required is for the banks to get creative, to get more competitive amongst themselves. What is required is for banks to reach out to meet the demands. They can issue loans at lower rates and survive. They can issue loans at lower rates and survive, but no, they would not do that. They can help many struggling businesses breathe a little easier by giving them loans and they can contribute to the revival and the growth of the economy, but they would not do that and then the Government comes to bail them out and the small businesses there suffer.

Mr. Speaker, if you do not believe that businesses are closing down, I want to refer you to one more article in the *Guardian*. "You see I ain call de *Newsday*, eh." That is theirs. This, too, but not so much.

Mr. Roberts: *Sunshine* is we own, boy.

Mr. J. Warner: No, no. That is ours; yours and mine. [*Laughter*]

The *Guardian*, Wednesday, August 21, 2013 by Kevon Felmine, entitled "Contractors link Govt's unpaid \$\$ with crime":

"Vice-president of the T&T Contractors Association (TTCA) Ramlogan Roopnarinesingh says Government's failure to honour \$1 billion in payments to local contractors is responsible for an increase in unemployment and crime."

August. August. The banks have money, why does the Government not borrow from the banks and pay contractors? In August, they said they have no money, Mr. Speaker.

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I continue:

“He said the construction industry already was crippled by a lack of opportunities while interest on loans taken to finance projects continued to increase.”

I will read it again. Roopnarinesingh:

“...said the construction industry already was crippled by a lack of opportunities while interest on loans taken to finance projects continued to increase.”

The loans are increasing, but if by chance they have deposits to put in the banks, they will get nothing on it.

“Roopnarine said 17 per cent of T&T’s labour force relied on the construction industry for jobs”—17 per cent, he says—“but as contractors await payment, they are forced to retrench workers.”

It has to be a paradox. Contractors have to retrench workers. The Government could not pay them. The banks overflowing with money; the Government takes the money from the bank, puts it in a vault at Central Bank, pays the bank interest and will not pay the contractors a cent.

Talk about the economy, a fifth grade economist will tell you this is voodoo economics. If Paul Samuelson were alive to hear what happen here today, he would turn in his grave. This just does not make sense and:

“That trend, he said, increased unemployment and, indirectly,”—cause—“crime.”

You want to put crime down, give people work. Give them at least some work. He added, I quote at least one more paragraph. He says:

“The local construction industry is basically crippled. It is the Government and then the construction industry who employs people. The thing with the construction industry is that everyone benefits. ‘The thing with the construction industry is’—that—“everyone benefits. From the engineers, architects...designers, come straight down to the man in the street...the masons, the labourers, everyone benefits. When contractors are not paid, you will see they are owing the bank and there will be unemployment. Because of unemployment people cannot provide for their families and it is one of the reasons you have this high murder rate in the country.”

He said, “Namalco has retrenched 250 workers” because they have not been paid and it goes on to talk about what is happening and so on.

So, Mr. Speaker, what he is saying is that the Government is contributing to the shutdown of businesses due to the failure of the Government to honour its debts and therefore, the Government has to do the right thing and pay the contractors what is due to them so as to save their businesses.

Mr. Speaker, there is one thing I would like to close with. One of the things that we have to bear in mind is that if you want to pay contractors; if you want money to pay contractors and to keep them in business so that they can contribute to the economy and so that they can borrow from the excess liquidity at the banks, what you have to do is to start by reducing institutionalized corruption. I am talking here particularly about kickbacks.

What you have to do also is pay contractors what is due to them, but the Government cannot look at the banks' problem and not the public. The Government cannot take taxpayers' money to help out the bank and not, of course, the public. Mr. Speaker, I might not be there when the vote is taken, but if by chance I am here, there is no way I can vote in favour of that. I thank you.

Mr. Speaker: The Member of Parliament for Couva South and Minister of State in the Ministry of Finance and the Economy.

The Minister of State in the Ministry of Finance and the Economy (Hon. Rudranath Indarsingh): Thank you, Mr. Speaker. After having listened to the Member for Chaguanas West and also those on the other side as it relates to what has been stated, I want to assure the Member for Chaguanas West that what is being pursued from an economic policy on the part of this Government has nothing to do with voodoo economics, but responsible economic policies to the people of Trinidad and Tobago and also give him the assurance that there has been no victimization of people who would have supported the gain in the constituency of Couva South as it relates to URP and CEPEP employment.

That is the overriding philosophy in the approach of the Government to the democratic process and upholding the constitutional framework. In spite of the results of election, we will continue to persevere in fulfilling our responsibilities to the people of Trinidad and Tobago.

We have been hearing a lot about gloom and doom and a stagnant economy and an economy where the stakeholders have no confidence as it relates to what is transpiring in the economy of Trinidad and Tobago and, Mr. Speaker, I want to take the opportunity here this evening to say to this House and to the national community that Trinidad and Tobago has earned its reputation as an excellent investment site for international businesses and has one of the highest growth

rates per capita income in the Caribbean and Latin America, which has already been stated by my colleague, the Member for Caroni East, as it relates to GDP per capita in the vicinity of US \$19,000.

From the point of view of ratings and reviews of the economy of this country, Standard & Poor's, they have given Trinidad and Tobago an A rating and Moody's a Ba1 rating and I think that this rating and review from these international financial agencies is a reflection of the way that the Government has handled the economy of Trinidad and Tobago over the last three years, taking into consideration what we inherited.

10.10 p.m.

And I heard too, as it relates to a number of businesses being closed down, the Member for St. Ann's East wanted to know how the statistics are calculated as it relates to the Retrenchment and Severance Benefits Act and so on. Well, I want to tell the Member for St. Ann's East, in keeping with the labour legislation of Trinidad and Tobago, once a business is closed down or retrenches its employees—taking into consideration it is five persons and more—it has to be reported formally to the Ministry of Labour and Small and Micro Enterprise Development in keeping with the Retrenchment and Severance Benefits Act of this country, Act No. 32 of 1985.

Mr. Speaker, we have to understand where we are. The economy of Trinidad and Tobago cannot be seen in isolation as it relates to the global economy. The global economic growth rate has implications for the pace and strength of the economic recovery in Trinidad and Tobago. If we examine the economic data and the statistics which have been provided from a global point of view, we will see that the US economy, in terms of its recovery, has been in and around 2 per cent.

Similar or less favourable economic conditions have been prevailing in the more developed countries of the world, especially when you examine the economies on the European continent and so on, or what we would term to be within the European Union, you would see that economic conditions remain very weak in economies such as Greece, Italy, Portugal and Spain, and taking into consideration the persistent problems that they have been having with their balance sheet of banks and also from a governmental point of view. And also, since 2011, the French economy has hardly moved a percentage point in terms of economic growth, and the major emerging market economies such as China, India and Brazil, growth rates have slowed tremendously.

The Member for Diego Martin North/East quoted extensively and referred to reports of the International Monetary Fund. From the point of view of global prospects, in relation to economic growth, the World Economic Outlook Report in October of 2012, from that point of view, the IMF lowered its forecast for economic growth to just around 3.5 per cent. In that regard, we have to understand—or against that backdrop, taking into consideration what occurred in 2008, 2009—it is against that backdrop the economy of Trinidad and Tobago is on a pathway of growth and development, as a result of what we have done over the last three years and more, and taking into consideration the four budget presentations that have laid the platform for consolidating the deficiencies in the economy of this country, and securing or consolidating the state of the economy, and now we are on the pathway of growth and development.

And just to highlight or reinforce what I am saying to you here tonight, Mr. Speaker, and those on the other side, I want to quote from the *Daily Express* of Wednesday, August 14, 2013. The headline is, IMF: 1.5 % GDP growth for Trinidad and Tobago, and it said, I want to quote:

“This latest IMF assessment was made after the Fund’s Executive Board concluded the 2013 Article IV consultation discussion with” —Trinidad and Tobago—“in June.”

So it was not an assumption, Member for Arouca Maloney, it was based on meetings, it was based on discussion, and after the data was presented to the IMF, they came to the conclusion that there was 1.5 per cent GDP growth for Trinidad and Tobago. [*Crosstalk*] I will come to that, Member for Tabaquite.

In relation to further pronouncements on the economy of this country, the Governor of the Central Bank—there was a headline which stated—and I am quoting from Wednesday, May 08, 2013, page 15 of the *Newsday*: Improvements in Trinidad and Tobago’s economy and Central Bank Governor, Jwala Rambarran said there are improvements in the economy. He further indicated that Trinidad and Tobago could achieve 2.5 per cent economic growth by the end of 2013, and that in itself tells you about the confidence that the Governor of the Central Bank has in relation to what is being pursued at the level of the economic policies from the Cabinet of Trinidad and Tobago.

Also, to further reinforce the point of the state of the economy of Trinidad and Tobago, I am quoting from the *Newsday*, November 14, 2013 under the headline “Opportunities for Japanese business” and I quote:

“As the first major Japanese company to invest in Trinidad and Tobago, the Mitsubishi Corporation is optimistic the success of its venture in this country

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will pave the way for other Japanese companies to come to TT, explore economic opportunities and start up businesses here.

This was the view expressed last Friday by Mitsubishi's representative, Chikara Jitumatsu, director/executive adviser of the Caribbean Gas Chemical Limited, during an interview at Neal and Massy's offices on Park Street..."

So this, again, shows that there is confidence in terms of foreign direct investment as it relates to the economy of Trinidad and Tobago in terms of how investors view the Government of Trinidad and Tobago.

And, Mr. Speaker, I would have heard earlier on about the pronouncements from the Member for Diego Martin North/East. The Member for Diego Martin North/East seems to be the official prophet of doom and gloom in Trinidad and Tobago in relation to the work of this Government. In spite of him seeing the light, as it relates to what this Government is doing, he always seek to hoodwink, or attempts to hoodwink the population of this country in saying nothing positive as it relates to what we are doing.

I want to quote from the Gross Domestic Economic Bulletin of January 2013. The domestic economy recorded growth in Trinidad and Tobago and it "grew by 1.5 per cent (year-on-year) in the third quarter" of 2012. The non-energy sector recovered in the third quarter of 2012 with a 2.2 per cent growth. The energy sector grew .5 per cent after four successive quarterly declines. There was an increase in the third quarter with the production of LNG being 5.7 per cent, and the growth in the sector was by a mere .5 per cent due to partial decline for natural gas liquids (21.2 per cent) and petroleum refining, (3.8 per cent).

It said also that consumer loans increased, motor vehicles by 7.3 per cent, home improvement by 5.8 per cent and other furniture and furnishings by 36.2 per cent, and the construction sector registered growth of 1.3 per cent. So all this economic data, Mr. Speaker, is a further indication of what is happening positively in the economy of this country.

Just to set the record straight to further reinforce the point, the economy has been stable, there have been four successive quarters of economic growth from the third quarter of 2012 to the second quarter of 2013. There has been foreign direct investment of over US \$2.5 billion in 2012 with approximately 80 per cent revolving around the energy sector, and the significant increase in drilling activity as it relates to the deep water production sharing contracts and the deep water round and so on.

We must take into consideration from business activity also, Mr. Speaker, the Clico Investment Fund was launched where a fund was created so that approximately 6,000 persons and organizations have benefited from this Government's payout of over \$10-plus billion and HCU 17,794 people benefited from a payout of over \$132 million. They could have had an opportunity to invest their moneys that they would have otherwise lost based on the bailout plan that the PNM had presented or put forward in relation to when they were in power.

And also, from a data point of view too, we have seen growth in the agricultural sector with increased output and a consequent decrease in food inflation from 29 per cent in 2010 to 9 per cent in 2013. So it was food inflation hovering between 29 and 34 per cent under the People's National Movement administration and, in the last three years, we have been able to bring food inflation under control to approximately 9 per cent, and we have continued to ensure that in addition to the economic activity, there has been, what I would call, constant delivery from the point of view of infrastructural development in Trinidad and Tobago.

This can be seen in whether it is the construction of the highway to Point Fortin; what is taking place at the interchange at Grand Bazaar; the construction of the \$75 million interchange at Couva; the continuation of the Diego Martin Highway, the Bypass Road in Valencia and so on; all these are indicators that, indeed, the economy of Trinidad and Tobago has bounced back from the economic mismanagement and misappropriation of funds, in relation to what transpired under the People's National Movement when they held the reins of power from the point of view of between the period 2002—2010.

10.25p.m.

Mr. Speaker, what is being attempted here this evening in relation to what the Minister of Finance and the Economy has outlined, is in keeping with the laws of Trinidad and Tobago. It is nothing unconstitutional. It is nothing that has not been attempted in the past, or has not been brought before this Parliament by previous Governments, and so on. I think that from a historical point of view, if I could recollect, this is about the third or fourth time such a measure is being undertaken by an administration from the point of view of managing the economy of the country.

Mr. Speaker, as I said, what we are seeing occurring today in the economy is as a result of the four budget presentations, and as a result of the four budget presentations, as I said, Trinidad and Tobago is now on a path of growth in the

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region of 1.5 per cent. Unemployment is within or revolving around 5 per cent when compared to what happened or prevailed under the PNM of double-digit inflation. It is important to note from the point of view of legislation, that the Government has been able to access the capital market through four pieces of legislation, which provide—and this is the important thing—the authority to borrow as well as the determination of sustainable levels; and the four pieces of legislation are: the Guarantee of Loans (Companies) Act, Chap. 71:82, the Development Loans Act, Chap. 71:04, the External Loans Act, Chap. 71:05 and the Treasury Bills Act, Chap. 71:40, for which the statutory limit for the issuance of short-term Treasury Bills is \$15billion, Mr. Speaker.

So from that point of view we have to understand that this is not unconstitutional and it is not illegal. And we have to take into consideration that according to the Central Bank Act, the Central Bank is charged with the responsibility of maintaining monetary stability, as well as controlling and protecting the external value of the monetary unit. Previously, Mr. Speaker, in Trinidad and Tobago, monetary policy was implemented through what we would term “direct instruments” such as interest rate ceilings, individual bank ceiling and changes to the reserve requirements.

In the 1980s open market operations began to replace reserve requirements as the preferred tool by central banks, globally, in the conducting of monetary policy. And in that regard one might be tempted to ask, what are open market operations in the context of what is unfolding here today? Open market operations, I am tempted to indicate, take into consideration the purchase and sale of Government securities by the Central Bank, and is the main policy tool for influencing the level of liquidity in the domestic financial situation.

Mr. Speaker, on a daily basis, the Central Bank assesses the market requirements with a view to either increasing or reducing the level of liquidity in the banking system. That in a nutshell says or gives a kind of gist in relation to what is open market operation, and in order to conduct these operations the Central Bank has established a system of primary dealers as its main counterparts in the market. The essence of the open market operations, which have been stated by previous speakers, is that the resources which are absorbed are sterilized or are held in blocked accounts in the Central Bank. This in itself, Mr. Speaker, means that the resources have been withdrawn from the financial system to the extent that the Central Bank’s open market operations, conducted for monetary policy purposes, differ from its regular, what we would term, Treasury Bill auctions, and so on.

Mr. Speaker, excess liquidity in the financial system can reduce the effectiveness of the monetary policy transmission mechanism in a country, and as there are more dollars, based on the concept of demand and supply, chasing what we would term to be, a finite supply of goods and services, the price of these goods and services will increase. This price increase obviously will affect the purchasing power of the ordinary man in the society. It can lead to, what we would call, an inflationary trend, and it is based on this that the Government is looking at the whole question of the inflationary trend and also fulfilling its role and responsibility. So that from the point of view of the ability of persons and workers, and the ordinary man and so on, including what we would call fixed income earners, pensioners and so on, those whom, as the Member for Chaguanas West would have indicated or alluded to in relation to living off their interest earnings and so on, this is the overall thrust in relation to the vigilance of the Government in pursuing these particular measures.

Mr. Speaker, the whole functioning monetary policy transmission mechanism, therefore, goes in the direction of protecting, or offering some kind of protection, as we would say, to the vulnerable members of the society from being disadvantaged. Mr. Speaker, another benefit of open market operations is that it employs what we would call an auction system, using market-determined rates. As a result of using market-determined rates, it is an efficient way of pricing based on current market conditions, and a further advantage of this tool of monetary policy is that it allows a wider participation by not only commercial banks, but also members of the public.

And, Mr. Speaker, we have to take into consideration that all countries, including the developed and the developing countries, and those which are emerging within the global financial framework; in terms of the financing of their infrastructure they utilize what we would call the accessing of capital markets through the issuance of short-term, medium-term and long-term bonds of varying maturities to facilitate infrastructural development in any society.

From this point of view, Mr. Speaker, infrastructure and infrastructure services could be looked at in the context of the education sector of a country. If we are to look at what we have done, from an education sector point of view, we have done a lot in the context of an overarching policy from an early childhood philosophy and an overall policy position of universal early childhood education to tertiary level education, and beyond. That is why today the distinguished Minister of Education, the Member for Caroni East, can bear testimony to the fact that Early Childhood Education Centres are being constructed in every nook and cranny of Trinidad and Tobago, as we pursue this overall thrust—[*Interruption*]

Hon. Member: Except Port of Spain North, except Port of Spain South—
[*Crosstalk*]

Hon. R. Indarsingh: I am sure Port of Spain South and Port of Spain North/St. Ann's West—

Hon. Member: They have poor representation.

Hon. R. Indarsingh:—that the Member for Caroni East, the Minister of Education, can certainly point you in the direction. I am sure the schools are in construction. He is very magnanimous, I am sure if there is [*Desk thumping*] a sod-turning ceremony and so on, he would do the decent thing and ensure that protocol is followed by having the Member of Parliament participate in what we would call these sod-turning ceremonies, in relation to the construction of these [*Desk thumping*] Early Childhood Education Centres.

That is why I could say, from the point of view of Couva South, Mr. Speaker, that the Early Childhood Education Centres at Phoenix Park and Milton and Lisas Gardens: one has been informally opened and two are nearing what we would call the completion stages, and I am sure that the intake of students will cross of lines of parents of all political persuasions [*Desk thumping*] in relation to who would be accommodated in these schools.

It must be seen also in the context of the construction of the Debe campus or the southern campus of the University of the West Indies, and what is being pursued from the point of view of the training programmes in education, and also the Ministry of Tertiary Education and Skills Training in relation to transforming the labour and market means of the economy of Trinidad and Tobago, Mr. Speaker. In that regard, Mr. Speaker, the Government has focused also on constructing and opening a number of workforce assessment centres—

Hon. Member: Very good.

Hon. R. Indarsingh:—in Trinidad and Tobago. [*Desk thumping*]

Hon. Member: Very good.

Hon. R. Indarsingh: So we are focusing on the development of Early Childhood Education Centres, the primary school, the secondary school, tertiary level education through the development of the University of the West Indies, the University of Trinidad and Tobago.

Those on the other side attempted to instill a sense of fear into the population of Trinidad and Tobago when they indicated to the national community that GATE

would be cut back, students would be unable to facilitate tertiary level education and so on. And I could say without contradicting myself that GATE has been expanded under the People's Partnership Government, because over the last three budget presentations, the largest slice of financial allocation has been given to education and training, and the last budget presentation saw an allocation of \$9.8 billion. So I am sure the Early Childhood Education Centres would come your way in relation to looking after the welfare and well-being of the future of Trinidad and Tobago.

10.40 p.m.

We must see it also in the context, Mr. Speaker, of a progressive approach to educational development. We must never forget what the policy of the PNM was as it relates to the education of the children of Trinidad and Tobago. You all denied the children of Biche an education, simply because it was a high school that was built by the United National Congress. [*Desk thumping*] Your rationale and logic was that gas emissions and fumes would lead to teachers and children suffering health and safety issues and so on. The Member for Caroni East and Minister of Education and the Member for Mayaro can tell you. How long has that school been opened now?

Mr. Peters: We have been opened now for two years.

Hon. R. Indarsingh: Two years, and I cannot recollect any issue of gas emissions or fumes ever coming to the fore or any child or any teacher falling ill at that particular school. That is the legacy of the PNM in relation to how they approach education in Trinidad and Tobago.

Hon. Member: Heartless!

Mr. Peters: The [*Inaudible*] Presbyterian School at the foothill too!

Hon. R. Indarsingh: The Member for Mayaro has indicated—and it further reinforces the discriminatory approach of the PNM, which is the footmark, the footprint of the PNM as it relates to dealing with the citizenry of this country—if you do not support them they politically victimize you. They politically deny you what you are entitled to as taxpayers of Trinidad and Tobago. [*Desk thumping*]

We must also see it from the point of view of infrastructural development in relation to the development of the health sector, infrastructure in education, in health, in the transportation sector, in relation to the construction of highways,

roads, bridges and so on. I could go on and on in relation to what we have achieved over the last three years in improving the road networks and the transportation system of Trinidad and Tobago. I am sure that in the next twelve months we would see a furtherance and deepening of this commitment as it relates to infrastructural development across the 41 constituencies of Trinidad and Tobago.

I am sure that the last time the Member for Laventille West came to the swearing-in ceremony of the Couva/Tabaquite/Talparo Regional Corporation—
[*Interruption*]

Dr. Moonilal: He found it?

Hon. R. Indarsingh: Well, I did indicate to him if he needed some kind of assistance, as it relates to the geography of Couva and environs, I was willing to be his tour guide in relation to ensuring that he was not lost, because it is not often that he would have come to Couva and environs. But I am sure he experienced the ease and the flow of traffic on the Couva Interchange, something that the PNM Government, in spite of US \$147 per barrel for oil and a gas price of US \$5 per MBTU, failed to address the very critical issue of traffic congestion, whether it was at the Couva Interchange, whether it was at Grand Bazaar, whether it was Diego Martin, Valencia, the highway to Point Fortin—which you all promised since 1963.

Hon. Member: Eric Williams.

Hon. R. Indarsingh: Since 1963! The citizens of Point Fortin and the southern land must judge you all on that, in relation to the commitment that you gave. It was this Government, in less than three years, that has been able to open one phase, and we will ensure that the other phases are built, giving a true sense of connection to the south-western peninsula on behalf of the entire community of Trinidad and Tobago.

I know, Member for Port of Spain South you are in your haste to get me off my legs simply because you do not want to continue hearing of the achievements of this administration over the last three years.

Miss Mc Donald: “Ah want to hear about the four elections yuh loss this year.” [*Crosstalk*]

Hon. R. Indarsingh: If you had some sporting days and you understand, there is always an accession to the real thing.

Mr. Peters: You could lose a match, but you win the series.

Hon. R. Indarsingh: You could lose a match or two, but when you come down to the grand finale and you prevail, you go home with the trophy. That is what counts Member for Port of Spain South. [*Crosstalk*] So the mother of all battles is slowly approaching. It is on the horizon and I am sure that we will all look forward to the political gayelle and the intrigue which will unfold over the next 18 months or so. [*Crosstalk*]

Miss Mc Donald: You are buying time.

Hon. R. Indarsingh: Well, we will continue to fulfil our duties. We will not abscond.

Miss Mc Donald: “Alyuh make history.”

Hon. R. Indarsingh: We will not abscond and in the midterm abandon the people of Trinidad and Tobago, as your former political leader and Prime Minister, the Member for San Fernando East, did in relation to his leadership of his then Government and the leadership of his political party, Mr. Speaker.

So from that end, we must see the importance of these two Motions and these measures which have been brought to this Parliament today. It is not secretive. It is being debated in the full glare of the Parliament, which is the appropriate place to do the people’s business. It is being done in a very transparent and a very open manner; a manner that would reflect that there is a sense of accountability to the national community of Trinidad and Tobago. It is not something that is secretive. It is not something that is unconstitutional; it is on the statute books of Trinidad and Tobago. These two measures can only serve to bring about that sense of stability to the financial system of Trinidad and Tobago and pave the way for further infrastructural development in relation to the delivery of goods and services on behalf of the People’s Partnership Government, as we continue to fulfil that mandate to the people of Trinidad and Tobago.

I thank you, Mr. Speaker.

Mr. Terrence Deyalsingh (*St. Joseph*): Thank you, Mr. Speaker, for allowing me an opportunity to speak on this Motion. It is not my normal style to rebut, but my colleague and friend, the Member for Couva South, who like myself comes from the proud village of Caroni, I think did a great disservice to the population here tonight. Whilst I have no intention of engaging him in a history lesson, the attempt by the UNC, acquiesced to by the Congress of the People, to continually rewrite history, has to come to a stop and it comes to a stop tonight. [*Desk thumping*]

My colleague from Caroni spoke about discrimination in education. I look at the bench across me. I see an esteemed medical doctor—two for that matter of fact—the Member for Barataria/San Juan, the Member for Caroni East, banker, Ph.D., Member for Tabaquite, Member for Oropouche East, a learned man—Member for St. Augustine, a lawyer. Did you not all go to school in Trinidad and Tobago as a result of PNM education policy? [*Desk thumping*]

Hon. Members: “Oh loss!”

Mr. Samuel: My mother and father sent me to school.

Mr. T. Deyalsingh: Did you not all attend school here? [*Crosstalk*] Who built the schools? [*Crosstalk*]

Miss Mc Donald: “Yuh mudder and fadder build de school?” The PNM!

Mr. T. Deyalsingh: Who built the schools? [*Crosstalk*]

Mr. Speaker: Could you just take your seat. Member for St. Joseph, could you take your seat. Member for Port of Spain South, you cannot be shouting across the floor about “people mudder and fadder”. [*Laughter*] You cannot do that. I ask you to exercise dignity and decorum, and as the leader of your team I think discipline is important. So please, do not engage in that kind of heavy crosstalk, that is not part of the dignity of this institution.

Continue, hon. Member for St. Joseph.

Mr. T. Deyalsingh: Thank you, Mr. Speaker.

My mother came from the village of Gran Couva, Hindu family. As a child growing up, I was always confused by the fact that while we had Hindu grandparents, many of my uncles and aunts from that family became Roman Catholic. As I grew up and asked them over the years, “Why are you Catholic, but your parents are Hindu?” the answer is something which boggles the mind. Because before independence, if you wanted to get a job in the teaching service you had to renounce your Hinduism, convert to the Roman Catholic faith and take a Christian name. That is what the PNM got rid of with independence. That is why you had something called “Common Entrance”.

Mr. Indarsingh: “I feel you justifying that reaction.”

Mr. T. Deyalsingh: Before the Common Entrance, to get a place in a secondary school you had to pay for it. Many of us here could not have afforded that. Secondary school was an exclusive domain in those days. The education

policy of the then PNM opened secondary schooling to the sons and daughters of the *Fatel Razack* and the sons and daughters of slavery. There was absolutely no discrimination.

Miss Mc Donald: That is right.

Mr. T. Deyalsingh: You could have been Portuguese, Chinese, of Indian descent, of African descent, you went to secondary school based on merit, not based on the ability to pay. That is why I am so disappointed in my friend from Caroni attempting to reinforce this theory about discrimination in education. That is the history of education in Trinidad and Tobago, undeniable. So it is very sad to see a UNC Government, acquiesced to by the COP, holding on to their heartland and they keep on appealing to the lowest common denominator—very sad. [*Desk thumping*]

Mr. Indarsingh: Reality!

Mr. T. Deyalsingh: The reality is, my friend, that anyone can go to a school of their choice on merit, free of charge. [*Desk thumping*] That is the reality. As a matter of fact, PNM policy is such that you can go to a health facility, you do not have to be PNM or Afro-Trinidadian to get free health care. Anyone can get free health care. You can go to tertiary education institutes free of charge, regardless of ethnicity, regardless of religion. And this is why you have lost four elections, because you have retreated, totally from the promise of 2010.

Hon. Member: Regressed.

Mr. T. Deyalsingh: You have lost the moral authority to lead, and you have retreated, in the words of your honourable Prime Minister, “back into your heartland”, and that is sad.

10.55 p.m.

Mr. Speaker, we are here to debate two Motions. Motion No. 1 on Treasury Notes, to increase from \$5 to \$15 billion and Treasury Bills from \$15 to \$30 billion; a \$25 billion increase. But, if the hon. Minister of Finance and the Economy in his wrap up could tell us [*Interruption*] about the article in today’s *Guardian* by Raphael John-Lall, where it says, and I quote, unless Mr. Raphael John-Lall gets it wrong.

“I think in total by about \$15—”

Oh, sorry,

“we would significantly increase the limits, I think in total by about \$15 billion.”

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So, the article is saying \$15 billion, unless Mr. Raphael John-Lall gets it wrong. But we are here tonight to approve an increase of \$25 billion to solve a liquidity problem of \$6 billion. That is a little bit—the math there just does not add up. A liquidity problem of \$6 billion, but we are increasing the limits by \$15 billion. What is the extra \$9 billion to be used for? And I would come to that later, Mr. Speaker.

Miss Mc Donald: That is the new math.

Mr. T. Deyalsingh: Mr. Speaker, in the same vein, where, unfortunately I had to rebut the argument of my friend from Couva South, and sadly so; I am really saddened by this constant—

Mr. Indarsingh: Why?

Mr. T. Deyalsingh:—attempt to rewrite history and to keep on appealing to your heartland, but your heartland is getting smarter and smarter by the day.

I also want to reply to my friend from Caroni East, [*Interruption*] where he spoke about the stock exchange performing well, and I am sorry he is not here, but the hon. Minister of Finance and the Economy is here and he will do. The stock exchange is not performing well and I will explain to you why. And I am sure the hon. Minister of Finance and the Economy in quiet contemplation, in private would agree with me. If you take out all the banking stocks from the stock exchange you would find a very sorry picture. It is the banking sector, the banking stocks that keep the stock exchange afloat.

If you disaggregate all the banks, especially the new floatation of FCB shares, especially the new floatation of FCB shares. The stock exchange is underperforming. How many new companies have been listed? Very few, if any, has the budgetary measure to encourage SMEs, small and medium enterprises, worked? If the hon. Minister of Finance and the Economy in his wrap up could tell us. How many SMEs have taken advantage of the opportunity to list on the stock exchange? I think, none.

So, the hon. Member for Caroni East gave you part of the story, and this is unfortunate about the way we debate here. This tit for tat. This tit for tat. Give us the whole story. The stock exchange is not a true reflection of the economic health of Trinidad and Tobago because it is the banking sector, because of the wide spread between deposit rates and lending rates, that keeps the banks afloat. The banks are lending you at 7 per cent, but are giving you 1 per cent interest. That is a spread of 5 per cent. That is a 500 per cent profit margin. That is why the

banks are making money in a stagnant economy. Take out the bank from the stock exchange, you would find a stock exchange which is insipid and anaemic. So, those are two arguments that I had to rebut tonight.

Mr. Speaker, we are here to discuss open-market operations. Open market operations can do two things: either mop up excess liquidity or fund possible political extravagance. We talk about \$6 billion in parked money, and Members opposite would have you believe that is the goal of business, to put money in an account to get 1 per cent. If any businessman has that as his goal he should be fired! Businesses are not in the business of parking money for 1 per cent. They only do that if they have no investment opportunities. So, this excess liquidity speaks to a stagnant economy and an anaemic economy, an insipid economy. It speaks to lack of confidence because there are no investing opportunities.

And look at this! Look at this! Why would anybody, any businessman, any CEO, want to deposit money in the bank? Idle money is useless to any businessman. That is Business 101. Idle money is of no use. Money has to work for you by investing. Investing! So, there are no investment opportunities. This puts pressure on deposit rates. That is why you only have 1 per cent, and it puts pressure on your exchange rates. So, the question is to the hon. Minister of Finance and the Economy, when he is wrapping up. What is the Minister of Finance and the Economy doing to redress these things? What is he doing? What is he doing?

Mr. Speaker, just to put tonight's debate in some sort of context, and I am quoting some figures, if you would allow me, from the latest Central Bank Report Bulletin, June 2013. That is the latest one I saw on their website. The Treasury Bills which we are speaking about tonight, which is the short-term investment, 12 months or less, has seen a significant decline in rates from 2010—2013. That is the reality. That is the Central Bank Report. But let us look at expenditure as a percentage of GDP: 2008, expenditure as a percentage of GDP was 27 per cent; 2012, 33.2 per cent; so they are spending more and more. And when you couple that with a weak and anaemic energy sector performance, which is now only growing at 0.5 per cent, we ask ourselves, where are we going? But the hon. Member from Caroni East, in quoting the IMF figures—I am going to quote the Central Bank figures on public sector debt, if you would allow me, Mr. Speaker—2007, \$50 billion; '08, 60.4; '09, 65.9.

So, they inherited between '09 and '10, between 65 and 70. Do you know what public debt is today, Mr. Speaker? \$91.328 billion. [*Interruption*] That is our public sector debt. That is what conservatism has done. If this is conservative

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policy, I would hate to see what the UNC and COP's version of an expansionary policy is. Our debt has increased by almost 50 per cent, and the question I want to ask the hon. Minister of Finance and the Economy, is the Clico debt included in this? "Some part he say, yes; some part he say, no; some part he say, a portion is."

So, we want to know tonight, is the Clico debt also included in this \$91.328 billion? But more frightening, Mr. Speaker, is this; the debt-to-GDP ratio; September 2008 it was 37.2 per cent. You inherited in 2010, 52 per cent. Question is, what is it now? Is it as close to 70 per cent, as some people say, if you factor in the Clico debt or not? So, the economy, under fiscal conservatism, we have record debt, record budgets; four years of deficit budgets and an increasing, ever increasing debt-to-GDP ratio, which sets to climb again.

So, we are here now to approve an increase in Treasury Bills and Treasury Notes to sop up excess liquidity, if that is in fact the objective. If the Minister of Finance and the Economy can tell us tonight in his wrap up, did Nipdec also float TT \$1 billion, which would be added on to what we are doing tonight? Did Nipdec actually float TT \$1 billion? And did City Bank agree to float TT \$3 billion? Because if we take City Bank's TT \$3 billion, Nipdec's TT \$1 billion and add them to the TT \$25 billion, we are being asked to approve tonight, that is TT \$25 billion; three, 28 and one; TT 29 billion, to solve a liquidity problem in the Minister's own words of TT \$6 billion. Twenty nine minus six gives you a difference of TT \$23 billion. What is that TT \$23 billion being used for? To fund what? To fund who? To put where? An extra 23—those numbers are mind-boggling.

And, Mr. Speaker, what is even more dangerous is that this is coming less than two or three months after a budget. So it tells me that this budget was actually a guess at best, and it comes before a Finance Bill in January. So we have a budget being presented. We are now here to look at an extra \$23 billion, inclusive of the City Bank float and the Nipdec float and the Finance Bill in January is still to come. What are we doing?

Mr. Speaker, if I use the analogy of the Golden Grove Prison, where the inmates are running the asylum, it would seem that in the halls of governance the inmates are also running the asylum. That is what is going on. In the halls of Government the inmates are running the asylum just as in the Golden Grove Prison. That is what we are doing. This is madness. This is insanity. *[Interruption]* That is total insanity.

Mr. Samuel: I take offence to that.

Miss Ramdial: The word is very popular tonight.

Mr. T. Deyalsingh: Total insanity! Mr. Speaker, all this borrowing by a Government which praises itself on being fiscally conservative has to be put in the context of our energy industry.

It is no secret that our major gas contracts are due to end between 2015 and 2018. Those gas contracts were predicated on low-cost production of gas. I had always posed the question in the other place, when I was there, to the hon. Minister of Energy and Energy Affairs. What is being done to pursue new gas contracts to replace those that are close to expiration? And you know what the answer always is, a deafening silence. A deafening silence. If we are not negotiating new contracts, what is going to happen is that these people are going to dismantle their plans and take it elsewhere to low-cost producers, so we cannot run away from the fact that between 2015—when you would demit office—and 2018, we would have to deal and negotiate new gas contracts.

And all of this, Mr. Speaker, is based on—is complicated by the botched negotiations for the Loran-Manatee field. Totally botched. Totally botched. There is a clause, 22.4 in that agreement, which gives either side the power of veto. Now, on the face of it, it might seem to be a good thing, so Venezuela cannot pull a fast one over us. But what use is our power of veto and Venezuela's power of veto in the context of Venezuela being the 9th country in the world as far as gas reserves are concerned, and we are number 33? The point I am making, Mr. Speaker, is that we need the gas more than Venezuela needs it. Venezuela does not need to monetize the Loran-Manatee to survive. They are number 9 in the world as far as gas reserves are concerned. We are number 33. Our 30 per cent of that field is much more valuable to us than their 70 per cent.

So, we have negotiated a contract where it is possible that we cannot get access to our share of the gas. What type of energy diplomacy, what type of energy policy is that? We have been underserved by this Government in gas negotiations for the 2015—2018 contracts, and we have been underserved in negotiations for the Loran-Manatee field. Because it is possibly under the terms of that agreement, that all that gas is going to stay right where it is, and we, Trinidad and Tobago, will have no access to it. But we need the gas as feedstock for Point Lisas. We need the gas! But we have negotiated our rights to that gas and negotiated them away. And I beg anyone opposite to tell me I am wrong, I would give way right here now. I will give way, explain it.

Mr. Indarsingh: Wrong.

11.10p.m.

Mr. T. Deyalsingh: Member for Couva South, you are mumbling. I will give way, explain it, tell me I am wrong.

Mr. Indarsingh: I “doh” have to explain that to you.

Mr. T. Deyalsingh: Because it is unexplainable. It is unexplainable. You have sold away our birthright to that 30 per cent of the Loran-Manatee field, totally sold it out. If any other Member wants to contradict me, I will give way. I will give way.

Mr. Speaker, in the context of these botched energy decisions, we now have to ask ourselves what it is we are really doing here. This Government speaks the language of spending well, record budgets. Four years of deficits, but it knows not the language of revenue. We always speak in this Parliament when the Government has a Motion, how we are going to spend, how we are going to borrow, but we never hear about the revenue side of things. What are the plans for—and this is what the Member for Diego Martin North/East was talking about in fiscal policy. What is your fiscal policy? What are your growth plans? And you know what is shocking, Mr. Speaker, I went on to the website of the Ministry of Finance and the Economy, and under the different categories, you press on “Monetary Policy”, you see a lot of things. You press on “Publications”; you see a lot of things. But you know when you click on “Fiscal Policy”, do you know what you see, Mr. Speaker? You see “Integrated Tax Processing System June 09, 2009”. That is the only item on the website of the Ministry of Finance and the Economy under fiscal policy, a 2009 document about tax collection. That is it; that is it.

Mr. Sharma: What is wrong with that?

Mr. T. Deyalsingh: There is absolutely nothing on the website of the Ministry of Finance and the Economy website about fiscal policy, which is the revenue generating inside of things.

Mr. Sharma: What is your point?

Mr. T. Deyalsingh: And that is why we are—the country has no confidence, absolutely nothing to do with fiscal policy.

Mr. Sharma: Nonsense.

Mr. T. Deyalsingh: You have things to do about spending and everything else.

Mr. Sharma: “Yuh tink PNM know how to spell. Spell kaleidoscope.”
[*Laughter*]

Mr. T. Deyalsingh: What is the Government’s position on transfer pricing? What is your position on property tax? That is a revenue collection item. We have foregone close to a billion dollars plus because of the COP’s slogan to ride into power: “Axe the tax”.

Mr. Sharma: Listen, you make enough TV.

Mr. T. Deyalsingh: Right. Axe the tax. The COP was successful. That is why I say the UNC does everything with the acquiescence of the COP; total acquiescence of the COP. Talk about the fiscal policy.

Mr. Speaker, in my earlier contribution, I lauded former Prime Minister Basdeo Panday for continuing the Atlantic Trains 1, 2 and 3. The Atlantic project was conceived and brought to full gestation by the Patrick Manning administration. And it was midwifed by Mr. Basdeo Panday, and he deserves credit for that, even though some Members opposite surrounding him at that time encouraged him not to do because it was a PNM thing. And I always say, where would this country have been today if Mr. Basdeo Panday had followed the dictates of his then cabal.

I do that, Mr. Speaker, because continuing in the vein of solid fiscal policy, in 2010 the same way the Patrick Manning administration gifted to the Government, Atlantic Trains 1, 2 and 3, and Mr. Panday to his credit, birthed it, this Government was gifted the Chennai project in 2010. That was sound fiscal policy borne and brought to full gestation by the Patrick Manning administration. The Chennai Group at that time was not as big as it is today. Chennai wanted to partner with us, technology transfer, skills transfer—[*Interruption*]

Mr. Sharma: Mr. Speaker, 36(1), please.

Mr. Speaker: All right, hon. Member for St. Joseph, I know that you are responding but try to relate a little more to the two Motions before this honourable House, please.

Mr. T. Deyalsingh: Thank you, Mr. Speaker. Mr. Speaker, we are here discussing in general terms the state of the economy. [*Interruption*]

Mr. Sharma: No, we are not.

Mr. T. Deyalsingh: One cannot divorce the state of the economy as mentioned by the Member for Caroni East, as mentioned by the Minister of Finance and the Economy, as mentioned by the Member for Couva South from the energy industry. This country earns 40 per cent of its GDP from the energy industry. So I am linking it via that route, but if you so rule I will leave the Chennai issue just to say that they were gifted an opportunity in Africa and they wasted it because there was no one willing to shake the hands of the people from Ghana and Chennai. It was a lost opportunity; totally lost opportunity.

Mr. Sharma: Right, move on.

Mr. T. Deyalsingh: So we are speaking about funding, and the Member for Couva South was at length about the Point Fortin Highway. We had a question earlier, Mr. Speaker, about the Point Fortin Highway. We have always said in this Parliament, how is the Point Fortin Highway being funded, this \$7 billion? Is it being funded from our current account?

Mr. Sharma: What was the answer?

Mr. T. Deyalsingh: The answer is no. Sorry, I think the answer is yes, because it was not funded by either the IADB or the Andean Development Bank. And I put it to the Minister of Finance and the Economy, one of the reasons that he needs this money is to address the folly of a \$7 billion funding from the current account. When they were being advised at the time to go to the IADB, go to them, but we would not go to the IADB because they did not want to adhere to tendering rules. And we have now reached the point where even the Andean Development Bank does not want to hear us and they have much less strict lending requirements.

Mr. Speaker, to reply to the Member for Couva South on the Point Fortin Highway, and this funding issue which we have always raised, the hon. Minister of Trade, Industry and Investment on CNC3, Sen. Vasant Bharath made the most startling admission on CNC3, where he said we are now blacklisted by the IADB because of the way we funded the Point Fortin Highway. One of their own admitted on CNC3, on national television, that we are now blacklisted by the IADB because of the way we are funding the Point Fortin Highway. And this is what we are saying. You made an error in the highway, in funding the highway, and we have been scrambling ever since to balance our cheque book. Everyone knows you do not fund a highly capital intensive product like a \$7 billion highway from your current account.

Mr. Speaker, if I use the analogy for the layman to understand, which layman—very few lay people buy a house or build a house without a loan. You go

for a loan because you do not have money or because you want to use the money for something else. You buy a house and you amortize it over 20 years or 30 years. Countries do the same thing for capital intensive projects. But not this Government, Mr. Speaker. They hurriedly found with a big cheque, if you remember to finance this highway out of our current account.

Mr. Speaker, we are now lepers, if I use the term, lepers in biblical sense in the international financial community. The IADB looks at us with some degree of scorn, even the Andean Development Bank—and they have much lower lending criteria. The Andean Development Bank is known for lending money. Even they are not too predisposed to lending money to us.

So if we switch gears a little bit now, because many speakers opposite spoke about the Clico issue, so it is now incumbent upon me to reply as I did to the discrimination in the education issue, as I replied to Member of Parliament for Caroni East on his assertion that the stock market is doing well and I had to inform him that if we take out the bank shares we are not doing well, and I think the hon. Minister of Finance and the Economy will agree with me, in his quiet contemplative moments.

The Clico issue, somewhere between, got \$15 billion to \$20 billion; it was always PNM policy to bail out Clico, always. But it was PNM policy to have Clico as a going concern and have people reinvest, renew their policies which they were starting to do. Their policy was different; their policy alluded to in various contributions by Members opposite. So the question is, how are we going to generate the cash to pay back the taxpayer that \$20 billion? Is it that we are going to do it via this mechanism of the Treasury Bills and the Treasury Notes? We need an answer for that, Mr. Speaker. Until we have an answer for that, the Clico issue is not finished. The Clico issue will not be finished. Give us some specifics as to what you need this extra elbow room for. And, Mr. Speaker, I say this in the context of what I saw, the orgy of spending I saw in the recent St. Joseph by-election.

I started back to walk in my constituency. I started back to walk in Mitagual—
[*Interruption*]

Miss Ramdial: Very good.

Mr. T. Deyalsingh:—commonly called “My tower”. And residents showed me at the corner of Akal Trace and Mitagual, moneys being spent one day before the by-election and on the day of by-election. Parked up in the shop at the corner of Mitagual Road and Akal Trace are four brand new wheelbarrows, 20 bags of

cement, one bundle of half inch steel, one bundle of quarter inch steel, sand and gravel to fix a drain. It is now three weeks after the by-election. Moneys have been spent. That is why I said, are we raising these bonds, these Treasury Notes and Bills for campaign—the project has come to an end.

Mr. Sharma: That is more we value.

Mr. T. Deyalsingh: They dropped off H-beams to build bridges on Mitagual Road.

Mr. Sharma: Check how many hours.

Mr. T. Deyalsingh: They dropped them off the day of the by-election. The Government forgets the people of St. Joseph. What is this money being used for? To fund campaign expenses? Please prove to the people of Mitagual and St. Joseph that they were not taken for a ride, because all the materials are still there. The people of Mitagual are honest people. The materials are still there, paid for by taxpayers. Fix the drains that you promised to fix. Fix them. [*Crosstalk*]

Another way which this Government is not being forthcoming with us as far as these Bills are concerned and raising money—what do they need access to all these billions of dollars for whether it is via the Treasury Bills, short term or the Treasury Notes, medium to long term? Because there is a plundering, Mr. Speaker, as we speak, and the Minister of Finance and the Economy has to address this; has to address this tonight. He has to tell this honourable Chamber about the plundering of cash reserves at NGC.

Miss Ramdial: What?

Mr. T. Deyalsingh: I will repeat it for the Member for Couva North.

Miss Ramdial: Yes, that is good—[*Inaudible*]

Mr. T. Deyalsingh: The plundering of the cash reserves at NGC, being used for purposes not originally intended, Mr. Speaker. So there are lots of financial irregularities going on. And again the plundering of NGC is being done with the acquiescence of my friends from the Congress of the People and they will not speak out against it. They will not speak out against it.

On another issue of expenditure, because we are now trying to raise \$25 billion via short-term Treasury Bills, medium-and long-term Treasury Notes. Is this money, Mr. Speaker, to be used by the Ministry of Planning and Sustainable Development, and the Minister of Planning and Sustainable Development to find jobs for every single tertiary level student graduate whether there are jobs or not?

11.25p.m.

This issue is now engaging the attention of the Minister of Planning and Sustainable Development to create jobs and therefore create a false economy so that they can keep their unemployment rates artificially low.

Dr. Rambachan: What is wrong with creating jobs for young people?

Mr. T. Deyalsingh: If the jobs are there, no problem, but what you are doing is creating a false economy. And ask yourself: is it sustainable? [*Crosstalk*] On the one hand, you fire contract workers because they look, smell or feel like a PNM, but on the other hand, now, we have to create employment opportunities for every single person, whether they need a job or not.

Answer that, and let the Minister of Finance and the Economy tell us tonight what is the cost of that initiative. If there are jobs available, no problem, but tell us tonight what is the cost of that—it is a laudable project. That is why I tell you, give us specifics; tell us. We have no problem with job creation. [*Crosstalk*] Every single tertiary student needs a job, but tell us the specifics and tell us the cost of that.

Because, you see, Mr. Speaker, this country, and this Government, has been on cruise control and automatic pilot for all of 2013. Ministers of Government have been hurrying and scurrying in Tobago, Chaguanas West, local government and St. Joseph, and not doing their work. In Chaguanas West I saw the Minister of Finance and the Economy hurrying and scurrying along the highways and byways of Chaguanas West—[*Interruption*]

Mr. Indarsingh: He lives in Chaguanas.

Mr. T. Deyalsingh:—campaigning for a lost cause.

Mr. Sharma: Against corruption.

Mr. T. Deyalsingh: Campaigning for a lost cause.

Mr. Indarsingh: He lives in Chaguanas.

Mr. T. Deyalsingh: The entire Cabinet for this year has not been doing their job. [*Crosstalk*] Again, all Ministers have been AWOL while the inmates run the asylum.

Hon. Member: I am a Minister; “I not AWOL”.

Mr. T. Deyalsingh: All Ministers have been AWOL.

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So, Mr. Speaker, as we come to a close of this debate—as I come to a close—
[*Desk thumping and interruption*]

Hon. Member: Very good.

Mr. T. Deyalsingh:—we on this side are concerned about the economic trajectory of Trinidad and Tobago. We are not imbued with confidence that this Government knows what they are doing and we have warned this country enough about several matters pertaining to the economic development: the funding of the highway; \$7 billion from the current account. We have warned you about that.

Mr. Speaker, with those few words, I thank you. [*Desk thumping*]

Mr. Speaker: The hon. Member for Arouca/Maloney.

Miss Alicia Hospedales (*Arouca/Maloney*): Mr. Speaker, I am thankful for the opportunity to contribute to this Motion. Mr. Speaker, the Minister of Finance and the Economy came here this evening and he told us that they are seeking to increase the borrowing limit of Treasury Notes from \$5 billion to \$15 billion and of Treasury Bills from \$15 billion to \$30 billion. The Minister claims that this is to absorb liquidity in the system, and I really want to ask him: what does the ordinary citizen understand about what he would have said and how much value does it have to these individuals, and in what way is this going to impact their lives?

Mr. Speaker, when I looked at the Motion, I was totally amazed that approximately nine weeks after we came to this House and debated the budget, a budget of \$61.398 billion, with a deficit of \$6.357 billion, you know, representing how much money they have projected to overspend for the year 2014—after approximately nine weeks, we are back here and the Government is telling us that they would like to increase the borrowing limit of Treasury Bills and Treasury Notes. Mr. Speaker, I am totally amazed at this.

Hon. Member: Why?

Miss A. Hospedales: You know—because it is extremely difficult for me—and even as you heard, my other colleagues—to support this request made by the Minister of Finance and the Economy on behalf of the Government. It is extremely difficult.

What the Minister of Finance and the Economy is seeking to do is borrow more money after a record-breaking deficit budget, and we have seen them come here over and over and over, indicating that they are going to overspend.

Another reason that I cannot support the Minister of Finance and the Economy's request is because they have misappropriated, mismanaged, misused, billions of dollars and in some instances, they cannot give account for it.

Dr. Rambachan: Like the Tarouba stadium.

Miss A. Hospedales: In some instances, they just cannot give account for it. [Crosstalk]

Hon. Member: "Like de Tarouba stadium?"

Miss A. Hospedales: Mr. Speaker, in 2011, you know, when I was reflecting on the Motion that—[Crosstalk]

Mr. Speaker: Members, please!

Miss A. Hospedales: When I was reflecting on the two Motions that were before the House, Mr. Speaker, I remembered in 2011, we were brought here by the then Minister of Finance to debate the increase in the borrowing limit under the Guarantee of Loans (Companies) Act, Chap. 71:82. They were seeking at the time to increase the borrowing limit from \$9billion to \$25billion. Mr. Speaker, at the time the Government did not in any way justify the reason why they were going to increase the borrowing limit despite the fact that many Members on this side asked several questions as to the reasoning behind the increase in the borrowing limit. We got no answers.

Even though we expressed concern that increasing the borrowing limit is going to cause the Government to enter into—to experience difficulty in terms of having to repay the money that they would have been borrowing, they did not take us on and they simply went ahead and passed the Motion.

Mr. Sharma: "What yuh recommend now?"

Miss A. Hospedales: Mr. Speaker, "yuh" know, one of the things that I reflected on, again, is the fact that the Governments then, and even now, and will continue, I am sure, to lack transparency and accountability, and they will continue not to be open with the people of Trinidad and Tobago when it comes specifically to the management of the affairs of the economy.

Mr. Speaker, you know, they have been creating an environment of instability when it comes to the economy. Yes, they are saying a whole lot of lofty things about the economy: it is flourishing, this, that and the other, but is that really the reality? They have been creating an environment that does not sustain economic development.

I heard the Member for Caroni East talk about the fact that they have an economic development plan. Is that really true? You know, we on this side know that is not the reality because even the Member for St. Joseph mentioned that there is no fiscal policy. The Government has nothing at all. Where are the fiscal policies? They have no plans for the economic development of this country. Mr. Speaker, in my estimation, the only economic development plan that I see is: borrow; borrow more, and when they finish borrow, borrow again. That is the economic development plan that they have for the country.

Mr. Speaker, page 5 of the Auditor General's report for 2011 and 2012 indicated that the Exchequer Account, the banking account for the Consolidated Fund, was overdrawn in 2011 by \$20.12 billion, which was an increase of \$6.9 billion, or 52.56 per cent increase. In 2012, the Exchequer Account was overdrawn by \$23.481 billion, which was an increase by \$3.352 billion or a 16.65 per cent increase. The Exchequer Account is overdrawn by billions of dollars for 2011, 2012 and I am sure the records for 2013, and even at the end of 2014, would show even more billions of dollars in terms of money that has been overdrawn in the Exchequer Account.

Mr. Speaker, this is hard-earned taxpayers' money that has been overdrawn. The Government is continuing to waste the taxpayers' money of this country. You know, when I look at the Auditor General's Report of 2011—2012, I call it the book of enlightenment because it enlightens us on the way in which the Government has mismanaged the hard-earned taxpayers' money of this country. It creates, you know—it helps us to better understand how they have not been able to utilize the funds that have been available to them and the fact that they are just doing things and we are not seeing the evidence.

They have spoken about our mega projects numerous times, but at least the people of this country could have seen where the money was going, Mr. Speaker. They have no evidence. They have no evidence, Mr. Speaker, none whatsoever. Where are the projects? Where are you investing the money?

So, Mr. Speaker, the UNC-A Government, again, is going to put this country in a very difficult position because of the fact that the debt that they are creating for us, it may take us not just a generation, but generations to pay off the debts after they are finished with us.

Mr. Speaker, again, I must ask the Member—I wish the Member for Caroni East was in his seat because I would like him to tell me if this is the economic development plan that they have for the country. You know, when I thought about

these Motions that we have before this House, I was really, really very concerned because of the fact that, you know, it helped me to go back and reflect and look at the way in which the Government has really managed the money that is available to them.

Mr. Speaker, again, making reference to the Auditor General's Report of 2012, on page 92, it had outlined the revenue, the expenditure and the overspending, right, that the Government engaged in for the year 2011. And listen: the revenue was \$47.519 billion; the expenditure was \$54.47 billion, and overspending was \$6.951 billion.

Mr. Speaker, they went again—you know, when we were in government, they came to this House and they criticized us; they talked so many negatives about deficit budgeting, but, you know, they ran with haste to ensure that every single budget they had since they came into office was a deficit budget, and way surpassing the ones that we actually would have put before this House.

Mr. Speaker, in 2012, the revenue was \$52.312 billion; the expenditure, \$55.702 billion and overspending, \$3.390 billion, and I suspect that in 2012, it would have been a little more because they came back several times making requests for money for varying reasons, because at the end of the day, the deficit for 2012 would have skyrocketed.

Mr. Speaker, for 2012 and 2014, when I looked at the budget statements—the budget statement made by the current Minister of Finance and the Economy, he told us that in 2012 the revenue was \$50.7 billion; the expenditure \$58.4 billion and overspending was \$7.7 billion. And of course, just to repeat 2014, the revenue was \$55.01 billion; expenditure, \$61.39 billion and the projected overspending for 2014 is \$6.357 billion. Mr. Speaker, they have spent more than they have. In 2011, they spent more; 2012, they spent more; 2013, they have spent more than they had, and in 2014, they have projected to spend more than they have.

Again, you know, these were the said people who—"yuh" know, it is almost like the boy who cried wolf. They went on the housetops and shouted at the top of their voices: "PNM—yuh know—engaging in deficit budgeting", and they just went and did the same thing.

11.40 p.m.

They should be ashamed of themselves. And not only that, you know, but they had the highest deficit budget ever to be recorded in the history of Trinidad and Tobago. They have been placing our country in the red and, as I said, Mr.

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Speaker, if we do not catch ourselves, if the citizens of this country do not catch themselves, what is going to be happening is that for years, not just a generation, but generations down the road, we will still be paying for the loans that these individuals have taken.

Mr. Speaker, over \$18 billion in three years' overspending, and projected overspending for 2014 would take us to over \$24 billion, money overspent by this UNC Government. Mr. Speaker, this country I am sure—you know, the Member for Caroni East talked about the country will never forget what the PNM basically would have left, but the country would never ever, ever forget the things that the UNC-A Government would have taken them through. They would never ever forget the debt that you all have put us in.

When we take a look at the loans—again, as I said, the Auditor General's Report is really a book of enlightenment. A report of enlightenment, Mr. Speaker, because when you take a look at the loans taken by the Government referred to 2011 and 2012 of the Auditor General's Report, again, local loans for 2011, \$18.6 billion; 2012, \$31.4 billion. Mr. Speaker, this is not millions, this is not even hundreds, this is not even a few 10s or 20s. You are talking billions of dollars in loans. External loans: \$9.5 billion in 2011; \$10.5 billion in 2012. Guarantees: \$16.1 billion in 2011; \$19 billion in 2012. Letters of Comfort: \$1.6 billion in 2011 and \$1.3 billion in 2012. Promissory Notes: \$2.4 billion in 2011 and \$2.43 billion in 2012. These loans do not include off-balance sheet budgeting and operational budgeting. It does not include those things. So if we were to add all of those things together, I mean, we would not be able to stop counting the billions of dollars that are currently before us in loans. Can our economy further sustain an additional increase in the borrowing limit? I would like the Minister of Finance and the Economy to tell us that. Can our economy sustain an increase in the borrowing limit for the Treasury Bills and Treasury Notes?

Mr. Speaker, the UNC-A Government has failed to give account to the citizens of this country. They have overspent—I mean, spent more than they have, billions of dollars squandered and nothing, nothing. We have nothing to show. What is there really to say that they have done? We cannot support them in their quest to increase the borrowing limits.

Under the Infrastructure Development Fund—and, again, I am making reference to the Auditor General's Report, because if in some way or the other, the Auditor General could have recovered all of the money that could not have been accounted for, I am sure the Minister of Finance and the Economy would not have had to come to this House to ask for any money borrowed.

Mr. Speaker, the expenditure totalling \$10,781,582 was not verified for the construction of libraries at Chaguanas, Couva, Rio Claro and Mayaro under the Minister of Arts and Multiculturalism. This, for me, was a cause for concern because, you know, in the community of Arouca, Arouca is shared between two constituencies, the Lopinot/Bon Air West constituency and the Arouca/Maloney constituency. We have seven primary schools, four secondary schools and I have been basically asking, pleading, you know, begging for a library in the Arouca area. The land is available.

Mr. Seemungal: PNM did not do it?

Miss A. Hospedales: Yes, it was approved to be constructed under the People's National Movement. The land actually was to be utilized for some heritage museum, and the land was actually transferred over to the Ministry of Information at the time, I believe, so that the—*[Interruption]*

Mr. Seemungal: He did not want to do it.

Miss A. Hospedales: Yes, it was approved to be built—library would have been built to service the schools in that area.

So as I said, when you hear all of this money, \$10 million plus unaccounted for, it is cause for concern. Over \$240 million in payments made for work done at the Wallerfield Industrial Technology Park under the Ministry of Trade, Industry and Investment could not have been verified. This could have been utilized, once the money was available, in patching our roads. Mr. Speaker, I have had to resort to hiring a mason, taking money out of my own pocket, purchasing materials to patch holes in a community, in the constituency. That should never be at all. That should never be. *[A Member pats the desk]*

You know, they patting the desk when—especially when the Tunapuna/Piarco Regional Corporation was under them—they should have been out there ensuring that our roads were patched, our roads were paved, the drains were clean. The roads became deplorable over the last three and how many years that they have been in office. *[Crosstalk]* Yes, I am telling you they were in a better condition. They were in a much better condition. I am telling you. I am telling you. Mr. Speaker, the Auditor General revealed that the records—

Mr. Speaker: Hon. Member, you know I have given you a lot of elasticity. You have been speaking for the last half an hour about the Auditor General's Report. You have not touched about open market operations or monetary policy in terms of credit and exchange conditions. These are the resolutions that are

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before this honourable House, but you have chosen to debate the Auditor General's Report. Please, connect to the resolution otherwise I will have to deem you irrelevant. Okay? So I am giving you an opportunity to get back to the resolutions, please.

Hon. Member: We do not want that. [*Crosstalk*]

Miss A. Hospedales: Mr. Speaker, based on the Motions that have been before the House, it is to increase the borrowing limit, and what I am trying my best to do, is to establish the fact that it is unjustified by the Government. And as I indicated to you before, the overspending, the millions of dollars of payments that cannot be verified by the Government, again, strengthens the point that it is unjustified by the Government to come before this House today and to tell us that they want to increase the borrowing limit for the Treasury Bills and Treasury Notes. They have not managed well.

So, I would like to say that the Government's proposal to increase the borrowing limits of the Treasury Notes and Treasury Bills does in no way impact my constituents. I would like to say how, Minister of Finance and the Economy, will it impact the students of the Bon Air Government Primary School, who for the longest while, the staff and the teachers have been going to school in unsanitary conditions? For instance, the floors are not tiled, concrete dust they have to face on a daily basis. Additionally, they have no fans or limited fans in a very, very hot environment. They have no public announcement system, no assembly hall. Just imagine that during the rainy season they have no assembly, no common assembly, and, Mr. Speaker, because they do not have a public announcement system, every teacher actually has to take their class through the prayer and through the different pledges and that kind of thing because they do not have a public announcement system. How does the increase in the borrowing limit of the Treasury Bills and Treasury Notes impact these students at the Bon Air Government Primary School? Their teachers do not have a photocopying machine. They normally have to go and pay to get photocopies so that their children would not be left behind.

Mr. Speaker, the courtyard in the school, the gravel; actually it is so worn that the children actually fall down, their sneakers burst up because of how deplorable that courtyard is. It needs to be paved. How does the increase in the Treasury Bills and Treasury Notes impact the students at the Arouca Government Primary School? That school holds a capacity of 400, but it is beyond. It took in students beyond the capacity for many years, up to over 600. So the school is overcrowded, there is need for additional rooms, there is need for a new building.

How will the increase in the borrowing limit of the Treasury Bills and Treasury Notes impact the residents of Bon Air Gardens? I really want to point out this one.

Mr. Speaker, in 2010, under the Ministry of Community Development, the community centre was approved to be built for the Bon Air community. When the Government came into office, they pulled back the contract and do you know what has happened? I would like the Minister of Community Development to tell us why is a prominent calypsonian now using the land designated for the community centre to rear goats? Why is that happening? I asked him to investigate it. He knew that—[*Crosstalk*] Yes, he is. I told the Minister to investigate it. He knew exactly who it is.

Mr. Speaker, I would like to find out how would the increase in the borrowing limit for the Treasury Notes and Treasury Bills impact the residents of Trincity who have been, you know, since 2010, looking out for their community centre? It was approved to be constructed in 2010, and when this Government came into office, they pulled it back. We cannot stand here and agree with the Minister of Finance and the Economy to increase the borrowing limit for the Treasury Bills and Treasury Notes. We cannot agree to them borrowing to continue to mismanage, to squander, to waste, to overspend, and we cannot agree to them putting our country in the red, causing our country to be in debt for many generations to come.

Mr. Speaker, I thank you. [*Desk thumping*]

Mr. Speaker: The hon. Minister of Finance and the Economy.

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai): Thank you, Mr. Speaker. I have to admit the debate has wandered over a very wide sphere—[*Interruption*]

Hon. Member: Goats.

Sen. The Hon. L. Howai:—goats—[*Interruption*]

Hon. Member: It ended up in a goat pen.

Sen. The Hon. L. Howai: Yeah—community centres, Loran-Manatee. [*Crosstalk*]

The Motion before us, Mr. Speaker, is to increase the borrowing limits for Treasury Bills and Treasury Notes to facilitate open market operations aimed at managing the overall level of liquidity in the system; is intended to deal with the

overall macroeconomic policy; and is intended to address issues such as interest rate, foreign exchange policy to some extent, the impact that surplus liquidity could have on foreign exchange and to deal with matters of a general macroeconomic impact. So the intention here, Mr. Speaker, in increasing these limits is to deal with the overall management of the economy.

11.55 p.m.

In 2006, we increased the T bill limits from \$5 billion to \$15 billion. At that time, the total deposit base in the system was approximately \$46 billion. Today, the total deposit base is somewhere around \$93 billion. In 2010, just before the former Government demitted office, they had projected to—the Cabinet had approved actually an increase in the T bill limit to \$25 billion and an increase in the T note limit to \$10 billion.

We are proposing to increase these limits by slightly larger amounts but only because, again, the level of liquidity is much larger than it was then. For example, the projected increase in the T bill limit by the former administration was a \$10 billion increase at a time when surplus liquidity was \$1.7 billion. Today, surplus liquidity is \$6 billion conservatively estimated. It is therefore important for us to see the increases being proposed in the limits in the context of that overall level of deposits of liquidity, and I think it is nowhere out of line with what may have been suggested by the former administration prior to demitting office.

Mr. Speaker, much has been said about the total level of debt, that the figure is \$91 billion but, again, that figure includes the funds that are raised under open market operations. As I said, open market operations, the funding is normally kept in a blocked account at the Central Bank, and it is simply used to retire the debt when it comes up. So none of the lending agencies, none of the international rating agencies, none of the organizations that look at our overall credit rating or on the overall level of debt, include these numbers in the indication or in the total measure of debt for the country as a whole. So that it is not a question of borrowing money to spend but simply borrowing money to move it out of the system and out of circulation in the economy as a whole, in order to ensure that we manage liquidity so as to prevent spiralling interest rates or interest rates that go too low which could potentially also create the issues we mentioned of asset bubbles and so on.

So I want to, perhaps for the *Hansard*, just correct what may have been a mistaken notion that in fact this is money being borrowed to be spent on all kinds of other things, community centres or possibly schools, goats, whatever it is—
[*Interruption*]

Mr. Sharma: Wheelbarrows. Imagine that! [*Laughter*]

Sen. The Hon. L. Howai: Wheelbarrows, “yeah”, in order to—but these funds are really raised in order to take money out of the system and to manage liquidity.

So I think, you know, an issue was also raised about Loran-Manatee and I would just want to, again for the records, indicate that the Loran-Manatee—the arrangements for Loran-Manatee is not that either side is going to get everything, we have both retained the vetos that we both require in order to ensure that we do not—the field is not developed to the detriment of either party, and negotiations continue with a view to determining how the field will eventually be developed. No decision has been made on that as yet.

I would want to say, Mr. Speaker, again to emphasize, while I would certainly not say that the economy is booming, we are seeing a consistent level of growth taking place in the economy. Over the past four quarters, we have seen that occur. That is a matter for the record and we have seen that start to accelerate. We have seen the increase in the non-energy sector particularly, and particularly agriculture which has shown consistent growth in the last three quarters. It is still early days in the entire process of turning around the economy. There is still much to be done, there is still much to show by way of consistency of that effort, but certainly things are going in the right direction after having to deal with the overhang of issues related to the CL Financial and other similar issues.

So, Mr. Speaker, I would like to commend to this honourable House that it is very important that the level of—the increase in the limits for Treasury Bills and Treasury Notes be considered in a very positive way because it is very important for us to continue that entire process of managing the overall performance of the economy, for managing the level of liquidity in the system and for giving the Central Bank the tools that it requires in order to ensure that it can effectively do the job that it has to do.

So, Mr. Speaker, with just those few final words, the debate has been long, I beg to move. [*Desk thumping*]

Question put.

Miss Mc Donald: Division.

The House divided: Ayes 15 Noes 6

AYES

Moonilal, Hon. Dr. R.

Sharma, Hon. C.
Ramadhar, Hon. P.
Gopeesingh, Hon. Dr. T.
Peters, Hon. W.
Rambachan, Hon. Dr. S.
Seemungal, Hon. J.
Roberts, Hon. A
Cadiz, Hon. S.
Baksh, Hon. N.
Griffith, Hon. Dr. R.
Ramadharsingh, Hon. Dr. G.
De Coteau, Hon. C.
Samuel, Hon. R.
Indarsingh, Hon. R.
NOES
Mc Donald, Miss M.
Hypolite, N.
Mc Intosh, Mrs. P.
Deyalsingh, T.
Thomas, Mrs. J.
Hospedales, Miss A.

Question agreed to.

Resolved:

That for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, the Minister of Finance and the Economy is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate, fifteen thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Notes.

**TREASURY BILLS ACT
(INCREASE IN BORROWING)**

The Minister of Finance and the Economy (Sen. The Hon. Larry Howai):
I beg to move Motion No. 3 standing in my name:

Whereas section 2(1) of the Treasury Bills Act, Chap. 71:40 provides that the Minister of Finance and the Economy may borrow in Trinidad and Tobago such sum or sums not exceeding in the aggregate, two thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies and such further sum or sums as may be specified by resolution of Parliament, or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills; and

Whereas it is necessary for the Minister of Finance and the Economy to borrow further sums of money for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago:

Be it resolved that for the purposes of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago, the Minister of Finance and the Economy is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate, thirty thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills.

Mr. Speaker, I beg to move.

Question proposed.

Question put.

Miss Mc Donald: Division.

The House divided: Ayes 16 Noes 6

AYES

Moonilal, Hon. Dr. R.

Sharma, Hon. C.

Ramadhar, Hon. P.

Gopeesingh, Hon. Dr. T.

Peters, Hon. W.

Treasury Bills Act (Increase in Borrowing)
[SEN. THE HON. L. HOWAI]

Friday, November 22, 2013

Rambachan, Hon. Dr. S.
Seemungal, Hon. J.
Roberts, Hon. A
Cadiz, Hon. S.
Baksh, Hon. N.
Griffith, Hon. Dr. R.
Ramadharsingh, Hon. Dr. G.
De Coteau, Hon. C.
Khan, Hon. Dr. F.
Samuel, Hon. R.
Indarsingh, Hon. R.
NOES
Mc Donald, Miss M.
Hypolite, N.
Mc Intosh, Mrs. P.
Deyalsingh, T.
Thomas, Mrs. J.
Hospedales, Miss A.
Question agreed to.

Resolved:

That for the purposes of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago, the Minister of Finance and the Economy is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate, thirty thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills.

ADJOURNMENT

The Minister of Housing and Urban Development (Hon. Dr. Roodal Moonilal): Thank you very much, Mr. Speaker. I beg to move that this House do now adjourn to Friday, November 29, at 1.30 p.m. and to serve notice that next week Friday would be the Private Members' Day and my friend opposite will indicate to us the nature of our business on that day.

Adjournment

Friday, November 22, 2013

May I also indicate, Mr. Speaker, by agreement, we have asked the Member for Diego Martin North/East has consented that the Motions on the Adjournment—two today—would be dealt with at the next sitting of the Parliament. I beg to move.

Mr. Speaker: Would you like to indicate what Motion the Opposition will be dealing with?

Miss Mc Donald: Mr. Speaker, I hereby give notice to the Government that on Private Members' Day, that is Friday, November 29, we will be debating Motion No. 6 on the Order Paper under Private Business.

Hon. Member: "Wha' is that?"

Hon. Dr. R. Moonilal: Point Fortin Hospital?

Miss Mc Donald: That is on the Point Fortin Hospital.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 12.09 a.m.